

**Minutes of Meeting of the Executive Board of
Somerset Estates Homeowners Association (SEHOA)
November 12, 2019
Mtn. View Fire Station, Niwot CO**

- 1. Call to Order and Quorum** - The meeting was called to order at 6:34 PM. Quorum met for Executive Board meeting with Marc Arnold (MA), Bill Harris (BH), Paula Hemenway (PH), and Mark Jensen (MJ) present. Herb McPherson (HM) arrived for the Executive Session.

Property Manager in attendance – Al Orendorff
Homeowner in attendance – Dave Edwards

- 2. Approval of Prior Meeting Minutes** – Motion to approve minutes from the Executive Board meeting on October 22, 2019 made by BH, seconded by PH, approved unanimously.
- 3. Approval of Memorandum of Understanding (MOU) with SHOA** – The MOU to address continuing services and remaining comingled expense allocations with Somerset Homeowners Association (SHOA) dated 2/20/19, as amended, expires on 12/31/19. Motion to approve new MOU to run through 12/31/20 made by PH, seconded by BH, no discussion, approved unanimously. MA to provide signed execution copies to SHOA.
- 4. Approval of 2020 Proposed Budget** – A homeowner stated that he doesn't think the association should pay for maintenance or replacement of perimeter fences, and that the results of the homeowners' survey earlier this year that supported the association being responsible for the fences are questionable because people may not have understood the cost implications. He wants homeowners to be given more information on capital costs and experts' opinions of the fence condition before the association commits to expenses for fence maintenance. He also stated that he doesn't consider a 10% dues increase to be small or modest, as stated in What's Up #33 (actual proposed increase is 8%, so this will be clarified in letter to homeowners). MJ stated that it would be preferable to compare the 2020 proposed budget to 2019 actual expenses, not the 2019 budget. That can be done next year when we have a full year of expenses information. Motion to present the attached 2020 Proposed Budget to the members for ratification on December 5, 2019 made by MJ, seconded by BH, no further discussion, approved unanimously.
- 5. Property Manager Report** – Projects completed this month: Dumpster enclosure repaired; Russian Olive and Cottonwood trees around ponds 8 and 9 removed; green portion of bollards repainted; white top to follow; faded emergency access signs replaced; new garlands for street monuments purchased. Power and photo cells are being inspected at all monuments. Pond 8 liner is leaking again. Will get price on geofabric to protect liner until the leak is fixed and the pond refilled next season. Regular fall projects are underway or completed: aeration, shrub pruning, water tank hill and outlot mowing, fall clean-up. Al will ask Boulder County about cleaning stop signs in the neighborhood.
- 6. December 5 Homeowner Budget Meeting** – MA to update homeowners and answer questions. HM to review the budget proposal. PH to prepare sign-in sheet and ballots. Signs announcing the meeting will be put up on November 13. Budget packet (cover letter, line item budget, and proxy) will be mailed to homeowners on November 13.
- 7. Discuss Open Issues / Assignments List** – MA has prepared a google spreadsheet that we can all use to update assignments. We discussed seeking additional volunteers to help with particular operational tasks, such as landscaping decisions. We discussed moving to one meeting a month dedicated to issues that require board decisions and the other meeting dedicated to operational issues. No final decision made, but agreed to request volunteers in upcoming What's Up.

8. **Other Business** – Steve Lehan, homeowner, has requested an audience with the board on behalf of a committee that is looking into incorporation of Niwot. This is a controversial matter and the board wants to hear both sides before getting involved in any official way. MA to talk to Steve about a possible date for the board to hear his presentation.

Discussion of how we can better understand what affects our home values. Suggestion to consult with realtors on perception of Somerset Estates. Al Orendorff has history of home sales prices he will give to MA to look at trends.

The board discussed application of the Conflict of Interest Policy. MA will contact homeowners and the ACC as needed to clarify application of the policy.

9. **Member Open Forum** – No discussion.

10. **Next meeting** – Homeowner meeting on Thursday, December 5, 7:00 pm at Niwot High School. Executive Board meeting on Tuesday, December 10, 6:30 pm at Mtn. View Fire Station, Niwot.

11. **Adjourn** - The meeting adjourned at 8:58 PM.

12. **Executive Session** - The board (all members) went into Executive Session at 8:58 pm to discuss oral communication from the water attorney and committee regarding water and property rights. Executive Session adjourned at 9:37 pm.

