

River Glen Homeowners Association Annual Meeting

November 20th, 2013

Conduct of Meeting

- Please wait to be called upon to speak
- Please do not respond directly to other speakers
- Please be respectful of other opinions
- Please stay on topic:
 - if you have other concerns, complaints etc, bring them to a Board meeting or raise the topic during open discussion

New Sanitation System Progress

- Julie Stapp RGHOA
- Ed Schemm, Larimer County

Election of Directors

- Vote on the number of Directors for 2014 (By-law requirement)
- Candidates:
 - Tye Riley, Jamie Johnson, Julie Rogers, Julie Stapp, Gary Klug, Mark McGee
 - Call for candidates from the floor (By-law requirement)
- Vote for candidates

Irrigation Committee

- Daryl Musser, RGHOA

Sewer Plant Operations Committee

- Mike Dower
- Scott Canby
- Craig Sheard
- Operator: Bob Airhart

Architectural Control Committee

- Tye Riley

Ad Hoc Covenant Revision Committee

- Mark McGee

Budget and Treasurer's Report

- Julie Rogers – Treasurer RGHOA

Cost Centers

- Organized to allow future changes and track budget vs. actual
 - General Account
 - Sewer Operations/Maintenance/Collection System
 - New Sanitation System Project
 - Irrigation System
- Make changes in covenants/bylaws in future to address Reserves for each Cost Center

2013 Collections

• Dues received, RGHOA	\$61,536.80
• Contingency Funds transfer	\$24,000.00
• Dues received, Riverside Farm	\$5451.77
• Interest on Collections (RGHOA)	\$ 63.89
• Misc collections (refund PV,xfr #0045)	\$721.07
• WCF repayment collected	<u>\$2180.00</u>
• Total Collections	\$93,953.53

2013 General Expenses

• Insurance	\$1141.00
• Legal (Hindman)	\$ 789.00
• Accounting (Kirkland &co)	\$ 565.00
• Office Supplies, Postage	\$ 493.16
• Miscellaneous	\$ 287.13
	Total \$3735
	Budgeted \$3,589

2013 Sewer System Expenses

• Operator Compensation	\$15,918.85
• AFCO Insurance	\$ 7,760.14
• Electricity	\$ 6,665.62
• Testing/Inspection	\$ 1,787.00
• Repair/maintenance (labor)	6,069.15(\$1735.65)
• Mowing	\$ 1,250.00
• CDH Permit	\$ 525.00
• Water	<u>\$ 281.55</u>
	Total O&M \$40,257.31
	Budgeted \$36,484
• RGHOA Sanitation Collection System repair	<u>\$23,572.00</u>
	Total repair \$23,572.00
	Budgeted \$23600
• <i>\$23,572 collection system repair was paid from the Contingency Fund</i>	

2013 New Sanitation System Expenses

- Note: invoice to RSF \$3709.67
 - Note: invoice to county \$1012.12
 - Engineering \$7087.45
 - Legal \$6333.00
 - Site Applications/permit \$6554.40
- Total *\$19,974.85
Budgeted \$3,000

