



SOMERSET ESTATES HOMEOWNERS ASSOCIATION

March 28, 2023 Annual Meeting Information

February 28, 2023

Dear Somerset Estates Homeowner,

You are cordially invited to attend the fifth Annual Meeting of the Somerset Estates Homeowners Association (SEHOA) on Tuesday, March 28 at 7 PM. You have a choice of attending in person, by Zoom, or by proxy. **A quorum of 20% of Members is required to conduct business at this meeting,** so please either attend **or submit a proxy.** If you are unsure if you will attend the meeting either in person or by Zoom, we ask that you submit the proxy form in advance as you may still revoke your proxy if you decide to attend.

If you want to attend in person: The in-person meeting location is the **Mountain View Fire Station at 8500 Niwot Road.** The meeting room is located to the far left of the building as you face the large garage doors. Parking is limited so you may need to park on a street nearby.

If you want to attend by Zoom: The log-in is Meeting ID: 872 2030 4114 and Passcode: 232279.

If you want to provide a proxy: Please return the enclosed proxy form by emailing scan or photo to info@somersetestates-hoa.com, giving it to the person you chose as your proxy representative, or mailing it to P.O. Box 621, Niwot CO 80544 so that it is received by March 27 at 3 PM.

This letter constitutes the notice requirement of the Bylaws. The main purposes of the meeting are to ratify the 2023 budget and to elect three directors for two-year terms on the Executive Board. We will also present an update on our current status and plans for the year ahead.

Please note that only Members that are no more than 30 days late in the payment of assessments and are otherwise in good standing are entitled to vote. Please contact our property manager, Allan Orendorff, at trioproperty@comcast.net if you are unsure whether you are current in your payments through the January 1, 2023 invoice.

Order of Meeting

- Budget Meeting (starting at 7 PM)
 - Ratification of 2023 Budget (enclosed)
- Business Meeting
 - Approval of Minutes from March 29, 2022 Annual Meeting (enclosed)
 - Update by Current Board
 - Statements from Candidates for the Board
 - Candidate Q&A
 - Executive Board Election
 - Member Open Forum

2023 Proposed Budget

At the Executive Board meeting on February 21, 2023, the Board passed a resolution to adopt the enclosed 2023 Proposed Budget. **The proposed budget sets the quarterly assessment at \$750/qtr starting on April 1, 2023.** As the 2023 annual assessment of \$2950 (\$700 in first quarter and \$750 for next three quarters) is not greater than 110% of the 2022 annual assessment of \$2775, the budget shall be deemed ratified unless at the meeting a majority of all Members (meaning 45 Members) vote to reject the budget. The budget ratification vote will be held by show of hands (including virtual “hands” on Zoom).

Please note that if the proposed dues increase of \$50/qtr is ratified, it will go into effect for the April 1, 2023 payment that is due shortly after the meeting. Please revise any automatic payments accordingly. **If you are not yet set up with AppFolio online payments administered by our property manager, please contact him at trioproperty@comcast.net.**

We treat the budget as if we have two separate funds – “Operating” and “Reserves”. In actuality, there is only one set of books, but this distinction is aligned with the reason for the \$445,000 Special Assessment in 2021, which was to fund capital projects and build reserves. The detailed proposed 2023 budget and final results for 2022 are enclosed, with summary below.

2023 Proposed Budget Summary

2023 Dues	
\$2950 for year per Lot	(\$700 in Q1; \$750 in Q2-Q4)
Operating Budget	
Operating Revenue	\$262,550
Operating Expenses	(\$172,330)
Excess of Operating Revenue over Expenses	\$90,220
Reserves Budget	
Capital Expenses	(\$186,500)
Interest Income	\$12,000
NET INCOME	(\$84,280)
Starting Combined Cash	\$439,251
Less NET INCOME	(\$84,280)
Projected Ending Cash	\$354,971

Election of Executive Board Members

SEHOA's five Executive Board members serve staggered two-year terms, so each year there are either two or three vacancies. The terms of Paula Hemenway, Pea Lawson, and Steve Lehan come to an end as of this meeting, so **there are three vacancies this year**. (The terms of Scott Abrahamson and Anthony Chirikos extend another year, ending in March 2024.)

Paula and Steve have agreed to stand for election for another two-year term. Therefore, **we currently have two candidates prepared to fill two of the three open seats**.

Other Members interested in running for the Board are invited to do so by sending an email to info@somersetstates-hoa.com no later than March 22nd. Nominations may also be made from the floor. Please see the enclosed information sheet for more details on Board responsibilities.

