



CENTENNIAL GLEN HOA

2022 ANNUAL MEETING

November 2, 2022

AGENDA

- ❖ Determination of Quorum
 - ❖ Election of 2023 Board of Directors
 - ❖ Proof of Notice of Meeting
 - ❖ Approval of 2021 Annual Meeting Minutes
- } 10 Minutes
- ❖ Owner Education – Centennial Glen Website – 15 Minutes
 - ❖ Strategic Plan – 15 minutes
 - ❖ Board Reports - 30 minutes
 - ❖ Current Board and Architectural Committee
 - ❖ 2022 Legislation
 - ❖ 2022 Accomplishments
 - ❖ Issues encountered in 2022
 - ❖ Capital Reserve Funding
 - ❖ 2022 Financial Results
 - ❖ 2023 Goals/Projects
 - ❖ Major Expenses/2023 Budget/ Establish Annual Dues
 - ❖ Other/Q&A – 5 minutes
 - ❖ Adjournment – 5 minutes

2022 LEGISLATION AFFECTING HOA'S

HB 22-1137: HOA Board Accountability and Transparency

- **Changes multiple sections of CCIOA and the Colorado Revised Statutes**
- **Necessitated update and legal review of several of our policies including Enforcement of Covenants, Collections, and Meeting Conduct – Cost was \$400**
- **Addresses notification requirements for covenant violations, changes allowable cure periods for violations before fines can be administered and/or legal action taken; caps fines and interest rates; adds foreclosure restrictions; permits use of Small Claims Court to settle disputes/recover delinquencies**

2022 LEGISLATION AFFECTING HOA'S (Cont.)

HB 22-1137 (Cont.):

- **Embedded costs. Requires notification of covenant violations by certified mail; requires translation of violation/delinquency notice(s) into homeowner's language of choice; stretches out cure periods and repayment plans**
- **Also has burdensome administrative/records-keeping costs**

HB 22-1139: Use of Public Rights-of-Way

- **Prohibits HOA's from regulating parking on city streets**

SB 22-059: HOA Voting Proxy Limitations

- **Terminates a proxy 11 months after start date unless the proxy indicates an earlier termination date**

2022 Accomplishments

- ✓ **Continued efforts to remain transparent and keep homeowners informed**
- ✓ **Saved approximately \$500 by disconnecting water service during winter months**
- ✓ **Initiated Strategic Planning process**
- ✓ **Worked with fire department on fire prevention**
- ✓ **Modified Resolutions #5, #7 and #9 required by the passage of HB 22-1137**
- ✓ **Completed compliance requirements – Tax returns, HOA record retention, Annual registrations, and made 2022 transfer to Reserve Account**
- ✓ **Encouraged homeowners to perform upkeep and maintenance of exterior of homes**
- ✓ **Repaired areas damaged by reckless drivers – after two auto accidents damaging common property**
- ✓ **Installed rock in common area and added mulch on a very limited basis**
- ✓ **Trimmed and pruned trees and bushes throughout the area**
- ✓ **Repaired damage caused by windstorm and May snowstorm**
- ✓ **Repaired damage to sprinkler valves caused by lightning strike**
- ✓ **Conducted Board education at monthly meetings**

2022 Issues

- ❖ **Major snowstorm in May causing significant damage to trees – Repair Costs - \$1,600**
- ❖ **Major windstorm damaging trees and Christmas lights – Repair Costs - \$500**
- ❖ **Two separate auto accidents as a result of careless drivers damaging landscaping and fencing – Repair Costs for 1st accident - \$300, 2nd accident covered by insurance**
- ❖ **Lighting strike damaged sprinkler system controller and valves – Total cost to date \$800, Waiting on news on warranty coverage of controller**
- ❖ **Continued labor shortage causing problems with mowing and delaying landscaping projects**