**paid by general account funds available because collection system repairs (\$23,572)
paid by Contingency Fund*

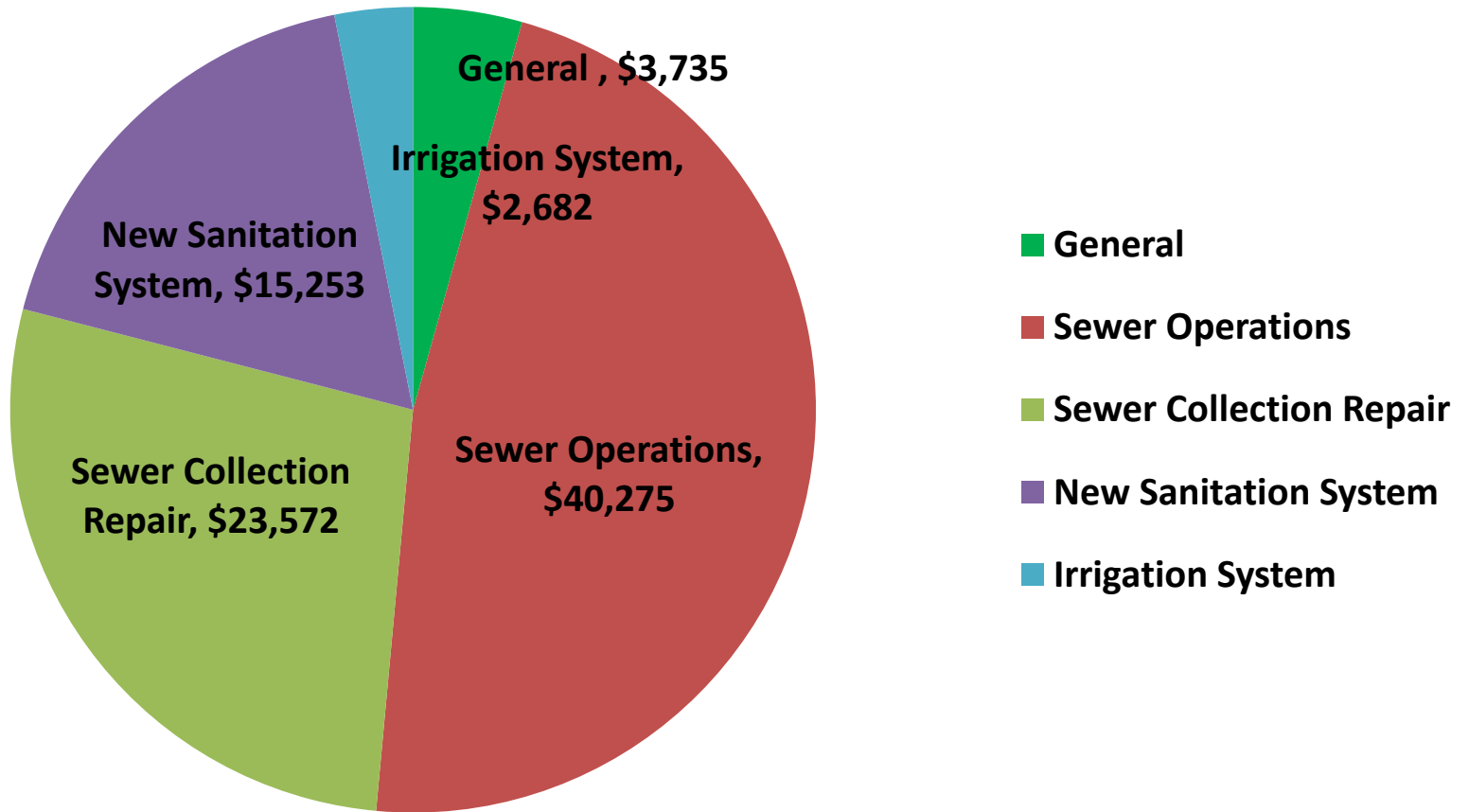
2013 Irrigation System Expenses

- Ditch Company 61 shares @ \$14.00 \$854.00
- Delivery Charge \$87.64
- Repair & Maintenance \$100.43
- Electricity \$794.33
- 3 flow Meters \$845.17
- **Total Expenses \$2681.57**

Expense/Receipt Totals 2013

- **Total Collections**
\$93,953.53
- **Total Expenses**
(\$92,279.45)
- **Receipts over Expenses**
\$1,674.08

2013 Allocation of Expenses



2014 Proposed Budget

- General Expense Budget
- Irrigation Expense Budget
- New Sanitation System Budget
- Sewer Operations and Maintenance Budget
- Sewer Collection System Budget
- Summary and Vote

2014 General Expense Budget

General Expenses	2013 Budget	2013 Actual+ 3 mn EST	2014 Proposed
Property/Liability Insurance	\$ 989	\$ 1,426	\$ 1,426
Legal (Hindman Sanchez)	\$ 1,000	\$ 1,107	\$ 4,000
Accounting (Kirkland & CO)	\$ 600	\$ 706	\$ 706
Office Supplies	\$ 750	\$ 643	\$ 750
Miscellaneous	\$ 250	\$ 209	\$ 250
Mosquito Control	\$ -	\$ -	\$ 6,280
Ground Maintenance	\$ -	\$ -	\$ -
	\$ 3,589	\$ 4,092	\$ 13,413

2014 Sewer Operations Budget

Sewer Expenses	2013 Budget	2013 Actual + 3mn EST	2014 Proposed	RGHOA 65 lots	RFHOA Dev 5 lots	RF undev lots 16
Operator expenses \$22.8K total	\$ 18,000	\$ 21,000	\$ 22,800	\$ 19,160	\$ 1,474	\$ 2,166
Operator Bonus	\$ 2,400	\$ 400	\$ -	\$ -	\$ -	
Polution Insurance	\$ 4,000	\$ 8,389	\$ 8,400	\$ 6,350	\$ 487	\$ 1,596
testing & inspection	\$ 1,697	\$ 2,139	\$ 1,975	\$ 1,834	\$ 141	
CDH Permit	\$ 525	\$ 525	\$ 525	\$ 397	\$ 30	\$ 100
Electricity	\$ 6,700	\$ 7,876	\$ 8,000	\$ 7,429	\$ 571	
Chemicals	\$ 1,234	\$ 400	\$ 500	\$ 464	\$ 36	
Water	\$ 345	\$ 361	\$ 380	\$ 353	\$ 27	
Mowing	\$ 650	\$ 1,450	\$ 800	\$ 743	\$ 57	
Misc. Maintenance	\$ 1,200	\$ 5,466	\$ 5,000	\$ 4,643	\$ 357	
total	\$ 36,751	\$ 48,006	\$ 48,380	\$ 41,373	\$ 3,181	\$ 3,862

