

Somerset Estates Homeowners Association Seventh Annual Homeowner Meeting

Welcome

Please sign in with the Secretary

March 27, 2025

7:00pm

Somerset Estates Homeowners Association

Maximizing Our Home Values, Quality of Life, and Position as a Premier Community

Current Executive Board

1. Jon Gillespie-Brown
2. Anthony Chirikos
3. Paula Hemenway*
4. Steve Lehan*
5. Open Seat

Terms continue through March 2026

* Term Expires Tonight

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Agenda

- 1) Call to order / Quorum / Proof of notice
- 2) Ratification of 2025 budget
- 3) Approve prior minutes (March 26, 2024)
- 4) Update by current Board
- 5) Candidate introduction / Q&A
- 6) Executive Board election
- 7) Member Open Forum
- 8) Adjourn

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Objectives

- Ratify quarterly dues increase from \$825 to \$900
 - *Not voting on potential future assessments*
- Review the year
- Elect three board members

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Conduct of Meeting

- Board will call on homeowner to ask questions – say your name, keep questions and responses short (<2 minutes). *No follow-up - No interrupting.*
- No personal attacks or offensive language. *Let's keep things neighborly!*
- **Disruptive behavior will lead to person being asked to leave. *If the disruptive individual won't leave, the meeting will be adjourned or we will call the sheriff.***
- Meeting is not being recorded.
- Zoom will be muted, no questions from Zoom.

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- 1) Call to Order - President
Quorum / Proof of Notice
- Secretary

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2) Ratification of 2025 Budget - Treasurer

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2024 Actuals and 2025 Budget Summary

	Approved 2024 Budget	2024 Actuals	Variance - Better (Worse)	Proposed 2025 Budget
REVENUE				
HOA Dues	\$292,975	\$292,375	(\$700)	\$313,725
Other Revenue	\$10,000	\$11,370	\$1,370	\$2,000
Total Revenue	\$302,975	\$303,645	\$670	\$315,725
EXPENSES				
Operating Expenses	\$191,810	\$199,639	(\$7,829)	\$217,265
Capital Expenses	\$249,000	\$97,460	\$164,550	\$303,920
Total Expenses	\$440,810	\$297,099	\$143,711	\$521,185
INTEREST & OTHER INCOME	\$10,000	\$15,272	\$5,272	\$10,000
NET INCOME	(\$127,835)	\$21,818	\$149,653	(\$195,460)

Proposed 2025 Regular Assessments

	2024 Actual	2025 Budget
Assessments per Lot per Quarter <i>(starting Q2 each year)</i>	\$825	\$900 <i>(~9% increase)</i>
Total HOA Dues	\$292,975	\$313,725

- Ratification of Budget is to approve dues increase from \$825 to \$900 per quarter
- No special assessment is being considered or voted upon this evening

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2025 Operating Expenses

	2024 Budget	2024 Actual	2025 Budget
Administrative Expenses	\$37,450	\$47,075	\$58,265
Landscaping Maintenance	\$75,160	\$75,977	\$74,400
Water Infrastructure Maintenance	\$46,000	\$46,578	\$56,000
Other Infrastructure Maintenance	\$12,200	\$12,040	\$9,100
Water and Utilities	\$21,000	\$17,969	\$19,500
Total Operating Expenses	\$199,639	\$199,639	\$217,265

Significant increases from 2024 in Admin Expenses and Water Infrastructure Maintenance

- Increased legal fees from \$1,000 in 2024 budget to \$10,000 in 2025 budget
 - Current Board believes that at least three law firms are engaged by homeowners about possible claims against SEHOA
- Increased Professional fees from \$0 in 2024 budget to \$7,510 in 2025 budget
 - Second half of Aspen Reserve study (\$2,510)
 - Flock security camera system (\$5,000)
 - Unbudgeted expense for above was \$10,782 in 2024
- Increased Irrigation Maintenance and Repair from \$30,000 to \$40,000
 - Additional provision due to age of irrigation system and 2024 actual spending higher than budget

2025 Capital Expenses

	2024 Annual BUDGET	2024 Year Totals ACTUALS	Proposed 2025 BUDGET	NOTES
CAPITAL EXPENSES				
Water Infrastructure and Features Capital Projects				
Pond 1 Upgrades (ditch bottom; meters)	\$ 3,500	\$ -	\$ 3,500	Shared 50% with SHOA
Pond liner replacement - Pond 1	\$ 3,700	\$ 3,700	\$ -	
Pond 3 Rebuild	\$ 100,000	\$ -	\$ 126,720	Deferred from 2024 to 2025; may be delayed again due to limited construction time window
Pond 2 Liner Repairs	\$ 40,000	\$ 60,516	\$ -	
Waterfall pump replacement	\$ 16,000	\$ -	\$ 35,000	Deferred from 2024 to 2025; includes electrical
Total Water Infrastructure Capital Projects	\$ 163,200	\$ 64,216	\$ 165,220	
Hardscape Capital Projects (Fences, Paths, Monuments, Lighting)				
Path Replacement	\$ -	\$ -	\$ 2,800	Repair sidewalk around Pond 3
Major repairs of street monuments	\$ 3,000	\$ -	\$ 3,000	
Modifications of entrance monuments	\$ 10,000	\$ 13,010	\$ -	
Median light at Hwy 52 plus other lighting	\$ 33,000	\$ 17,843	\$ 12,000	New median light at Hwy 52 delayed to 2025 (on-site and ready for installation)
Total Hardscape Capital Projects	\$ 33,000	\$ 30,853	\$ 17,800	
Softscape Capital Projects (Design, Trees, Vegetation)				
Specific Location Landscape Plan	\$ 7,800	\$ 2,391	\$ 9,000	Outlot D design
Landscape at Outlot D			\$ 31,900	Added landscaping at Outlot D (around ponds 2 and 3)
Landscape at Hwy 52	\$ 40,000	\$ -	\$ 75,000	Delayed to 2025 – have updated, simpler design that could be done this spring
Cyclical Landscape Refurbishment	\$ 5,000	\$ -	\$ 5,000	
Total Softscape Capital Projects	\$ 52,800	\$ 2,391	\$ 120,900	
TOTAL CAPITAL EXPENSES	\$ 249,000	\$ 97,460	\$ 303,920	

