



CENTENNIAL
GLEN

CENTENNIAL GLEN HOA

2023 ANNUAL MEETING

November 8, 2023

AGENDA

- **Determination of Quorum**
- **Election of 2024 Board of Directors**
- **Proof of Notice of Meeting**
- **Approval of 2022 Annual Meeting Minutes**
- **Owner Education – 2023 Legislation – 15 Minutes**
- **Strategic Plan – 15 minutes**
- **Board Reports - 30 minutes**
 - Current Board and Architectural Committee
 - 2023 Accomplishments/Issues
 - Capital Reserve Funding
 - 2023 Financial Results
 - 2024 Goals/Projects
 - Major Expenses/2024 Budget/ Establish Annual Dues
- **Changes in 2025 - 5 minutes**
- **Other/Q&A – 5 minutes**
- **Adjournment – 5 minutes**



LEGISLATION AFFECTING HOAs

SB 23-178

- **ENCOURAGES WATER WISE LANDSCAPING IN HOAs**
- **AUTHORIZES:**
 - (1) USE OF XERISCAPE & DROUGHT TOLERANT LANDSCAPING**
 - (2) INSTALLATION OF ARTIFICIAL TURF IN BACK YARDS**
 - (3) INSTALLATION VEGETABLE GARDENS**
- **RESOLUTION 2023-11, HOA DESIGN GUIDELINES, WAS AMENDED TO COMPLY WITH THE BILL**
- **NOTE: CHANGES TO LANDSCAPING ARE AT HOMEOWNER EXPENSE & FENCING RESTRICTIONS STILL APPLY**

House Bill 23-1105

HOMEOWNERS' RIGHTS TASK FORCE COMMISSIONED TO INVESTIGATE/REPORT ON ISSUES IMPACTING HOAs

- (1) HOA FINING AUTHORITY AND PRACTICES
- (2) FORECLOSURE PRACTICES
- (3) COMMUNICATION WITH HOMEOWNERS
- (4) AVAILABILITY OF GOVERNING DOCUMENTS TO HOMEOWNERS
- (5) HOMEOWNER COMPLAINTS

ATTENDED FIRST MEETING OF TASK FORCE VIA ZOOM

TASK FORCE DISCUSSED UNSUBSTANTIATED COMPLAINTS/"STORIES" TO ADVOCATE POTENTIAL LEGISLATION

WHAT CAN YOU DO?? COMPLETE THE TASK FORCE SURVEY – LET DORA KNOW HOW YOUR HOA IS GOVERNED

FINAL REPORT DUE TO GOVERNOR ON 15 APRIL 24

WE DON'T NEED MORE COSTLY LEGISLATION

2023 Accomplishments

- Continued efforts to remain transparent and keep homeowners informed
- Encouraged homeowners to perform upkeep and maintenance on homes
- Saved approximately \$500 by disconnecting water service during winter
- Modified Resolutions #10 – Record Retention and #11 HOA Design Guidelines to reflect current requirements and current legislation
- Completed routine compliance requirements – Tax returns, HOA record retention, Annual registrations and 2022 transfer to Reserve Account \$12k
- Worked with Springs Utilities and City to repair erosion on hillside and to clear clogged storm drains on Centennial Blvd.
- Changed Insurance brokers to improve service and lower costs
- Improved look of common areas by installing a significant amount of decorative rock, removing dead bushes and adding mulch on limited basis

2023 Accomplishments

- Accomplishes deep root fertilization of Ash Trees
- Performed routine maintenance (cleanup, aeration, mowing, trimming, weed control, flower beds installation)
- Performed significant repairs to sprinkler and drip systems due to aging systems
- Replaced turf in 3 yards (at the homeowner's expense)
- Held Neighborhood Barbecue
- Conducted education at Board meetings
- Final mowing and initial cleanup will occur the week of November 13th
- Tree trimming still on the schedule - will occur in near future