Capital Reserve Funding for 2022/2023

Reserve Study

❖ Purpose

- ✓ **The purpose of a Reserve Study is to provide a guideline (educated estimate) to the Board as to what the Reserve Allocation needs to be in the future to replace the Physical Assets in the Common Areas as they deteriorate and need replacement.**
- ✓ **The Reserve Study also provides estimated annual reserve funding requirements (in addition to Operating Costs) needed to meet the estimates provided in the Study to cover the costs of replacing these assets.**
- ✓ **The intent is to avoid special Homeowner Assessments to cover the costs to replace these assets.**
- ✓ **In compliance with our Bylaws the 2016 reserve study was reviewed and updated in 2020.**
- ✓ **Will be updated in 2023 to reflect the impact of inflation and changed interest rates**

2016 Reserve Study

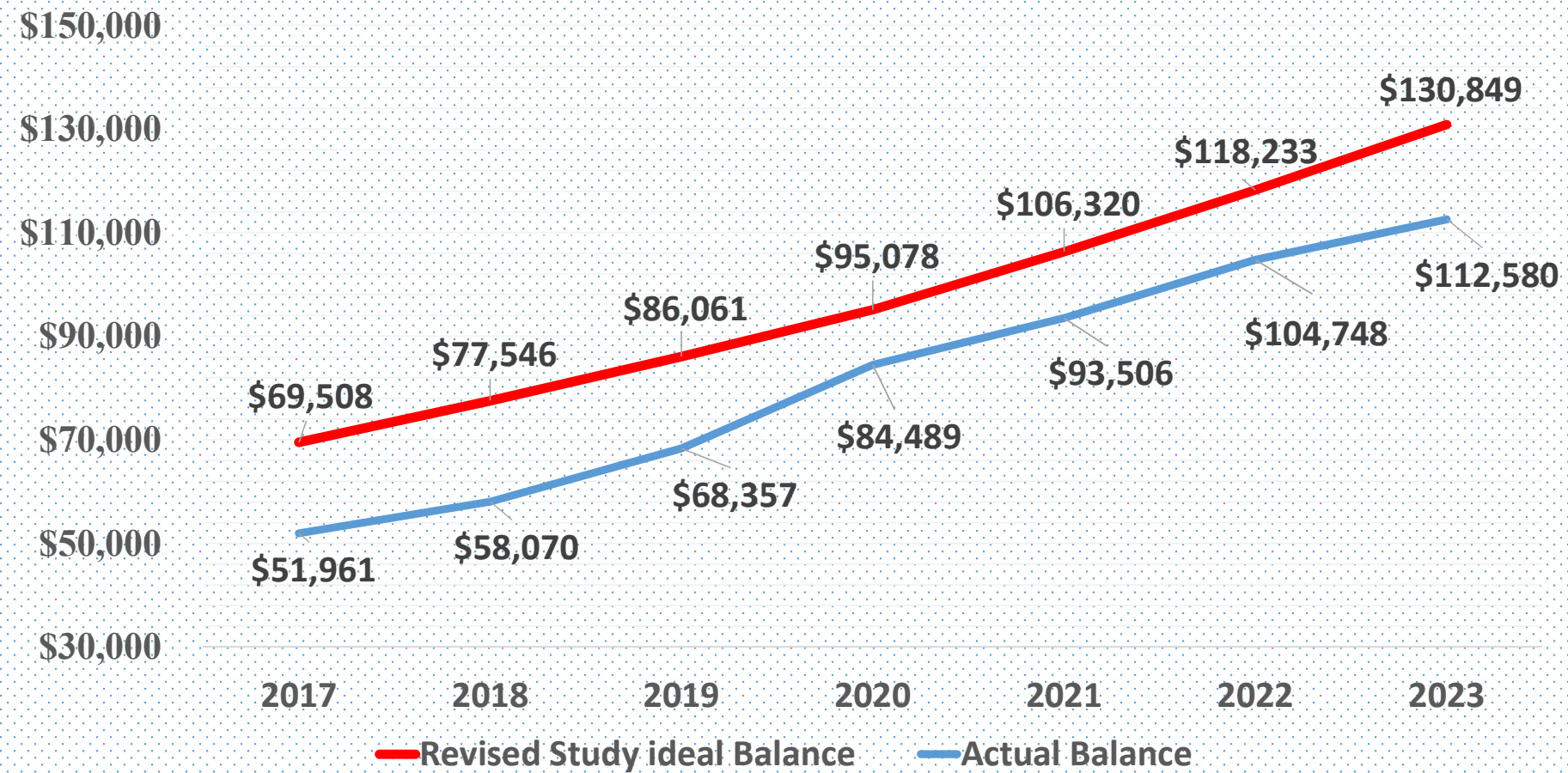
Physical Asset Inventory

	Estimated		Estimated Replacement	
	Useful	Remaining	Cost	
	Life	Life	Best	Worst
Ironwork Fencing on exterior of Association	28	10	\$ 94,725	\$ 105,250
Centennial Glen Monument at upper entrance	25	6	\$ 30,000	\$ 35,000
Six Stone Columns located along the exterior fence	16	4	\$ 1,800	\$ 2,100
Exterior Lighting – 65 lights & 3 Transformers	12	1	\$ 2,750	\$ 3,000
Various Landscaping, Infrastructure and Sprinkler System assets	5	3	\$ 7,000	\$ 10,000
Total			<u>\$ 136,275</u>	<u>\$ 155,350</u>