13. **Treasurer's Report** - HM provided the attached October 2019 Treasurer's Report after the conclusion of the meeting.



Paula Hemenway, Secretary
November 19, 2019

Somerset Estates Homeowners Association			
2020 Proposed BUDGET			
	2019 BUDGET	Proposed 2020 BUDGET	Change 2019 to 2020
INCOME and EXPENSE SUMMARY			
INCOME			
Homeowner Dues	\$ 222,500	\$ 240,300	\$ 17,800
Miscellaneous Income (<i>Water Feature Subsidy</i>)	\$ 1,000	\$ 1,000	\$ -
TOTAL INCOME	\$ 223,500	\$ 241,300	\$ 17,800
EXPENSES			
Administrative			
Accounting Fees	\$ 235	\$ 250	\$ (15)
Bank Charges & Fees	\$ 40	\$ -	\$ 40
Bank Supplies & Checks	\$ 50	\$ -	\$ 50
Business filing Fees	\$ -	\$ 25	\$ (25)
Insurance	\$ 8,270	\$ 8,750	\$ (480)
Legal	\$ 10,000	\$ 5,000	\$ 5,000
Meeting Expense	\$ 300	\$ 200	\$ 100
Miscellaneous	\$ 1,500	\$ 2,000	\$ (500)
Office Expense & Supplies	\$ 350	\$ 250	\$ 100
Postage & Delivery	\$ 700	\$ 600	\$ 100
Printing & Reproduction	\$ 1,000	\$ 1,200	\$ (200)
Property Manager Fees	\$ 13,000	\$ 14,000	\$ (1,000)
Storage	\$ 1,050	\$ 1,200	\$ (150)
Web-site Hosting/Domain	\$ 720	\$ 1,200	\$ (480)
Total Administrative	\$ 37,215	\$ 34,675	\$ 2,540
Property/Water/Asset Resolution and Long-range Planning			
Legal - Other	\$ 65,000	\$ 30,000	\$ 35,000
Professional Fees	\$ 12,000	\$ 35,000	\$ (23,000)
Total Property/Water Resolution	\$ 77,000	\$ 65,000	\$ 12,000
Landscape Maintenance			
Aeration	\$ 650	\$ 600	\$ 50
Clean-up Spring/Fall	\$ 3,000	\$ 3,000	\$ -
Gardens/Flowers	\$ 1,000	\$ 8,000	\$ (7,000)
Holiday Decoration	\$ 1,750	\$ 2,000	\$ (250)
Irrigation Maintenance	\$ 11,000	\$ 13,000	\$ (2,000)
Lawn Fertilization/Weed Control	\$ 7,000	\$ 7,000	\$ -
Landscape Refurbishment	\$ 20,000	\$ 10,000	\$ 10,000
Miscellaneous Landscape	\$ 600	\$ 600	\$ -
Mowing - Irrigated	\$ 15,700	\$ 15,800	\$ (100)
Mowing - Non-irrigated	\$ 800	\$ 2,000	\$ (1,200)
Shrub Pruning	\$ 2,250	\$ 2,000	\$ 250
Snow Removal	\$ 2,100	\$ 2,500	\$ (400)
Trash Removal & Dump Fees	\$ 1,500	\$ 1,800	\$ (300)
Tree Maintenance (<i>Fertilizer & Bug Control</i>)	\$ 4,000	\$ 2,000	\$ 2,000
Tree Trimming/Removal/Replace	\$ 5,000	\$ 9,000	\$ (4,000)
Total Landscape Maintenance	\$ 76,350	\$ 79,300	\$ (2,950)
Infrastructure Maintenance			
Electrical/Light Maintenance	\$ 2,000	\$ 2,000	\$ -
Fence Maintenance (includes Phase 1 refurbishment)	\$ 300	\$ 27,775	\$ (27,475)
Miscellaneous Maintenance	\$ 350	\$ 350	\$ -
Path/Sidewalk Maintenance	\$ 800	\$ 500	\$ 300
Pond Maintenance (includes cattail/reed removal)	\$ 5,000	\$ 10,500	\$ (5,500)
Pump Maintenance	\$ 3,000	\$ 2,000	\$ 1,000
Utility Locating	\$ 700	\$ 700	\$ -
Waterfall Maintenance	\$ 5,000	\$ 5,000	\$ -
Total Infrastructure Maintenance	\$ 17,150	\$ 48,825	\$ (31,675)
Utilities			
Electricity	\$ 12,500	\$ 12,000	\$ 500
Water - Ditch fees	\$ 500	\$ 500	\$ -
Water - Leased	\$ 2,900	\$ 3,000	\$ (100)
Total Utilities	\$ 15,900	\$ 15,500	\$ 400
TOTAL EXPENSES	\$ 223,615	\$ 243,300	\$ (19,685)
Other Income			
Interest Income on Reserve Account	\$ 115	\$ 2,000	\$ 1,885
NET OPERATING INCOME	\$ -	\$ -	\$ -

