

**Minutes of Meeting of the Executive Board of
Somerset Estates Homeowners Association (SEHOA)
February 20, 2024
Mountain View Fire Station and via Zoom**

- 1. Call to Order and Quorum** - The meeting was called to order at 6:38 PM. Quorum met for Executive Board meeting with Anthony Chirikos (AC), Paula Hemenway (PH), Steve Lehan (SL), and Tim Koller (TK) present. Scott Abrahamson (SA) was absent.

Property Manager present – Al Orendorff (AO)

ACC member present – None

Homeowners present – Candice Hoenes, Danny Lindau, and Herb McPherson

- 2. Approve Prior Meeting Minutes** – MOTION to approve minutes from the Meeting of the Executive Board on January 16, 2024 made by TK, seconded by AC, no further discussion, approved unanimously.
- 3. Treasurer’s Report** – Report for January 2024 is attached. AO has sent the final December 2023 financial report to the accountant to prepare the tax return.

- 4. Property Manager’s Report**

Landscaping: GTL has removed the junipers on the west side of pond 2. The roots, etc. still need to be cleaned up. It will cost \$1,100 to remove the remaining bushes (that were behind the junipers) on the west side, plus \$1,000 to remove the existing mulch and torn up landscape fabric. Board agreed to proceed with this work. The open space stream between pond 8 and 9 is being cleared of vegetation. GTL is preparing a bid to remove debris and vegetation in the stream out of pond 2. Perhaps this should be included in the pond 3 work. GTL ordered flowers with a price not to exceed \$5,000 including supporting care and watering. This will cover a smaller area than last year.

Ponds: We have two estimates from Dubs to repair the top of the pond 2 liner. One covers 180 linear feet down 10 feet (1800 sq ft) for about \$15,000. The other covers about 430 linear feet down 10 feet (4300 sq ft) for between \$35,000 and \$43,000. Cost to add a layer of squeegee on top of the concrete apron (which must be broken up, removed, then replaced) is extra. Board agreement to include \$40,000 in the 2024 budget to repair the pond 2 liner. The remainder of the liner may be repaired in 2025 or 2026, which we hope will extend the life by at least 10 years.

Pond 3/Waterfall renovation: Discussion about options for the pond 3 area, including a stream conveyance instead of a pond and a combination of extending the stream from pond 2 into a smaller pond near the waterfall. Awaiting additional cost information, but so far it doesn’t seem that cost is the primary consideration as options have similar costs depending on the extent of new landscaping. General agreement that we will not pursue reshaping the hill to fill in all or part of the pond due to additional costs to replace sidewalk and underground piping and irrigation infrastructure. Herb McPherson suggested a full sidewalk loop in the area. Danny Lindau supported having a gathering area with perhaps either a small pond or no pond. Concepts will be presented to the homeowners at the Annual Meeting on March 26.

Stream Chemical Treatments: Solitude Lake Management inspected the stream areas from pond 2 to pond 3, pond 4 to pond 7, and pond 11 to pond 8. The cost to treat all streams for cattail removal is \$1,712. This is done after the reeds in the stream start to turn green in the spring. Agreement to proceed with this work.

Final Pond 1 Invoice: We are waiting for the final bill from one contractor for the refurbishment of the landscaping around pond 1, then we can make the final payment to SHOA for the project. AO needs to check on invoicing SHOA for its share of the 2023 water lease costs paid by SEHOA.

5. **Highway 52 Entrance Project** – The Committee will be reviewing detailed plans and preliminary pricing with Matt Fisher, landscape architect, in the next couple of weeks.
6. **2024 Draft Budget:** Draft budget from the January 16 Board meeting, including an increase in dues to \$825/qtr effective April 1, was communicated to the homeowners on February 12 in What’s Up #91 with a request for input to the Board prior to this meeting. Two comments were received. One asked about covering the cost for road repairs, which is not an SEHOA responsibility. The other suggested that the Board propose both the dues increase and a special assessment to improve our financial position. The Board discussed that it was not inclined to pursue approval of a special assessment at this time.

Discussion to increase the capital landscaping budget for the Highway 52 project to \$40,000 (from \$30,000) and postpone any capital landscaping for the pond 3 redesign to 2025, thereby eliminating that \$40,000 from the 2024 budget. We don’t think we can complete the design, earthwork, and any water feature work until near the end of this year, which will be too late for the landscaping portion of the project. Discussion to include \$40,000 for pond 2 liner repairs. We expect this will allow replacement of the top 10 feet of approximately half of the pond perimeter, although this will be determined in the field once the existing liner is uncovered and examined. All these changes were then incorporated into the budget.