If more than three Members are candidates for the three open positions (a "contested election"), the election must be held by secret ballot. It will be helpful to know of other candidates prior to the meeting so that we can be prepared to use the voting function on Zoom. It is possible that in the case of a contested election, the Board will decide to adjourn the meeting and mail secret ballots to Members shortly after the adjournment.

Directory Information

Last year, we asked for homeowners to voluntarily provide information for a neighborhood directory. The information received is attached. This may be updated in the coming year.

A lot has happened during the last year. We look forward to sharing our progress and plans. We hope that you will attend the meeting.

Your Somerset Estates Homeowners Association Executive Board

Scott Abrahamson, President

Anthony Chirikos, Treasurer

Steve Lehan, Vice President

Paula Hemenway, Secretary

Pea Lawson, Director

Executive Board Candidate General Information

As stated in the Bylaws for Somerset Estates Homeowners Association (available on somersetstates-hoa.com under Library >> Governing Documents), Directors will be elected for three Executive Board positions at the Annual Meeting on March 28, 2023 (or any adjourned session thereof). Directors are elected for two-year terms. The Directors will elect officers: President, Vice President, Secretary, and Treasurer. Following is a general description of the duties of Directors. More detailed information on the responsibilities of Directors and officers can be found in the Bylaws.

Responsibilities of Directors (partial list)

- Attend regular and special meetings of the Executive Board and homeowners. The Board has been meeting on the third Tuesday evening of the month. The new Board will decide whether to continue with this schedule.
- Prepare for these meetings, including preparation of homeowner communication documents, policies, minutes, financial reports, etc.
- Adopt budgets for revenues, expenditures, and reserves.
- Set and collect assessments for common expenses.
- Hire and discharge managing agents, independent contractors, and agents.
- Institute, defend or intervene in litigation or administrative proceedings in the Association's name on matters affecting the Community or Association.
- Make contracts and incur liabilities on behalf of the Association.
- Regulate the use, maintenance, and replacement of common elements and cause additional improvements to be made as a part of the common elements.

Somerset Estates Homeowners Association			
2022 YEAR-END TOTALS AND 2023 PROPOSED BUDGET			
	2022	2022	Proposed
	Year Totals	Annual	2023
	ACTUALS	BUDGET	BUDGET
<u>OPERATING REVENUE</u>			
HOA Dues	\$ 248,950	\$ 246,975	\$ 262,550
Other Revenue (Late fees, fines, misc, special assessment, etc)	\$ 7,976	\$ 3,500	\$ -
TOTAL OPERATING REVENUE	\$ 256,926	\$ 250,475	\$ 262,550
<u>OPERATING EXPENSES</u>			
Administrative			
Accounting Fees	\$ 270	\$ 270	\$ 280
Bank Charges & Fees	\$ 105	\$ 20	\$ 100
Business Filing Fees	\$ 30	\$ 30	\$ 50
Insurance	\$ 8,491	\$ 8,500	\$ 9,000
Legal	\$ 7,575	\$ 8,000	\$ 4,000
Legal - other (water)	\$ 754	\$ 1,000	\$ 1,000
Meeting Expense	\$ -	\$ 200	\$ 100
Miscellaneous	\$ 200	\$ 200	\$ 200
Office Expense & Supplies	\$ -	\$ 200	\$ 100
Postage & Delivery	\$ 489	\$ 500	\$ 500
Printing & Reproduction	\$ 638	\$ 700	\$ 700
Property Manager Fees	\$ 15,000	\$ 15,000	\$ 15,900
Property Transfer Fee	\$ 750	\$ -	\$ -
Storage	\$ 1,444	\$ 1,500	\$ 1,500
Taxes	\$ -	\$ -	\$ 1,200
Web-site Hosting/Domain/Cloud Storage	\$ 3,355	\$ 4,300	\$ 3,500
Total Administrative	\$ 39,100	\$ 40,420	\$ 38,130
Landscape Maintenance			
Aeration	\$ 588	\$ 600	\$ 650
Clean-up Spring/Fall	\$ 2,519	\$ 3,100	\$ 3,590
Holiday Decoration	\$ 3,581	\$ 2,300	\$ 3,500
Irrigation Maintenance	\$ 20,090	\$ 13,000	\$ 20,000
Lawn Fertilization/Weed Control	\$ 8,082	\$ 8,100	\$ 9,100
Miscellaneous Landscape	\$ 48	\$ 2,000	\$ 2,000
Mowing - Irrigated	\$ 14,715	\$ 13,630	\$ 17,000
Mowing - Non-irrigated	\$ 2,010	\$ 2,010	\$ 2,310
Shrub Pruning	\$ 3,047	\$ 1,800	\$ 4,000
Snow Removal	\$ 5,980	\$ 5,500	\$ 6,400
Trash Removal & Dump Fees	\$ 3,117	\$ 3,200	\$ 2,400
Tree Maintenance (Fertilizer & Bug Control)	\$ 395	\$ 800	\$ 800
Tree Trimming and Removal	\$ 14,145	\$ 7,000	\$ 7,000
Gardens/Flowers	\$ 7,873	\$ 7,700	\$ 7,900
Weeding Gardens	\$ 2,178	\$ 1,900	\$ 2,000
Total Landscape Maintenance	\$ 88,367	\$ 72,640	\$ 88,650
Infrastructure Maintenance			
Electrical/Light Maintenance	\$ 979	\$ 8,000	\$ 8,000
Fence Maintenance	\$ 2,054	\$ 1,500	\$ 1,500
Miscellaneous Maintenance	\$ -	\$ 200	\$ 200
Path/Sidewalk Maintenance	\$ 2,241	\$ 3,100	\$ 2,000
Pond Maintenance (cattail/reed removal)	\$ 13,939	\$ 8,000	\$ 11,000
Pump Maintenance	\$ 2,018	\$ 1,000	\$ 2,000
Utility Locating	\$ 935	\$ 540	\$ 1,000
Total Infrastructure Maintenance	\$ 22,166	\$ 22,340	\$ 25,700
Water and Utilities			
Electricity	\$ 10,610	\$ 17,000	\$ 14,000
Water - Ditch fees	\$ 850	\$ 500	\$ 850
Water - Leased	\$ 1,100	\$ 5,000	\$ 5,000
Total Water and Utilities	\$ 12,560	\$ 22,500	\$ 19,850
TOTAL OPERATING EXPENSES	\$ 162,193	\$ 157,900	\$ 172,330
EXCESS (DEFICIENCY) OF REVENUE OVER OPERATING EXPENSES	\$ 94,733	\$ 92,575	\$ 90,220