2014 (and 2015) Sanitation Collection System Budget (pipe repair)

Sanitation Collection System	2013 Budget	2013 Actual + 3mn EST	2014 Proposed
** Repair Clay Pipe (2) sections	\$ 23,600	\$ 23,572	\$ 18,000
Total	\$ 23,600	\$ 23,572	\$ 18,000

**Contingency fund covered this cost

NOTE: Two year plan \$18000 each year for two years and perform repair in 2015 (reduce cost of installer by having them here once)

2014 New Sanitation System Budget

New Sewer Project	2013 Budget	2013 Actual + 3mn EST	2014 proposed
Engineering	\$ -	\$ 7,087	\$ -
Legal	\$ 3,000	\$ 6,333	\$ 2,000
Site Applications/ permits	\$ -	\$ 6,107	\$ -
Miscellaneous	\$ -	\$ 448	\$ -
	\$ 3,000	\$ 19,975	\$ 2,000

2014 Irrigation System Budget

Irrigation Expenses	2013 Budget	2013 Actual + 3mn EST	2014 Proposed
dues to ditch co	\$ 890	\$ 942	\$ 6,100
Repair & Maint.	\$ 200	\$ 100	\$ 200
Electricity	\$ 900	\$ 972	\$ 1,000
Supplies	\$ 50	\$ -	\$ -
copying	\$ 50	\$ -	\$ -
legal	\$ -	\$ -	\$ -
3 Flow Meters	\$ 660	\$ 845	\$ 900
	\$ 2,750	\$ 2,859	\$ 8,200

2014 Budget Summary

General Expenses	\$ 13,413
Irrigation Expenses	\$ 8,200
Sewer Expenses	\$ 41,373
New Sewer Project	\$ 2,000
San. Collection Sys	\$ 18,000
Total RGHOA Expenses	\$ 82,985

Quarterly dues RGHOA 65 lots	\$ 304 /280
Quarterly dues RFHOA 5 lots	\$ 165
Quarterly dues RF Undev 16 lots	\$ 66

Budget Vote

- Vote on Mosquito Control
- Vote on Budget

Break

Covenant and By-Laws Revision

- CCIOA
- Review of Survey
- Current Progress
- Homeowner Proposals

Covenant Survey Results, CCIOA and Covenant Review

CCIOA

- Brief overview of CCIOA and its value
- How it works with your governing documents
- Compliance with CCIOA typically requires a combination of revisions to Covenants and By-Laws and adoption of policies and procedures:
 - Collection Policy and Hearing Policy are examples
 - Requires “open governance” with member participation encouraged at any meeting
 - Minutes of meetings and open records as specified in CCIOA

Covenants/By-Laws – Introduction/Review

- The Declaration of Conditions, Covenants and Restrictions are:
 - A legal agreement among all the homeowners
 - Spell out the funding, maintenance and administration of the HOA
 - Define the protective restrictions and building guidelines
 - Require 2/3 majority of ALL homeowners votes to change
- The By-Laws are:
 - Where the Board of Directors responsibilities and authority are spelled out
 - Provide the details about funding of the HOA
 - Require 2/3 vote of quorum (10% of members!) to change OR
 - 2/3 vote of the Board, provided no expansion of powers of the board results for the By-Laws change

Covenants/By-Laws – The Need for Revision

- CCIOA
- Change in financial issues for HOA
 - Sewer plant de-commissioning will require revising how the HOA finances are managed – significant update to relevant sections of existing covenants and by-laws
 - Billing for treatment of sewage – no longer a forecast cost activity
- Opportunity for revision of protective restrictions
 - If desired by a majority of homeowners
- Lack of clarity in some protective covenants regarding restrictions
- Remove references to old voting classes and Glenview Court (the original developer)

Covenant Survey Results

- 45 responses of 65 possible
- Numerous comments
 - All were included in the summary without attribution
- Qualified answers, at times
 - Example: change livestock restrictions, but chickens only
- Yes: means keep the restriction
 - No: means remove the restriction
 - NR: means no response for that particular question