Reserve Funding

Funding Levels			Updated Study			
Date	Actual Balance	\$ Funded	Ideal Funding \$'s	Ideal Balance	Percent Funded	Financial Position
1/1/2017	\$ 51,961	\$ 6,109	\$ 7,583	\$ 69,508	75%	Funded
1/1/2018	\$ 58,070	\$ 10,287	\$ 8,038	\$ 77,546	75%	Funded
1/1/2019	\$ 68,357	\$ 16,132	\$ 8,515	\$ 86,061	79%	Funded
1/1/2020	\$ 84,489	\$ 9,017	\$ 9,017	\$ 95,078	89%	Funded
1/1/2021	\$ 93,506	\$ 11,242	\$ 11,242	\$ 106,320	88%	Funded
1/1/2022	\$ 104,748	\$ 7,832	\$ 11,913	\$ 118,233	89%	Funded
1/1/2023	\$ 112,580	\$ 11,913	\$ 12,616	\$ 130,849	86%	Funded

Capital Reserve Fund Balance Gap



2022 Financial Results

Balance Sheet
As of September 30, 2022

ASSETS

Current Assets

Checking/Savings

General Operating Account

Checking - 1st Bank **\$ 43,864**

Capital Reserves

Savings - 1st Bank 4413 **\$ 31,315**

CDs - 1st Bank 9085 **\$ 74,244**

Total Capital Reserves **\$ 105,559**

Total Checking/Savings **\$ 149,423**

Accounts Receivable **\$ 190**

Total Accounts Receivable **\$ 190**

Total Current Assets **\$ 149,613**

TOTAL ASSETS **\$ 149,613**

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Advance HOA Dues **\$ 5,168**

Total Liabilities **\$ 5,168**

Equity

Retained Earnings **\$ 139,709**

Net Income **\$ 4,736**

Total Equity **\$ 144,445**

TOTAL LIABILITIES & EQUITY **\$ 149,613**

Centennial Glen HOA
Profit & Loss Budget vs. Actual
Janaury through September 2022