2023 Issues

- ❖ **Work delayed due to labor shortages, and loss of staff, and Robertsons owner surgery**
- ❖ **Major issues with Drip and Sprinkler Systems**
 - (1) **Repaired several drip system valves and repaired major system leaks**
 - (2) **Replaced approximately 10 sprinkler valves and replaced 30 – 40 sprinkler heads**
- ❖ **Major issues with previous insurance broker - Poor communication, rising premium levels and loss of umbrella coverage**





Capital Reserve Funding for 2023/2024

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 was updated in 2023 to reflect the impact of inflation and changed interest rates

2016 Reserve Study

Physical Asset Inventory

Ironwork Fencing on exterior of Association
Centennial Glen Monument at upper entrance
Six Stone Columns located along the exterior fence
Exterior Lighting – 65 lights & 3 Transformers
Various Landscaping, Infrastructure and Sprinkler System assets
Total

| Useful Life | Remaining Life | Estimated | | Estimated Replacement Cost | |
|-------------|----------------|-------------------|-------------------|----------------------------|-------|
| | | Best | Worst | Best | Worst |
| 28 | 10 | \$ 94,725 | \$ 105,250 | | |
| 25 | 6 | \$ 30,000 | \$ 35,000 | | |
| 16 | 4 | \$ 1,800 | \$ 2,100 | | |
| 12 | 1 | \$ 2,750 | \$ 3,000 | | |
| 5 | 3 | \$ 7,000 | \$ 10,000 | | |
| | | <u>\$ 136,275</u> | <u>\$ 155,350</u> | | |

