

THE CONSERVATORY HOMEOWNERS' ASSOCIATION
2020 ANNUAL MEETING MINUTES November 12, 2020

- I.** Quorum was established and the meeting can commence.
- II.** **Call to Order** - Dave Altman called the meeting to order 6:44pm and welcomed everyone in attendance. Dave introduced the 2020 Board of Directors and the management representative.
- III.** **Proof of Notice of Meeting** – Cylinda Walker, Manager, confirmed notice went out in accordance with the Association's Bylaws of not less than 14 days and no more than 60 days. Notice was mailed out 10/16/19.
- IV.** Dave Altman read the following rules for online meetings to the attendees:
- A. Please hold all questions until the Homeowner's Forum.
 - B. Please feel free to use the chat feature to chat to the manager/moderator with any questions.
 - C. For those in attendance via video, please raise your hand to speak.
 - D. For those in attendance on the phone only, the moderator will pause to allow you to speak, but may put you in a queue depending on how many are ahead of you.
 - E. If someone attempts to dominate the meeting or homeowner forum, they will be muted by the moderator.
- V. President's Report**
- A. **Recognize the HOA Committees and chairs**
 - 1. **Social Committee** – Sharon Fisher and Patty Maestas, Co- chairs
 - 2. **Design Review Committee** – Dave Sunstrom, current chair. Recognize Therese Sullivan as prior co-chair and her dedication to the committee for several years. Read off categories of projects reviewed YTD. (See separate page)
 - 3. **Communications Committee** – Helen Hardin, chair.
 - 4. **Operations Committee** – Jim Hardin, chair
 - 5. **Nomination Committee** – Bill Fisher, chair
 - 6. **Ad Hoc Budget Committee** – Bill Fisher, chair
 - 7. **Ad Hoc Bathroom Remodel Committee** – Helen Hardin
 - B. **2020 Accomplishments of the Board of Directors**
 - 1. **Covid-19 New Normal** – Covid affected our pool opening in 2020 as we had to track attendees and use an online reservation system. Although there were thousands of pools across the country that did not open, we were able to open with the help of Front Range Recreation with reduced patron counts. Covid also did not allow us to hold meetings at the clubhouse and we had to move to a virtual platform.
 - 2. **Pool Upgrades** – In 2020, the Board approved an auto-chem, new heater, and replacement furniture.
 - 3. **New HOA Website** – The HOA moved to a different platform for the website.
 - C. **HOA Assessments** – How is your monthly fee of \$42.00 broken out? Dave explained that there are six different areas of expense for the HOA and the breakout of each from the monthly \$42.00 is as follows:
 - 1. Administrative - \$5.46
 - 2. Maintenance - \$6.72
 - 3. Utilities (includes trash removal) - \$13.46
 - 4. Reserves - \$9.66
 - 5. Supplies - \$0.42
 - 6. Management - \$5.88
- VI. Treasurer's Report**
- A. **YTD Financial Recap** –
 - 1. Clubhouse usage and reservations have been on hold since March.
 - 2. Some residents are having trouble keeping up with assessments resulting in legal reimbursement income being down and legal and legal reimbursement costs being up.
 - 3. Special efforts were made to open and keep the pool open with proper COVID practices that resulted in nearly \$10,000 more in Lifeguard costs.

4. Trash service costs increased at the beginning of 2020 instead of the projected mid-year time frame which means we will be running nearly \$4,000 over that line item for the year.
We had a major operating expense for landscape work in 2020 to care for items let go in past years. This included \$7,217 in operating expense and \$1,225 in capital expense
5. We still hope we can operate in the black for 2020, but it will require all Owners to pay their assessments.
6. As our facilities and equipment continue to age, we have found it necessary to replace different items, particularly pool equipment and furniture
7. These have included re-configure pool house to accommodate an automatic chemical feeder, replacement of pool filter to improve water quality, replacement of pool furniture and new pool heater for next year. These capital costs totaled nearly \$50K.
In 2020--\$775.00 was spent on the underdrain, but starting 2021 we will have annual maintenance expenses of \$25K-\$50K per year. We have \$1.4 M in that Fund
8. We have \$214K in Operations, \$324K in Reserves, and \$1.425K in Construction Defect.
9. The HOA has operated in the black since 2015, when there was a deficit of \$19K, 2016-2019 income has exceeded expenses.
10. In March of 2015, we engaged Gene West of RBC Wealth Management to invest our HOA Funds. RBC works with over 200 HOA's in the US and Canada to invest our funds in a conservative manner. In 2015 we only had \$380K, but we were getting practically no return with those funds all in the bank.
11. We anticipated that our funds might grow as we were proceeding with possible litigation with DR Horton regarding the Underdrain
12. That expectation came true as we had \$456K in 2016, \$7.797M in 2017, \$4.381M in 2018, \$5.555M in 2019 and now 1,98M in 2020.
13. Because of our investment income through September of 2020, we have generated \$29,634 in income through our three funds, Because of these investments it saves each of us an increase of nearly \$2/month in assessment increases.

B. Budget Review

1. We had 6 people serve on the Budget Committee in 2020 and asked each committee of the HOA to submit budget requests.
2. We prepared a 2021 Operating Budget which the Board approved in September. We also prepared a projected Capital Budget for 2021 and an Underdrain Maintenance Budget, based on our Reserve Study, for 2021-2025.
3. We are proud to announce that the 2021 Operating Budget keeps assessment for owners at the same level of \$42/month. We studied proposed expenses carefully and anticipated income sources to lay out the financial roadmap for 2021.

VII. Old Business

- A. **Underdrain Update** - Bob Hunchberger gave an update via a powerpoint presentation.

VIII. New Business

- A. **2021 Budget Ratification** – Unless 80% of owners veto the budget, it is deemed ratified. No vote taken.
- B. **2019 Annual Meeting Minutes** - Per the online vote tally, the meeting minutes are approved.
- C. **Announcement of Election Results** – James Lawrence and Harlan Baldwin were elected to the Board of Directors. Helen Hardin was re-elected to the Board of Directors.

Adjournment – with no further business to discuss, the meeting was adjourned at 8:15pm.