MOTION to adopt for Member ratification at the March 26, 2024 Budget Meeting the attached 2024 Proposed Budget made by TK, seconded by AC, no further discussion, approved unanimously.

7. **Annual Meeting Planning** – The Annual Meeting (including a Budget Meeting to ratify the 2024 Budget) will be held on Tuesday, March 26, 2024 at 7 PM at the home of Tim and Melissa Koller. The meeting will be preceded by a social time at 6:30 PM. The terms of SA and AC are over as of the Annual Meeting. SA has decided to not seek re-election, and AC will seek re-election. This leaves one vacancy without a candidate. No one has responded to two requests for volunteers in What’s Up. PH will finalize a packet to be copied by AO and mailed by March 1.
8. **Architectural Control Committee (ACC) Update and Revised Architectural and Landscaping Standards** – TK reported that Larry Becker, Chair of the ACC, needs until February 29 to collect all comments from the ACC members on the proposed revisions to the Standards. The final draft will be published to the homeowners in What’s Up in March prior to a Board vote to adopt at the meeting on March 19.
9. **Other Business** – None.
10. **Member Open Forum** – Danny Lindau noted that 90 Colorado Big-Thompson water shares were auctioned in Longmont on February 14 for an average of about \$52,000/share. Candice Hoenes stated that special assessments should be reserved for an emergency and not for upgrade projects that are “wants” but not “needs”.

10. **Next meeting** – March 19, 2024, at 6:30 PM at Mountain View Fire Station.

11. **Adjourn** - The meeting adjourned at 8:21 PM.

Executive Session – Called to order at 8:22 PM to discuss the status of a delinquent account; adjourned at 8:35 pm.

Paula Hemenway

Paula Hemenway, Secretary
February 27, 2024

Somerset Estates Homeowners Association - Treasurer's Report						
Operating and Reserve Fund(s)						
Balance Sheet and Summary Income Statement						
January 2024						
BALANCE SHEET						
As of January 31, 2024						
	Operating Fund	Reserve Fund	Total			
ASSETS						
Operating/Checking Account						
FirstBank	\$67,616	\$0	\$67,616			
Investment/Reserve Account						
Investment/Reserve Account						
Liquid Assets Account	\$0	\$86,685	\$86,685	Expiry	Interest Rate	Reporting Freq
6-Month CD	\$0	\$291,902	\$291,902	n.a.	Varies (0-2.5%)	Monthly
Total Reserve Accounts	\$0	\$440,236	\$440,236	6/28/24	4.88%	Half Year
TOTAL ASSETS	\$67,616	\$818,823	\$886,439			
LIABILITIES & FUND BALANCE						
Fund Balance	\$67,616	\$440,236	\$507,852			
TOTAL LIABILITIES & FUND BALANCE	\$67,616	\$440,236	\$507,852			
Statement of Revenues, Expenses, and Changes in Reserve Balance						
	Month of January, 2024			YTD January, 2024		
	Operating Fund	Reserve Fund	Total	Operating Fund	Reserve Fund	Total
REVENUES						
HOA Dues	\$65,850	\$0	\$65,850	\$65,850	\$0	\$65,850
HOA Violations & Fines / Late Fees	\$10,152	\$0	\$10,152	\$10,152	\$0	\$10,152
Transfer Fees	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous Income (Pond 7 Surcharges)	\$0	\$0	\$0	\$0	\$0	\$0
Interest Income	\$0	\$45	\$45	\$0	\$45	\$45
TOTAL REVENUES	\$76,002	\$45	\$76,047	\$76,002	\$45	\$76,047
EXPENSES						
Administrative	\$1,471	\$0	\$1,471	\$1,471	\$0	\$1,471
Capital Expenses	\$159	\$0	\$159	\$159	\$0	\$159
Landscape Repair & Maintenance & Enhancement	\$0	\$0	\$0	\$0	\$0	\$0
Lights & Fence & Path & Pond Maintenance	\$0	\$0	\$0	\$0	\$0	\$0
Water & Utilities	\$452	\$0	\$452	\$452	\$0	\$452
Landscape Capital Projects	\$0	\$0	\$0	\$0	\$0	\$0
Water Infrastructure Capital Projects	\$0	\$0	\$0	\$0	\$0	\$0
Other Infrastructure Capital Projects	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENSES	\$2,081	\$0	\$2,081	\$2,081	\$0	\$2,081
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$73,921	\$45	\$73,965	\$73,921	\$45	\$73,965
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TRANSFER BETWEEN OPERATING FUND and RESERVE FUND	\$0	\$0	\$0	\$0	\$0	\$0