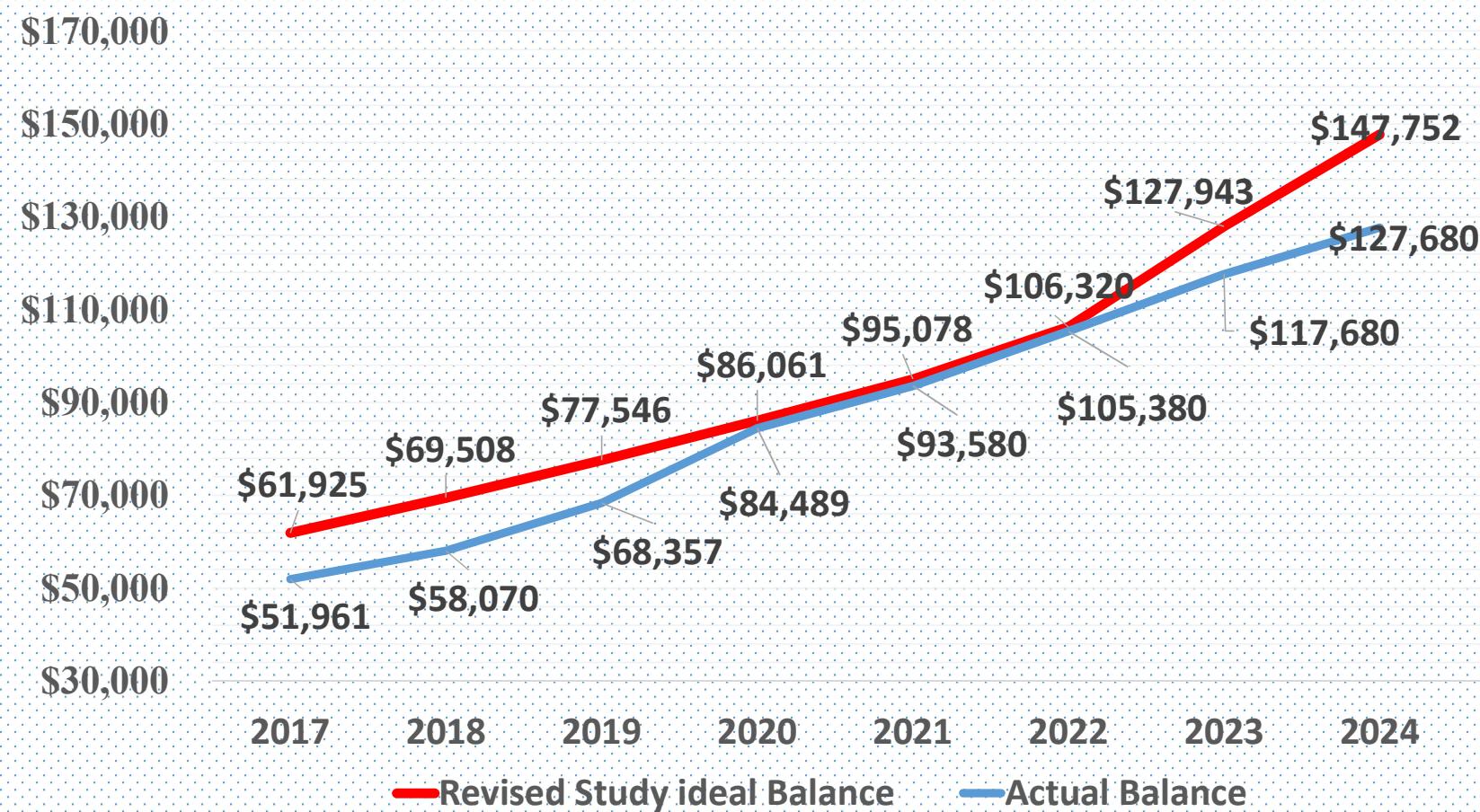
Reserve Funding

Reserve Funding

Funding Levels Updated Study

| Date | Actual | | Ideal | | Percent | Financial |
|----------|------------|-----------|--------------|------------|---------|-----------|
| | Balance | \$ Funded | Funding \$'s | Balance | | |
| 1/1/2018 | \$ 58,070 | \$ 10,287 | \$ 7,583 | \$ 69,508 | 83.54% | Funded |
| 1/1/2019 | \$ 68,357 | \$ 16,132 | \$ 8,038 | \$ 77,546 | 88.15% | Funded |
| 1/1/2020 | \$ 84,489 | \$ 9,091 | \$ 8,515 | \$ 86,061 | 98.17% | Funded |
| 1/1/2021 | \$ 93,580 | \$ 11,800 | \$ 9,017 | \$ 95,078 | 98.42% | Funded |
| 1/1/2022 | \$ 105,380 | \$ 12,300 | \$ 11,242 | \$ 106,320 | 99.12% | Funded |
| 1/1/2023 | \$ 117,680 | \$ 10,000 | \$ 21,623 | \$ 127,943 | 91.98% | Funded |
| 1/1/2024 | \$ 127,680 | \$ 10,000 | \$ 19,809 | \$ 147,752 | 86.42% | Funded |
| 1/1/2025 | \$ 137,680 | | \$ 17,771 | \$ 165,523 | 83.18% | Funded |

Capital Reserve Fund Balance Gap



2023 Financial Results

Balance Sheet
as of
of September 30, 2023

| | |
|--|--------------------------|
| Current Assets | |
| Checking/Savings | |
| General Operating Account | |
| Checking - 1st Bank | <u>\$ 16,023</u> |
| Operating CD | <u>\$ 25,602</u> |
| Total Checking and Operating CD | <u>\$ 41,625</u> |
| Capital Reserves | <u>\$ 120,803</u> |
| Total Current Assets | <u>\$ 162,428</u> |
| TOTAL ASSETS | <u>\$ 162,428</u> |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Advance HOA Dues | <u>\$ 4,692</u> |
| Total Liabilities | <u>\$ 4,692</u> |
| Equity | |
| Retained Earnings | <u>\$ 154,071</u> |
| Net Income | <u>\$ 3,665</u> |
| Total Equity | <u>\$ 157,736</u> |
| TOTAL LIABILITIES & EQUITY | <u>\$ 162,428</u> |