	<u>Jan - Sep 22</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Ordinary Income/Expense			
Income			
Homeowner Dues	\$ 77,004	\$ 77,004	\$ -
Interest Income	\$ 178	\$ 150	\$ 28
Other Charges	\$ 40	\$ 225	\$ (185)
Total Income	<u>\$ 77,222</u>	<u>\$ 77,379</u>	<u>\$ (157)</u>
Expense			
Accounting	\$ 900	\$ 1,025	\$ (125)
Block Party	\$ -	\$ 200	\$ (200)
Fees & Licenses	\$ 39	\$ 213	\$ (174)
Insurance	\$ 2,519	\$ 2,539	\$ (20)
Landscaping	\$ 43,170	\$ 38,269	\$ 4,901
Legal Fees	\$ 395		
P. O. Box Rent	\$ 232	\$ 224	\$ 8
Postage	\$ -	\$ 73	\$ (73)
Supplies	\$ 79	\$ 200	\$ (121)
Tax Preparation	\$ 450	\$ 500	\$ (50)
Trash Service	\$ 5,766	\$ 6,154	\$ (388)
Utilities			
Electric	\$ 816	\$ 973	\$ (157)
Stormwater Fees	\$ 111	\$ 176	\$ (65)
Water	\$ 18,009	\$ 17,986	\$ 23
Total Utilities	<u>\$ 18,937</u>	<u>\$ 19,136</u>	<u>\$ (199)</u>
Total Expense	<u>\$ 72,487</u>	<u>\$ 68,533</u>	<u>\$ 3,953</u>
Net Ordinary Income	<u>\$ 4,736</u>	<u>\$ 8,846</u>	<u>\$ (4,110)</u>
Net Income	<u>\$ 4,736</u>	<u>\$ 8,846</u>	<u>\$ (4,110)</u>