Somerset Estates Homeowners Association - Treasurer's Report

Total Funds

Income Statement

January 2024

	Month Actual	Year-to-Date		Better/ (Worse)	Budget 2024 (DRAFT)
		Actual	Budget		
REVENUE and EXPENSE SUMMARY					
REVENUE					
HOA Dues	\$65,850	\$65,850			\$292,975
HOA Violations, Fines and Late Fees	\$10,152	\$10,152			\$10,000
Transfer Fees	\$0	\$0			\$0
Interest Income	\$45	\$45			\$10,000
TOTAL REVENUES	\$76,047	\$76,047			\$312,975
EXPENSES					
Administrative	\$1,471	\$1,471			\$37,450
Capital Expenses	\$0	\$0			\$292,000
Landscape Repair & Maintenance & Enhancement	\$159	\$159			\$75,160
Lights & Fence & Path & Pond Maintenance	\$0	\$0			\$12,200
Water & Utilities	\$452	\$452			\$21,000
TOTAL EXPENSES	\$2,081	\$2,081			\$437,810
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$73,965	\$73,965			(\$124,835)
Outstanding Dues and Fines					
	<u>0 - 30 Days</u>	<u>30 - 60 Days</u>	<u>60 - 90 Days</u>	<u>Over 90 Days</u>	<u>Total</u>
Dollars	\$5,450	\$0	\$10	\$1,631	\$7,091
# of Homes	10	0	1	1	10

Somerset Estates Homeowners Association			
2023 YEAR-END TOTALS AND 2024 PROPOSED BUDGET			
COMBINED OPERATING AND CAPITAL EXPENSES			
	2023	2023	Proposed
	Year Totals	Annual	2024
	ACTUALS	BUDGET	BUDGET
REVENUE and EXPENSE SUMMARY			
OPERATING REVENUE			
HOA Dues	\$ 256,519	\$ 262,550	\$ 292,975
Other Revenue (Late fees, fines, misc, special assessment, etc)	\$ 870	\$ -	\$ 10,000
TOTAL OPERATING REVENUE	\$ 257,389	\$ 262,550	\$ 302,975
OPERATING EXPENSES			
Administrative			
Accounting Fees	\$ 296	\$ 280	\$ 300
Bank Charges & Fees	\$ (21)	\$ 100	\$ 100
Business Filing Fees	\$ 43	\$ 50	\$ 50
Insurance	\$ 9,115	\$ 9,000	\$ 9,500
Legal	\$ 35	\$ 4,000	\$ 1,000
Legal - other (water)	\$ 870	\$ 1,000	\$ -
Meeting Expense	\$ -	\$ 100	\$ 100
Miscellaneous	\$ 300	\$ 200	\$ 300
Office Expense & Supplies	\$ -	\$ 100	\$ 100
Postage & Delivery	\$ 558	\$ 500	\$ 600
Printing & Reproduction	\$ 841	\$ 700	\$ 900
Property Manager Fees	\$ 15,900	\$ 15,900	\$ 16,500
Property Transfer Fee	\$ 750	\$ -	\$ -
Storage	\$ 1,444	\$ 1,500	\$ 1,500
Taxes	\$ 513	\$ 1,200	\$ 3,400
Web-site Hosting/Domain/Cloud Storage	\$ 3,054	\$ 3,500	\$ 3,100
Total Administrative	\$ 33,698	\$ 38,130	\$ 37,450
Landscape Maintenance			
Aeration	\$ 646	\$ 650	\$ 650
Clean-up Spring/Fall	\$ 4,109	\$ 3,590	\$ 4,100
Holiday Decoration	\$ 3,181	\$ 3,500	\$ 3,200
Lawn Fertilization/Weed Control	\$ 8,547	\$ 9,100	\$ 9,100
Miscellaneous Landscape	\$ 815	\$ 2,000	\$ 2,000
Mowing - Irrigated	\$ 19,620	\$ 17,000	\$ 20,000
Mowing - Non-irrigated	\$ 2,310	\$ 2,310	\$ 2,310
Shrub Pruning	\$ 2,781	\$ 4,000	\$ 4,000
Snow Removal	\$ 6,050	\$ 6,400	\$ 6,400
Trash Removal & Dump Fees	\$ 3,061	\$ 2,400	\$ 3,100
Tree Maintenance (Fertilizer & Bug Control)	\$ 168	\$ 800	\$ 800
Tree Trimming and Removal	\$ 1,732	\$ 7,000	\$ 12,000
Gardens/Flowers	\$ 8,860	\$ 7,900	\$ 5,000
Weeding Gardens	\$ 2,310	\$ 2,000	\$ 2,500
Total Landscape Maintenance	\$ 64,190	\$ 68,650	\$ 75,160
Water Infrastructure Maintenance			
Irrigation Maintenance	\$ 19,458	\$ 20,000	\$ 30,000
Pond and Waterfall Maintenance	\$ 8,235	\$ 11,000	\$ 15,000
Pump Maintenance	\$ 225	\$ 2,000	\$ 1,000
Total Water Infrastructure Maintenance	\$ 27,918	\$ 33,000	\$ 46,000
Other Infrastructure Maintenance			
Electrical/Light Maintenance	\$ 1,414	\$ 8,000	\$ 8,000
Fence Maintenance	\$ 1,694	\$ 1,500	\$ 1,500
Miscellaneous Maintenance	\$ 135	\$ 200	\$ 200
Path/Sidewalk Maintenance	\$ 1,482	\$ 2,000	\$ 1,500
Utility Locating	\$ 620	\$ 1,000	\$ 1,000
Total Other Infrastructure Maintenance	\$ 5,345	\$ 12,700	\$ 12,200
Electricity and Water Fees			
Electricity	\$ 17,516	\$ 14,000	\$ 18,000
Water - Ditch fees and Leased	\$ 2,136	\$ 5,850	\$ 3,000
Total Electricity and Water Fees	\$ 19,652	\$ 19,850	\$ 21,000
TOTAL OPERATING EXPENSES	\$ 150,803	\$ 172,330	\$ 191,810
EXCESS (DEFICIENCY) OF REVENUE OVER OPERATING EXPENSES	\$ 106,586	\$ 90,220	\$ 111,165