Centennial Glen HOA
Profit & Loss Budget vs. Actual

| | <u>Jan - Sep 23</u> | <u>Budget</u> | <u>\$ Over Budget</u> |
|--------------------------------|---------------------|------------------|-----------------------|
| Ordinary Income/Expense | | | |
| Income | | | |
| Homeowner Dues | \$ 81,171 | \$ 81,171 | \$ - |
| Interest Income | 3,577 | 375 | 3,202 |
| Other Charges | 100 | - | 100 |
| Total Income | \$ 84,848 | \$ 81,546 | \$ 3,302 |
| Expense | | | |
| Accounting | \$ 675 | \$ 990 | \$ (315) |
| Bank Service Charges | 24 | - | 24 |
| Block Party | 212 | 200 | 12 |
| Fees & Licenses | 25 | 225 | (200) |
| Insurance | 2,808 | 2,771 | 37 |
| Landscaping | 52,766 | 42,767 | 9,999 |
| Legal Fees | - | 300 | (300) |
| Postage & P.O.Box Rent | 274 | 338 | (64) |
| Supplies | 77 | 87 | (10) |
| Tax Preparation | 450 | 500 | (50) |
| Taxes | 211 | - | 211 |
| Trash Service | 6,801 | 6,186 | 615 |
| Utilities | | | |
| Electric | 805 | 856 | (51) |
| Stormwater Fees | 101 | 150 | (49) |
| Water | 15,953 | 19,780 | (3,827) |
| Total Utilities | \$ 16,859 | \$ 20,786 | \$ (3,927) |
| Total Expense | \$ 81,182 | \$ 75,150 | \$ 6,032 |
| Net Income | \$ 3,666 | \$ 6,396 | \$ (2,730) |

