

WEST FORK VILLAGE HOMEOWNERS ASSOCIATION

Annual Budget Meeting

December 11, 2020

Budget Meeting Attendees:

Board of Directors:

Travis Ryan, Onsite Manager, #305
Matthew Shewmon, President, #703
Mike Montoya, Vice-President, #1002
Carrie Huenick, Treasurer, #103
Dottie DeMark, Secretary, #701

Owners Present:

Linda Barber, #101
Zulema Ryan, #305
Nancy Hall, #312
Tami Guerrero, #601
Lisa Shewmon, #703
Lew Pierson, #801
Sharon Lamske, #811
Amalia Johnson, #1102
Siri Willis, #1112
Dianne Hays, #1203
Sharon Foster, #1303
L. Allen, #1311
Pauline Tucker-Anderson, #1502
Jan Massey, #1504
Donna Mordini, #1509

Start time: 7:06 pm

1. Roll Check-in Procedure – Done
2. Board Review of 2021 Budget. Carrie went through the proposed budget and discussed certain points that the Budget Committee considered when creating the proposed budget. She advised there would be more income next year from the suite/apartment rentals and noted that income tax must be paid on this rental income. The CPA estimates it at 30% of rental income. Under General

Expenses, Carrie advised that water costs have gone up significantly. The City increased the water rate by 8.5% from 2019 to 2020 and expects a 5% increase for 2021. The water cost has been broken out from last year's budget to now show irrigation water and clubhouse water figures separate from condo resident water usage. Another significant increase in 2020 was for snow removal costs. The Board is investigating other options for snow removal like hiring day laborers for shoveling. Another expense that came in higher than budgeted was the painting of buildings done in 2020 due to a 30% increase from the contractor. Carrie also advised that the Clubhouse Expenses could be used to mitigate income taxes due on the rental suite/apartment, and she noted a change to the Clubhouse expense total to \$31,210. Carrie advised that the proposed budget surplus is less than the reserve expenses so it may be necessary to use money from savings in 2021.

Matthew explained the reason for breaking out the irrigation water and clubhouse water expenses was so those expenses could be managed more effectively. An error was found on the water costs included in the proposed budget sent to owners prior to this meeting where the sewer water and storm water costs were also included in the water costs line item. This reduces the water cost figure by \$25,500. Matthew advised that the Reserve requires that 10% of total income be put into reserves each year so we are short on that amount. Matthew then discussed the reason for the \$20 per month increase in the month fee assessment in 2021. He referred members to the handout showing the increases in water usage by building from 2019 to 2020 and a research chart showing monthly fee assessments from similar condominium communities in the area which shows our fees are still low in comparison. The Board will be focusing on irrigation to get the water costs down and a water system audit by the City has been requested.

3. Q&A Session for Owners, 3 minutes each. Linda Barber doesn't understand why the increase is necessary; many have lost their jobs due to the pandemic. Why can't the increase be just \$10 per month; the reserves can wait. What about the pandemic? There is water running constantly from a pipe by the entrance sign to the community that needs to be fixed. Matthew advised that a 40% monthly fee increase would be needed to obtain the proper reserve figure. Linda noted that we need to focus on water and Matthew agreed.

Jan Massey advised that many owners have problems with the increase in monthly dues because they are on a fixed income. She questioned why the garage owners dues are only increased by 5% but the condo owners dues are increased by 11%. Mike M. commented that the HOA dues for garage rentals where he lives went up 100%. We have \$10,000 in the budget but other figures are wrong. Why do the trees need to be done this year? She suggested on the apartment rental that we try to get a year lease instead of 6 month and that would keep it filled all year. Why is interest earned from 2019 only \$1,000? What is included in miscellaneous income? Travis advised it includes fees received from title companies when an owner sells a unit and we have to produce a report, fines to owners for violations of condo resolutions like pet problems, and late fees paid on monthly fee assessment. What is "Foreclosed Units Recuperation"? Travis advised it was from several foreclosed units that happened a few years ago but the Board decided to keep the line item on there. When is the Comcast contract up? Travis advised 10 years. Jan asked if the Board members payments went up also. Travis advised no, it is still at \$80 per month. There is a mistake on the garage monthly fee; it should be \$1,819. Travis advised we already caught that. What was the \$12,000 for repairs? Travis advised that is for repairs that Chris performs on things like replacing handrails, a back flow test fee. Why \$6,000 for landscape maintenance? Travis advised it includes sprinkler repairs, edging, and purchasing a control panel for the alarm. Why are we budgeting \$22,740 for 'trees and shrubs'? She suggested we let the ash trees die and don't replace them. Travis advised that the City Arborist

says that there are 7 ash trees on the property that are a potential hazard; there is a risk of them falling over. Why did the hazard insurance expense decrease? Travis advised we changed provider to State Farm, and all owners should make sure they have personal loss assessment coverage with an HO6. The State Farm policy has a \$20,000 deductible per building. What were the legal expenses? Travis advised that the hail insurance claim dispute is still ongoing. What is the accounting fee? Are we using a CPA now? Travis advised that the CPA only does tax filing; Carrie noted that the rental income from the suite/apartments is taxable. Matthew advised that the CPA is going to try to determine other ways we can file our taxes while he is doing the taxes for this year. What about the internet? Travis advised that BCS is the provider; the TV's are free from Cardinal. Have we checked if Comcast is cheaper? Travis says no. What about the website? Why are financial reports and Board meeting minutes 5 months behind? Travis advised, we just need to do it. What about the balcony deck resurface? Can't it be covered by HO6 coverage? Travis advised no, it is not a covered loss under the HO6. How many buildings are left to be painted? Travis advised 3 condo buildings plus the clubhouse.

Donna Mordini stated that Jan had covered most of her questions. She suggested we increase the garage rental fees. She advised that we are paying a lot for onsite management; some communities do offsite management. How expensive is that? Matthew agreed that the administrative expenses are a lot but it includes a lot of other things that most communities don't have; like apartment rentals and post office packages. We haven't looked at outside firms. He has researched that in the past and there was a significant increase.

Amalia Johnson objected to the monthly fee assessment increase; it has been raised every year for the past 3 years. And now we're dealing with Covid. The water issues concern her; waste bothers her. She thinks it's wasteful that the outside lights are kept on all day.

Siri Willis advised that she moved here in February of 2015. She is now making less at her job and dipping into savings. She suggested we cut back on the tree expenses. Regarding the water usage, she hardly uses any water. Lisa Shewmon noted that the usage is not going up; the City's rate is.

4. Vote on the 2021 Budget. Ballots were distributed at 7:52 pm to all attendees and voting commenced. All completed ballots were collected.
5. Tally of the Votes. All votes, including proxies received, were counted by the Secretary and the Treasurer.
6. Announce Result. The result of the vote count was announced at 8:03 pm. There were 16 yes votes and 12 no votes and no one abstaining. Matthew announced that the proposed budget for 2021 has passed. He advised that the budget will be revised to address the matters brought up at this meeting and a revised budget will be sent out to owners. He thanked everyone for attending and advised that we will get the material onto the website more diligently in the future.

A Motion to adjourn was made by Carrie, seconded by Dottie, and **the Motion passed.**

The meeting was adjourned at 8:05 pm.

Respectfully submitted,

Dottie DeMark
Secretary