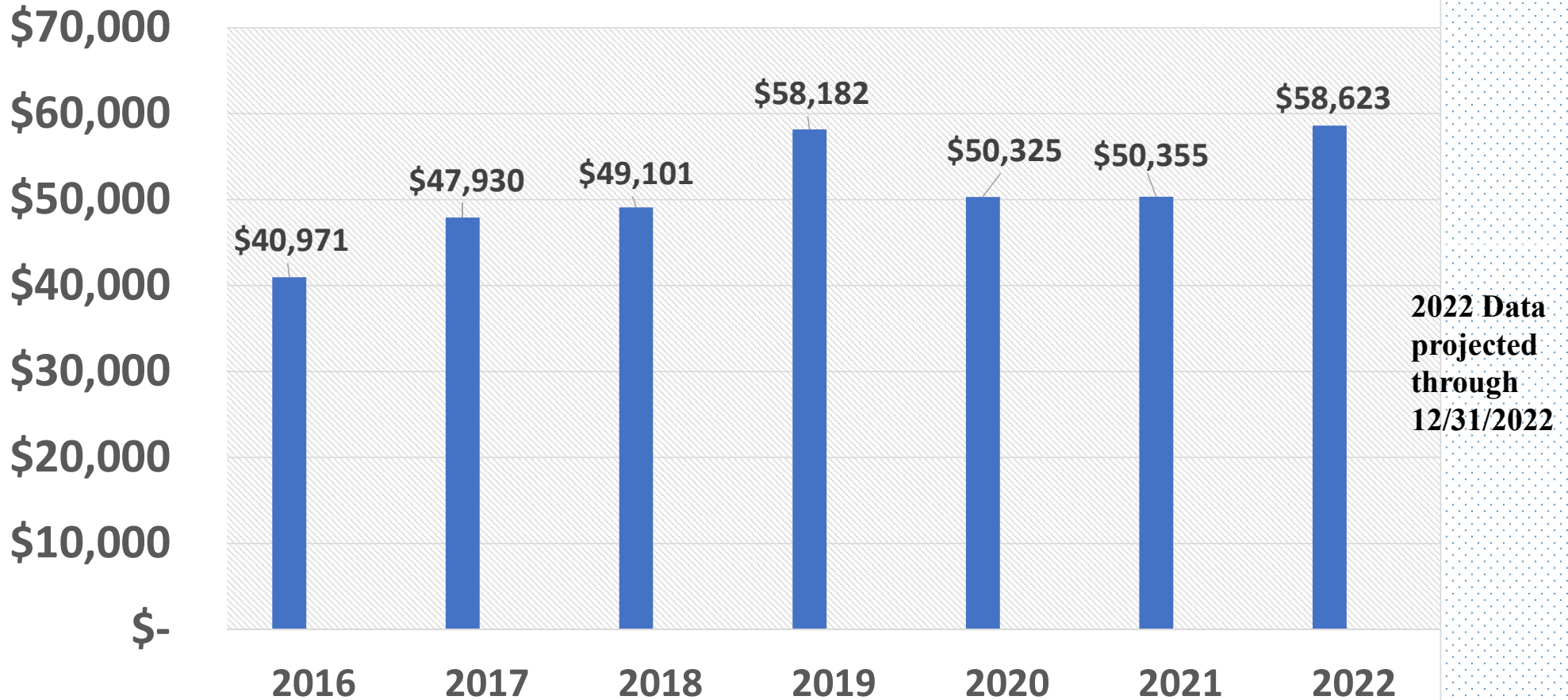
2023 Goals/Projects

- ✓ **Continue Strategic Planning process**
- ✓ **Be good stewards of HOA funds**
- ✓ **Maintain transparency with homeowners**
- ✓ **Emphasize Architectural compliance**
- ✓ **Continue with projects to upgrade Common Areas**
- ✓ **Comply with regulatory requirements**
- ✓ **Make adequate Capital Reserve Contribution**
- ✓ **Update Reserve Study**
- ✓ **Continue Board education**
- ✓ **Comply with HOA record retention policies**
- ✓ **Hold neighborhood barbecue**