	2023	2023	Proposed
	Year Totals	Annual	2024
	ACTUALS	BUDGET	BUDGET
CAPITAL EXPENSES			
Landscape Capital Projects			
Specific Location Landscape Plan	\$ 4,000	\$ 5,000	\$ 7,800
Landscape at Hwy 52	\$ -	\$ -	\$ 40,000
Cyclical Landscape Refurbishment	\$ 15,552	\$ 10,000	\$ 5,000
Total Landscape Capital Projects	\$ 19,552	\$ 15,000	\$ 52,800
Water Infrastructure Capital Projects			
Irrigation Major Repairs	\$ 6,316	\$ 15,000	\$ -
Water Systems Engineering and Operations Manual	\$ 18,566	\$ 22,500	\$ -
Upgrades to ditches and meters from ditches	\$ -	\$ 2,000	\$ 3,500
Pond liner replacement - Pond 1	\$ 81,039	\$ 60,000	\$ 3,700
Pond liner repairs	\$ 6,315	\$ 10,000	\$ 40,000
Pond 3 Redesign	\$ -	\$ -	\$ 100,000
Pump replacement - Waterfall pumps	\$ -	\$ -	\$ 16,000
Total Water Infrastructure Capital Projects	\$ 112,236	\$ 109,500	\$ 163,200
Other Infrastructure Capital Projects			
Fence Refurbishment and Replacement	\$ 3,656	\$ -	\$ -
Lighting at Hwy 52	\$ -	\$ 20,000	\$ 33,000
Major repairs of street monuments	\$ 29,330	\$ 14,000	\$ 3,000
Modifications of entrance monuments at Hwy 52	\$ -	\$ 28,000	\$ 10,000
Total Other Infrastructure Capital Projects	\$ 32,986	\$ 62,000	\$ 46,000
TOTAL CAPITAL EXPENSES	\$ 164,774	\$ 186,500	\$ 262,000
INTEREST INCOME			
Interest Income	\$ 13,474	\$ 12,000	\$ 10,000
TOTAL REVENUE	\$ 270,863	\$ 274,550	\$ 312,975
TOTAL EXPENSE	\$ 315,577	\$ 358,830	\$ 453,810
NET INCOME	\$ (44,714)	\$ (84,280)	\$ (140,835)