	2022	2022	Proposed
	Year Totals	Annual	2023
	ACTUALS	BUDGET	BUDGET
<u>CAPITAL EXPENSES</u>			
Water System Infrastructure			
Transfer line from Pond 1 to Pond 2	\$ 7,949	\$ 1,000	\$ -
Upgraded meter on ditches	\$ 24,196	\$ 25,000	\$ 2,000
Irrigation modifications to separate from SHOA	\$ 9,658	\$ 10,000	\$ -
Pond 1 transfer line pump	\$ 2,370	\$ -	\$ -
Pump house at Pond 1 roof, door, and paint	\$ 4,900	\$ 4,000	\$ -
Total Water System Infrastructure	\$ 49,073	\$ 40,000	\$ 2,000
Irrigation System			
Irrigation Major Repairs	\$ 3,248	\$ 15,000	\$ 15,000
Total Irrigation System	\$ 3,248	\$ 15,000	\$ 15,000
Water Features (Ponds and Waterfall)			
Pond liner repairs	\$ 8,065	\$ 10,000	\$ 70,000
Pump replacement	\$ 5,398	\$ -	\$ -
Total Water Features	\$ 13,463	\$ 10,000	\$ 70,000
Water System Professional Fees			
Water System Engineering	\$ -	\$ -	\$ 10,000
Water Systems Other (Operations Manual)	\$ -	\$ 12,500	\$ 12,500
Total Water Systems Professional Fees	\$ -	\$ 12,500	\$ 22,500
Hardscape (Fences, Paths, Monuments)			
Fence Refurbishment and Replacement	\$ 15,906	\$ 16,000	\$ -
Path replacement	\$ 24,479	\$ 25,000	\$ -
Major repairs of entrance monuments at Hwy 52	\$ -	\$ 28,000	\$ 28,000
Major repairs of street monuments	\$ 13,274	\$ 27,000	\$ 14,000
Center island focal lighting at Hwy 52	\$ -	\$ 10,000	\$ 10,000
Other lighting	\$ -	\$ 10,000	\$ 10,000
Total Hardscape	\$ 53,659	\$ 116,000	\$ 62,000
Softscape (Master Plan, Trees, Vegetation)			
Specific Location Landscape Plan		\$ -	\$ 5,000
Cyclical Landscape Refurbishment	\$ -	\$ 5,000	\$ 10,000
Total Softscape	\$ -	\$ 5,000	\$ 15,000
TOTAL CAPITAL EXPENSES	\$ 119,443	\$ 198,500	\$ 186,500
<u>INTEREST INCOME</u>			
Interest Income	\$ 4,046	\$ 2,070	\$ 12,000
TOTAL REVENUE	\$ 260,972	\$ 252,545	\$ 274,550
TOTAL EXPENSE	\$ 281,636	\$ 356,400	\$ 358,830
NET INCOME	\$ (20,664)	\$ (103,855)	\$ (84,280)