Covenant Survey Results

Questions 1-6

	1. Outbuildings	2. Sheet metal	3. 4 horses	4. Livestock	5. Roofing Material	6. Refuse and Rubbish
Yes	33	33	40	29	37	45
No	12	9	4	15	7	0
NR	0	3	1	1	1	0

Summary: significant minority desire change only a few of these

Covenant Survey Results

Questions 7-11

7. Weeds Cut	8. Non operating vehicles and machinery	9. Appearance of lots	10. Signs	11. Oil and Mining
Yes 39	39	41	39	36
No 3	3	2	5	6
NR 3	3	2	1	3

Summary: Most want these unchanged

Covenant Survey Results

Questions 12a-f

12a. Mowing	12. b trimming shrubs	12c. landscaping maintenance	12d. Equipment on lots	12e. RVs on lots	12f. Painting
Yes 17	16	13	22	18	18
No 25	25	28	19	24	21
NR 3	4	4	4	3	6

Summary: lots of comments on these. Significant minority support adopting additional restrictions.

Covenant Survey Results

Question 13

A. Enforce by entering property and correcting	12
B. Enforce by Fines	4
C. Enforce by court action	2
D. Enforce by fines and court action as needed (B & C)	15
E. Enforce by all methods	4
F. Enforce by A and B	2
G. No response	6

Summary: Enforcement option A is strongly recommended *against* by HOA attorney.

Recommend: Board should adopt approach that escalates from a phone call/letter to stronger methods as appropriate.

Existing Covenant and By-Laws Revision Process

- The good news: we have a fairly small set to work on
- Review and recommendations are based on goals of:
 - More clear covenants
 - Eliminate refs to GLENVIEW Court, etc.
 - Make changes needed for New Sanitation System and variable fees for sewage treatment costs
 - Complies with CCIOA

Why Update?

- Need for revision:
 - CCIOA
 - Sewer plant de-commissioning
 - Opportunity for revision of protective restrictions
 - Not in the charter for Ad Hoc Committee
 - Change in financial issues for HOA
 - Lack of clarity in some covenants regarding restrictions

Schedule/Milestones

- Draft 1 for committee review – in Progress
- Draft 2 for BOD review – TBD NOV-DEC 13
- Draft 3 for HOA review – TBD DEC 13
- Draft 4 for attorney review – TBD DEC 13
- Final Draft and HOA Meeting – TBD JAN14
- Final Revisions and Distribute for Vote – TBD FEB 14

Covenant/By-Laws Homeowner Proposals

- Proposed changes to Building Restrictions
 - Mark McGee
 - Laurie Johnson
- Proposed changes to Livestock Restrictions
 - Laurie Johnson
 - Mark McGee

NOTE: Slides provided in separate file

CCIOA Required Changes to Policy and Procedures

- Much needed and required updates to the operation of the HOA have been made or are in progress:
 - Open meetings (completed)
 - Agenda and Minutes (completed)
 - Collection Policy (completed)
 - Hearing Process (Drafted and in use)
 - Charters for Committees (partially complete)
 - Conflict of Interest Policy (needs update – By-Laws)
 - Conduct of Meetings (needs update – By-Laws)
 - Covenant enforcement process (Drafted and in use)
 - Open Records Policy (needs update – Covenants/By-laws)
 - Investment of Reserve Funds (needs update – Covenants/By-Laws)
 - Dispute Resolution Policy (update and draft needed – add to Covenants/By-Laws)
 - Policy for Revision of Policy (needs update – By-Laws)

Other Procedural Updates

- Irrigation Manual update is underway – draft for HOA review DEC 13
- ACC Guidelines and Procedures update – TBD
- Website
 - Open records – most are posted and regularly updated
- Email addresses
 - 53 of 65 HOA members have provided an email address

Recognition

Many thanks to Helen Stone and Denise Vigil for many years of volunteer service as board members!

Proposals/Open Discussion

BOD Goals for 2014

- Update covenants, by-laws and other policies
- New Sanitation System
 - Update budget and hold special HOA meeting to revise budget as required
- Schedule Community Events
 - Neighborhood Garage Sale?
 - Picnic/Block Party?

Calendar Items 2014

- Annual Audit – Treasurer and accountant, Dec/Jan
- DORA Annual registration – Treasurer
- Register with Secretary of State – Treasurer, August
- Neighborhood Garage Sale - ?
- Special Meeting – Covenants
- Special Meeting – Budget
- Annual Meeting
- Irrigation Committee Meeting
- BOD Meetings (3rd Thursday/month 7pm)