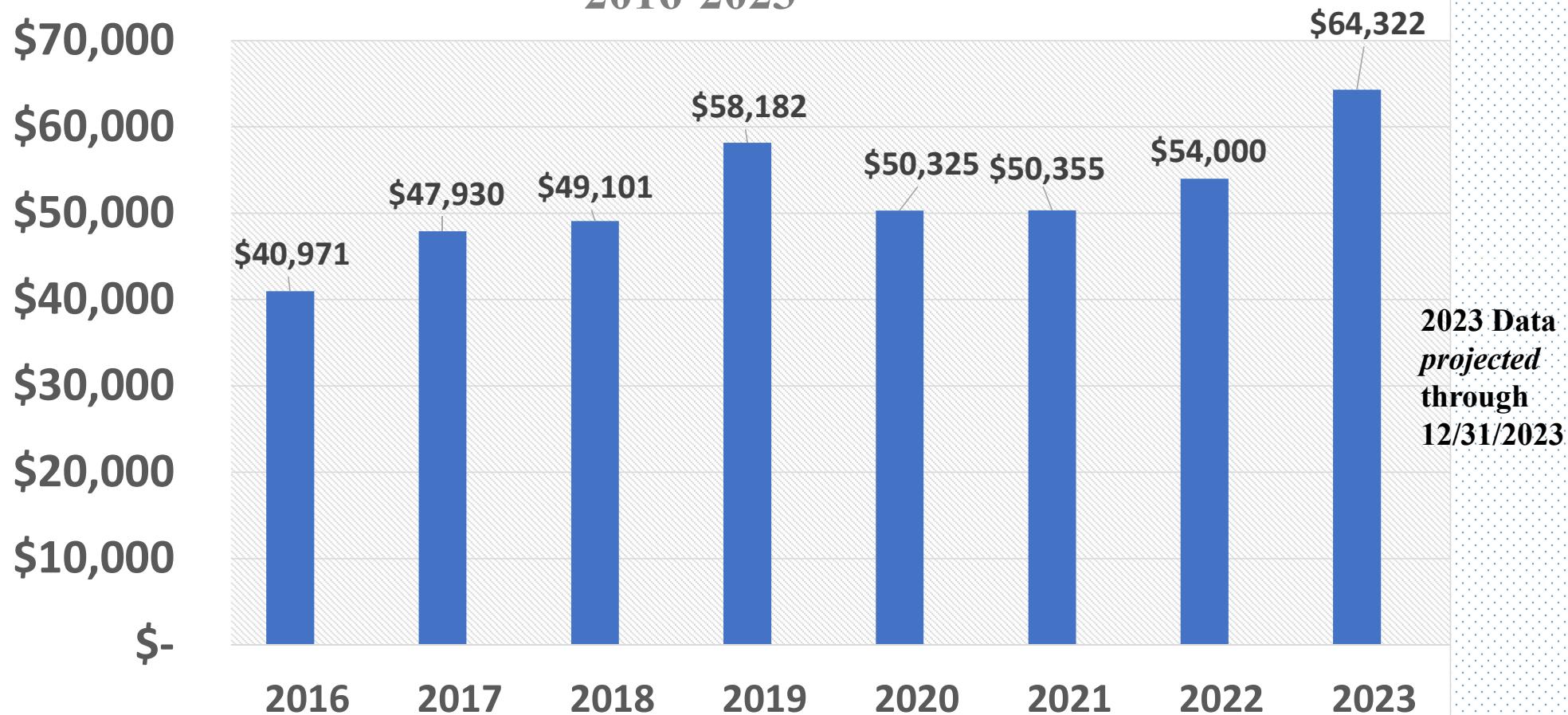
2024 Goals/Projects

- ❑ 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
- ❑ Continue Board education
- ❑ Comply with HOA record retention policies
- ❑ Hold neighborhood barbecue