Somerset Estates Homeowners Association

Treasurer's Report

OCTOBER 2019

	OCTOBER	YTD-ACTUAL	YTD-BUDGET	YTD-VARIANCE	BUDGET
	2019	2019	2019	2019	2019
				Better/(Worse)	
INCOME and EXPENSE SUMMARY					
INCOME					
HOA DUES	\$ 49,318.00	\$ 218,500.00	\$ 202,140.00	\$ 16,360.00	\$ 222,500.00
Other Income	\$ 250.00	\$ 5,384.96	\$ 1,000.00	\$ 4,384.96	\$ 1,000.00
Interest	<i>See Interest Earned On Capital One Investment Acct. - Below</i>				\$ 115.00
TOTAL INCOME	\$ 49,568.00	\$ 223,884.96	\$ 203,140.00	\$ 20,744.96	\$ 223,615.00
EXPENSES					
Administrative	\$ 7,032.45	\$ 69,813.17	\$ 99,190.00	\$ 29,376.83	\$ 114,215.00
Capital & Waterfall Repair	\$ 742.50	\$ 11,270.43	\$ 25,000.00	\$ 13,729.57	\$ 25,000.00
Landscape Maintenance	\$ 4,611.70	\$ 50,667.13	\$ 48,012.50	\$ (2,654.63)	\$ 56,350.00
Lights & Fence & Path & Pond Maintenance	\$ 4,047.00	\$ 15,861.43	\$ 12,050.00	\$ (3,811.43)	\$ 12,150.00
Utilities	\$ 2,509.15	\$ 8,163.94	\$ 11,700.00	\$ 3,536.06	\$ 12,500.00
Water	\$ -	\$ 3,090.96	\$ 3,400.00	\$ 309.04	\$ 3,400.00
TOTAL EXPENSES	\$ 18,942.80	\$ 158,867.06	\$ 199,352.50	\$ 40,485.44	\$ 223,615.00
NET OPERATING INCOME	\$ 30,625.20	\$ 65,017.90	\$ 3,787.50	\$ 61,230.40	\$ -
BALANCE SHEET					
ASSETS					
Operating/Checking Account					
Bank of the West		\$ 39,459.33			
Capital One Investment Account					
Account (Principal) Balance		\$ 131,916.09			
TOTAL ASSETS		\$ 171,375.42			
LIABILITIES and CAPITAL					
Accounts Payable (pre-paid Assessments)		\$ 3,000.20			
Capital Stock and Retained Earning		\$ 168,375.22			
TOTAL LIABILITIES & CAPITAL		\$ 171,375.42			
* Interest™ Capital One Investment Acct.	\$ 224.08	\$ 2,140.17	\$ 86.25	\$ 2,053.92	\$ 115.00
* Legal + Professional Fees Re: Resolution of Assets	\$ 4,995.00	\$ 40,904.92	\$ 67,000.00	\$ 26,095.08	\$ 77,000.00
* Legal & Accounting & Property Mgr.	\$ 1,075.00	\$ 12,005.36	\$ 21,065.00	\$ 9,059.64	\$ 23,235.00
* Mowing	\$ -	\$ 12,070.00	\$ 14,537.50	\$ 2,467.50	\$ 16,500.00
* Irrigation/Ponds Maintenance & Repair	\$ 4,383.81	\$ 17,955.31	\$ 17,000.00	\$ (955.31)	\$ 19,000.00
* MOU Split w/SHOA	\$ 2,766.28	\$ 17,497.91			
Dues Outstanding - \$6,610.49 / 13 Homes	30 Days \$5952.17 / 3 Homes	60 Days \$6.24 / 3 Homes	90 Days \$27.08 / 1 Home	Over 90 Days \$625 / 1 Homes	