Regardless of what's contained in the 2025 capital budget, the new Board will need to decide which of these projects to pursue, if any (other than the Hwy 52 median light)

Cash Balance

Operating Account Balance as of 12/31/24	\$24,717
Reserve Account Balance as of 12/31/24	\$383,378
Combined Balance as of 12/31/24	\$408,095
Less: Net Income	(\$195,460)
Projected Combined Balance as of 12/31/25	\$212,635

- Conceptually, SEHOA expenses are divided into two parts:
 - Operating expenses (occur annually and predictably)
 - Capital expenses (larger projects that occur infrequently)
- All revenue and expenses flows through the Operating Account:
 - Reserves account is funds invested in interest-bearing accounts
 - Funds are moved as needed to pay expenses and to maximize interest

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Budget Ratification Vote

- Please vote on the paper ballot, pass to the right.
- We will collect and count.
- Ratified unless 50% (45) of all Members vote to disapprove the budget.
- If not ratified, 2024 budget and current assessments are carried forward to 2025 until the new Board proposes a new budget for ratification.

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3) Approve Prior Minutes (March 26, 2024)

Secretary - Voice Vote

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4) Update by Current Board

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Hwy 52 Entrance Improvements

- Repaired Hwy 52 entrance monuments – new stucco, polished letters, repaired lights over letters, painted sconces



BEFOR



AFTER

- Improved ^Flighting at Hwy 52 – median tree lights with color options, new median light to be installed soon.

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Longview Entrance Monuments

- Repaired Longview entrance monuments, replaced flood lights, and installed Flock camera security system



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Landscape Plans for Entrances

- Completed simple landscape plans for Hwy 52 and Longview entrances



- Getting bids on plantings at entrances
- Need to decide whether to plant this spring

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Pond Projects -Where are our Ponds?

The eight homeowner lots containing ponds 4-7 (“Easement Ponds”) are circled in red. On an easement, not common property.

Other than a glimpse of pond 4 through large bushes, these ponds are not visible from public areas (paths, streets, etc.).



Pond 1 (in SHOA, not pictured here) and pond 2 are essential for irrigation.

The remaining ponds 3-11 are water features or “aesthetic,” with the possible exception of pond 7 serving a backup role for irrigation.

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Pond 2 Vegetation Damage

- Removed vegetation around pond 2 and completed partial repair of pond 2 liner.



After juniper/bushes removal



North side repair, concrete apron



Today

- Need landscape plan for north side.
- Will check if leaking after start getting ditch water.

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Pond 3 Project Delayed

- Pond 3 has significant leaks – project put on hold in 2024.



Today



- Water level drops quickly once ditch water is shut off.
- Plan was to get a couple of designs with different ponds options and landscaping around ponds 2 and 3 to present to homeowners.

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Collected Information for Homeowner Decision

- Pond 3 raised significant questions and discussion so board collected independent, unbiased information about the water infrastructure:
 - Property law and related – Scott Osgood, Osgood & Osgood
 - Water law – Mark Detsky, Dietze & Davis (and Lyons Gaddis)
 - Storm drainage – David Webster, Boulder County Engineer
 - **Expected infrastructure capital costs – Aspen Reserve Specialties
(Owner and analyst to speak shortly)**
- Proposing and evaluating options will be task of new Board. Options need to be considered that balance assessments while keeping our neighborhood wonderful.
- **Any special assessment requires homeowner approval – the \$25K is our estimated unfunded liability (including possible water rights costs) and it's a basis for discussion and planning only.**

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Aspen Reserve Specialties (Zoom)

- **Mike Kelsen**, Owner and certified Reserve Specialist
 - Involved in the reserve study industry for 30+ years
 - Has completed over 6,000 reserve studies and over 4,700 property inspections in 13+ states
 - Awarded the Professional Reserve Analyst designation in 2011 by the Association of Professional Reserve Analysts national organization
 - Has been actively involved in the Community Associations Institute, which body certifies reserve specialists



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5) Candidate Q&A

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Q&A Rules

- Managed by the board.
- Homeowners can ask a question of any candidate Say your name, ask a brief question - max 2 minutes. Get a 2-minute answer.
Or, make a 2 minute statement.
- Candidate gets 2 minutes to reply.
- Keep to one question per household.
- **Leading questions to "campaign" will be called out and rebutted.**

Finish by 8:45 PM

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Candidates

- Astrid Kirschenbaum
- Lisa Smith
- Steve Flannery
- Herb McPherson
- Mike Stears
- Ron Budacz
- Other nominations?

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First Question to All Candidates

What two or three specific ideas do you have or what actions will you take as a board member to improve the community and address the issues we face?

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6) Executive Board Election

- By paper secret ballot
- Collected in ballot box
- Counted by three homeowners

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7) Member Open Forum

Open Forum while the count is completed –
finishes once count is complete

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8) Results

Announced by a homeowner from the
counting team.

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Adjourn

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