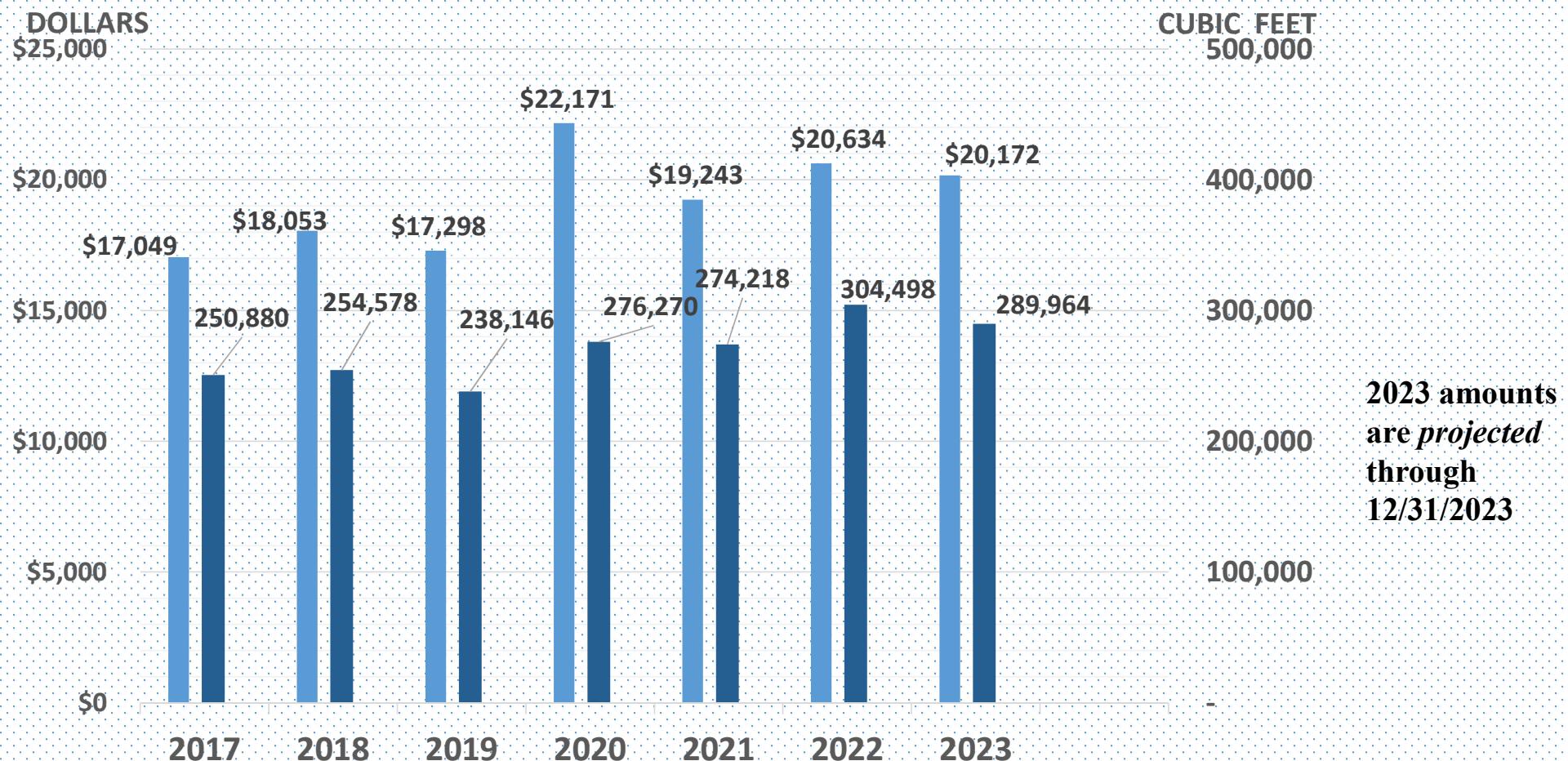
Major Expenses

2024 Budget & Dues

Robertson's Landscaping Expense Comparison 2016-2023



Colorado Springs Utilities Water Expense and Usage (Cubic Feet)



Centennial Glen HOA
2024 Budget

| Ordinary Income/Expense | 2023 Budget | Projected 2023 Actuals | 2024 | |
|---------------------------------|-------------------|---------------------------|-------------------|------|
| | | | 2023 Budget | 2024 |
| Income | | | | |
| Homeowner Dues | \$ 108,228 | \$ 108,228 | \$ 113,772 | /1 |
| Interest Income & Transfer fees | 500 | 4,869 | 6,000 | |
| Total Income | \$ 108,728 | \$ 113,097 | \$ 119,772 | |
| Expense | | | | |
| Accounting | \$ 1,320 | \$ 900 | \$ 945 | |
| Barbecue | 200 | 212 | 250 | |
| Donation | - | 100 | 100 | |
| Fees & Licenses | 300 | 57 | 300 | |
| Insurance | 2,771 | 2,808 | 2,850 | |
| Landscaping/Snow Removal | 60,000 | 64,322 | 68,000 | |
| Legal fees | 400 | - | 400 | |
| P. O. Box Rent | 255 | 248 | 260 | |
| Postage/Copies/Supplies | 226 | 230 | 150 | |
| Tax Preparation | 500 | 450 | 500 | |
| Taxes | - | 294 | 360 | |
| Trash Service | 8,248 | 9,198 | 9,880 | |
| Utilities: | | | | |
| Electric | 1,142 | 1,073 | 1,127 | |
| Stormwater Fees | 200 | 161 | 200 | |
| Water | 24,000 | 20,172 | 24,000 | |
| Total Utilities | \$ 25,342 | \$ 21,406 | \$ 25,327 | |
| Total Expense | \$ 99,562 | \$ 100,226 | \$ 109,322 | |
| Net Ordinary Income | \$ 9,166 | \$ 12,872 | \$ 10,450 | |
| Transfer to Capital Reserves | (11,913) | (10,000) | (10,000) | /2 |
| Net Surplus (Deficit) | \$ (2,747) | \$ 2,872 | \$ 450 | |

/1 2023 Dues are based on level of \$205 per month which provides an additional \$5,800 in annual revenues

/2 \$10,000 will be transferred to the Capital Reserve Fund for 2023

Changes Coming in 2025

- Three current Board Members will not be running for the Board in 2024
- New Leadership needed
- Consider Management Company
- Begin transition in 2024

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



CENTENNIAL
GLEN