

Homestead at Rifle Homeowners Association

Thursday, November 16, 2017– 7:00 P.M.,
Kissell Residence, 1552 Graham Court
Rifle, Colorado

MEETING OF DIRECTORS HOMESTEAD AT RIFLE ASSOCIATION

A meeting of the directors of The Homestead at Rifle Association of Garfield County, Colorado was called and held on November 16, 2017 in accordance with the applicable statues of the State of Colorado, with the following persons present and acting:

ATTENDANCE

Harry Kissell, President, Chris Miller, Treasurer, Jay Miller, Director, Jerry Waller, Director, Billie Jansky, Vice President, was unable to attend. Also present were Art Dahl, owner and Keith Edquist, Association Manager. The Secretary position is vacant due to the resignation of Jeff Williams from the Board.

CALL TO ORDER President Kissell called the meeting to order at 7:05 p.m.

CONSIDERATION There was a motion and second to approve the 11/17/16 minutes as submitted. This passed unanimously.

PUBLIC COMMENT None

NEW BUSINESS

Review of summer landscape work-the contractor (CLC Maintenance) performed adequately for the second year. There was some additional expense in improving the sprinkler coverage at the Birch and 16th corner. Management has asked they look into the increased water expense for 2017. They state that the system was blown out on October 3rd, and that no further water use should have since occurred. It is believed this company has ceased operations, so another landscape contractor will be needed next spring.

Snow removal- Snow removal has not been contracted at this date, but last year's vendor is able to provide services on a per time basis as last year. There was a single plow event last winter, and consequently that line item was significantly under budget for the year to date. Edquist is to contact this vendor.

Review of aging statement and collection efforts- Edquist reviewed the aging statement, which still shows \$5000 plus in uncollected and past due assessments. He said about \$2300 had recently been collected after notices had been pasted to local garage doors. However, it seems many owners are in the habit of simply ignoring bills from the HOA. Most of the uncollected assessments are due to 4 owners, 3 of whom are known to be in the neighborhood, and one has been unable to be located by assessor's office address. Of these, most are 5 to 10 years overdue, so it is apparent that the developer has not made serious efforts at collections.

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The next step will be sending these owners a “Notice of Intent to Lien” along with their statements. These will be sent by certified mail to the addresses of record. After 30 days, if these debts are not paid, the association will file liens on these properties. The process should be complete by late December, and liens could be filed in January. Edquist said that filing the liens may not result in payments of the debts. What would occur on sale of any of these properties would be collection of the past due assessments by the title company at closing. These funds are then sent by check to the association.

Review of October financials-The balance sheet shows \$34,300 in savings, and \$4240 in the operating account. The savings account includes retained earnings from prior years, and presumably some funds collected as reserve funds over the years. At least on the balance sheet and at Alpine Bank this account is not designated as a reserve fund. Owner equity shows as \$43,863 vs. \$45,756 at this time last year.

Review of the profit and loss statement shows over budget situations in landscape maintenance, for reasons mentioned above, and a near doubling of electrical and water expenses versus the budgeted amounts. Edquist explained that Savage Land Co. had granted Xcel Energy and the City of Rifle to draw on the operations account for their invoices. This was unknown to management. It may or may not explain this serious overage in these line items, but Edquist will look further into both expenses and report back to the Board.

In a related matter, management asked permission of the directors to apply for commercial rate irrigation from the City, and received permission to do so. This would lower costs per thousand gallons of water used on the Birch and 16th Street landscape. Director Miller mentioned an internet controlled irrigation clock he uses on his home system, and says it has reduced his water usage. This will be further investigated for possible use on the Birch Street controller.

Further review of the financials prompted no further questions and the discussion moved on to consideration of the proposed 2018 budget.

Discussion and Review, Proposed 2018 budget-as proposed the 2018 budget showed an annual assessment of \$216 per owner, an increase of \$21 per year from the present \$195 for 2017. Keith said he needed to reduce the insurance expense from the proposed \$1120 plus dollars to a more accurate \$712. This change reduced the annual number to \$212. Both the electrical and water expense line items were set to reflect the 2017 budget numbers, instead of the actual ytd expense. Management expense was increased from \$8400 per year to \$9000 (\$700 to \$750 per month) based on 85 homes. He said he had originally bid the fee based on 70 homeowners, which has turned out to be incorrect, as there are actually 85 homes.

In order to bring the assessment number down further from the \$212 figure, the Board considered the \$1800 proposed reserve contribution in light of actual capital items Homestead owns. This resulted in a decision to reduce the \$1800 reserve assessment figure to \$500 for 2018, resulting in an annual assessment of \$200. This budget with the

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changes above was approved by motion and second, none opposed. Edquist explained that this proposed budget will be the Homestead budget unless it is rejected by a 2/3rds vote of the owners in opposition at the annual meeting. He said this is unlikely, and that this budget therefore will be the 2018 homestead budget.

Other new Business-Owner Art Dahl attended in order to join the Board. There was a motion and second to appoint Art to the Board, with all in approval. Review of the Homestead organizational documents says directors are elected for 1 year terms. This means all the present directors may need to stand for re-election at the annual meeting. It also presents some problems regarding continuity in office, but this may not be changeable if it involves amending the declaration.

In view of the aging and uncollected assessments from prior years, Edquist asked the Board to begin to charge interest expense as stipulated in the declaration. This is 18 percent per year. He also requested a late fee be imposed on past due assessments. On review this was determined to be \$10 per month per the Responsible Governance Policies. There followed a motion to charge 18 percent interest on past due assessments after 30 days, and a \$10 per month late fee on past due assessments after 90 days. This was seconded and passed by the Board without dissent.

Old Business-Director Miller asked management to supply a key for the irrigation timer. He also asked whether there would be savings should the Board or owners adopt a nearby pet station for maintenance. Potential for savings there is up to \$1200 per year of budgeted expense.

Next meeting- the next meeting of the Board will be immediately after the annual meeting in order to elect the Board's 2018 officers. The annual meeting date was set for Monday February 5th, at the RE-2 Administration Center, 839 Whiteriver Avenue.

ADJOURNMENT there being no further business to come before the Board the meeting was adjourned at 9:10 pm.

Respectfully submitted,

Keith Edquist,
Association Manager and Secretary to the Meeting
HOMESTEAD AT RIFLE HOMEOWNERS ASSOCIATION

Harry Kissell
President