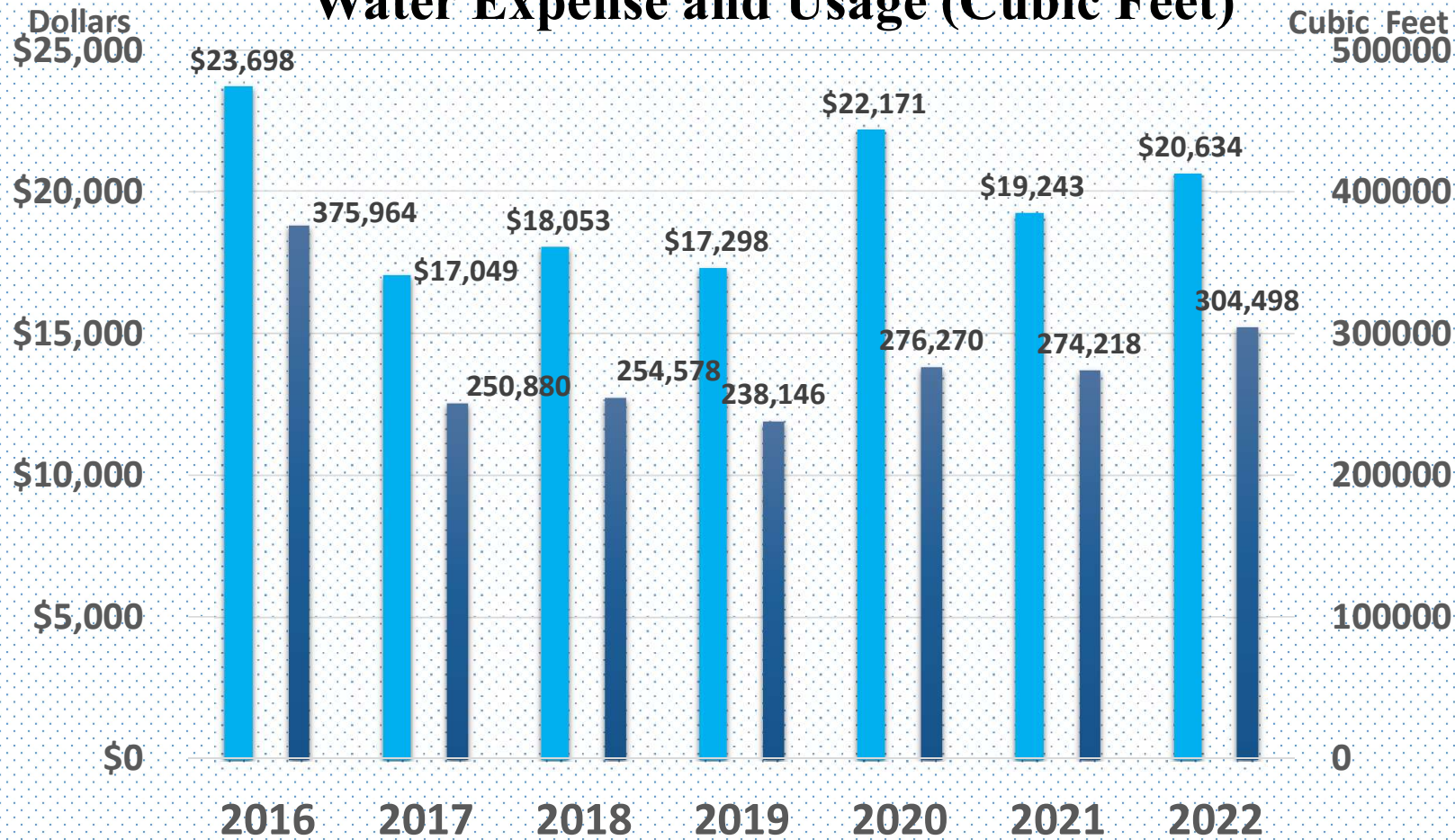
Major Expenses

2022 Budget & Dues

Robertson's Landscaping Expense Comparison 2016-2022



Colorado Springs Utilities Water Expense and Usage (Cubic Feet)



2022 amounts
are *projected*
through
12/31/2022

Water rates
increased
21% from
2016
to 2022 – at
2016 rates
2022 costs
would equal
\$19,071

**Centennial Glen HOA
2023 Budget**

Ordinary Income/Expense	2022 Budget	Projected 2022 Actuals	2023 Budget	
Income				
Homeowner Dues	\$ 102,672	\$ 102,672	\$ 108,228	/1
Interest Income & Transfer fees	500	291	500	
Total Income	\$ 103,172	\$ 102,963	\$ 108,728	
Expense				
Accounting	\$ 1,386	\$ 1,200	\$ 1,320	
Barbecue	200	33	200	
Fees & Licenses	300	52	300	
Insurance	2,539	2,519	2,771	
Landscaping/Snow Removal	57,000	58,623	60,000	
Legal fees	-	\$ 395	400	
P. O. Box Rent	224	232	255	
Postage & Copies	110	100	110	
Supplies	300	105	116	
Tax Preparation	500	450	500	
Trash Service	8,248	7,770	8,248	
Utilities				
Electric	1,298	1,088	1,142	
Stormwater Fees	235	171	200	
Water	23,000	20,634	24,000	
Total Utilities	\$ 24,533	\$ 21,893	\$ 25,342	
Total Expense	\$ 95,340	\$ 93,371	\$ 99,563	
Net Ordinary Income	\$ 7,832	\$ 9,592	\$ 9,165	
Transfer to Capital Reserves	(7,832)	(7,832)	(11,913)	/2
Net Surplus (Deficit)	\$ 0	\$ 1,760	\$ (2,748)	
/1	2023 Dues are based on level of \$195 per month which provdes an additional \$6,000 in annual revenues			
/2	\$11,913 will be transferred to the Capital Reserve Fund for 2023			

Other

❖ Covenants – Issues

- Exterior maintenance on houses – exterior of homes need to maintained in good condition – includes exterior surfaces, decks, walks and driveways
- Trash receptacles – left out over night – should only be out on day of pick up which is Friday
- Garage doors being left open - for security purposes they should not be left open for extended period of times
- Home Business – Operating a business in your home is prohibited. Working from home is permitted.
- Gardening tools, bags of fertilizer and top soil being stored outside – these items need to be stored inside when not being used
- Air BNB's and ADU (Auxiliary Dwelling Units) are not permitted

❖ Any changes to the exterior of your house or yard require approval of the Architectural Committee before any work begins

❖ Please water on warm winter days

❖ Questions???

❖ Adjournment

