

Hillsboro Condominium Owners Association, Inc.

www.hillsborocoa.com / Darren@zandrmgmt.com

October 21, 2015

Dear Hillsboro Homeowner,

Perhaps the single most important aspect of running a homeowners association is participation by you, the homeowner. This participation encourages a sense of community and cooperation and keeps your Association strong. A strong association is the key to maintaining your property's assets and protecting the rights and property values of every homeowner. Your best chance to participate in the Hillsboro Condominium Owners Association is at the General Membership Meeting, which is held annually. Your General Membership Meeting is scheduled for:

Monday, November 9, 2015 at 6:00 p.m.

Stetson Hills Police Station at 4110 Tutt Blvd.

Your attendance is important for several reasons. First and foremost, you get to meet your neighbors and be informed as to how the Association operates. Second, you help create a quorum of voting members so that official decisions can be made at the meeting. Finally, you will get to participate in the democratic process by choosing which candidate is going to fill the vacating position on the Board of Directors. Owners interested in serving their community can contact me between now and the date of the General Membership Meeting to be placed on the ballot or make nomination(s) from the floor during the meeting.

Enclosed you will find the agenda, last year's minutes, the current financial reports, the 2016 budget and a proxy. **If you cannot attend the meeting, please fill out and return the attached proxy. This proxy will designate the person of your choice to cast your vote at the meeting.**

The Board is responsible for deciding all the financial and contractual matters of the Association, so your vote is very important. Likewise, it is important that a quorum be present, so please ensure you return your proxy if you will be unable to attend. Thank you.

At the Direction of the Board of Directors,
Hillsboro COA



Darren Burns
Property Manager

Professionally Managed by:

Z&B PROPERTY
MANAGEMENT

6015 Lehman Drive, Suite 205, Colorado Springs, CO 80918
Phone (719) 594-0506 • Fax (719) 884-4496



HILLSBORO COA GENERAL MEMBERSHIP MEETING

November 9, 2015
6:00 p.m.
Stetson Hills Police Station

Type of meeting:

GENERAL MEMBERSHIP MEETING

Agenda Topics

A. CALL TO ORDER

1. Roll Call
2. Certification of Proxies
3. Proof or Waiver of Notice (Quorum = 33%)
4. Approval of Previous Year's Minutes

B. REPORTS

1. President's Report
2. Treasurer's Report (2016 Budget)

C. NEW BUSINESS

1. Introduction of Candidate(s)
2. Nomination(s) from Floor
3. Collection and Counting of Ballots

D. ANNOUNCEMENTS

E. ADJOURNMENT

Hillsboro Condominium Owners Association, Inc.
General Membership Meeting Minutes
November 20, 2014

The General Membership meeting of the Hillsboro Condominium Owners Association, Inc. was held at the Stetson Hills Police Station. The meeting called to order by Mrs. Baldwin at 6:05 p.m. Present were:

Marilynn Baldwin	President
Larry Groggel	Vice President
Jeff Zimmer	Secretary
Ulrich Schwartz	Treasurer
Deb Gabour	Director at Large
Darren Burns	Property Manager
Rich Patterson	Manager's Assistant

Homeowners Present in Person or by Proxy were 56, or 24.28%. A 33% quorum was not present.

Mr. Burns conducted roll call and certification of the proxies at the door. Proof of notice was provided by the members present, as a quorum was not present. The 2013 General Membership meeting minutes were reviewed and unanimously approved on a motion from homeowner Rick Boesche.

For the President's Report, Mrs. Baldwin introduced the Board and Z&R. She also discussed the possibility of paint all of the buildings over the next few years (to include stucco) and the possibility of changing colors. A Color Committee will be formed from the residents to investigate possible new colors, which would be varied by the style of building. Greg Lang volunteered to join the Committee and a newsletter soliciting volunteers will also be sent out. Ulrich Schwartz also mentioned the additional areas where native grass will be installed to help save water. Other landscape improvements in front of the clubhouse were also discussed.

Future projects, in addition to the painting, will include concrete replacement throughout the Community and cleaning out of the main sewer lines. There was additional discussion on treating ice in the Community and Owners present were informed the Association could not afford to treat all ice every time there is a freeze. Residents must be diligent and careful and use the ice melt shakers provided throughout the property. Adjusting the light timers was also discussed and in the future the light timers will be adjusted on October 15th. Leaf cleanup was also discussed.

Mr. Burns gave a presentation of the current expenses and the proposed budget for 2015 and answered questions. He announced there was going to be an average increase in monthly assessments of 3.4% for 2015. He reminded all Owners to investigate and purchase Loss Assessment coverage of \$10,000 for their individual HO-6 insurance policies. There is currently a 2% wind and hail deductible on the master policy.

The Association is over budget year to date with a large portion going towards water and stucco repair as a result of the heavy rains. The paint project will be bid out with elastomeric paint on the stucco, two coats wet on dry. This should help to better seal the stucco from moisture intrusion. Darren will also contact CSU about water conservation planning.

Mr. Schwartz provided a summary of the reserve expenses through the year. He estimates an end of year reserve balance of \$440,000, which is “fair” at 38% as rated by the reserve study. The reserve study recommends \$637,000 in reserves by 1/1/15, which would be 54% funded. A new reserve study will be commissioned in the fall of 2015, but before the pool is closed. Overall, the reserves are well funded as almost no association is 100% funded.

There were two positions up for election and Mrs. Baldwin and Mr. Schwartz were announced as volunteers for the vacating 3 years terms. An election could not be held, so the Board will appoint to fill the vacating positions. The annual notice requested volunteers and there were none. There were also no additional volunteers from the floor at the meeting and everyone present unanimously approved the appointment of Mrs. Baldwin and Mr. Schwartz.

The meeting was adjourned at 7:57 p.m. on a motion from Debbie Boesche.

A special Board Meeting was convened at 7:35 p.m. for the purpose of electing officers and discussing the ongoing light project. Mrs. Baldwin and Mr. Schwartz were unanimously appointed for 3 years terms. A “zero tolerance” snow/ice removal policy was also discussed and determined to be cost prohibitive.

Officers were elected and board term expirations are as follows:

		<u>TERM</u>
Marilynn Baldwin	President	2017
Larry Groggel	Vice President	2016
Ulrich Schwartz	Treasurer	2017
Jeff Zimmer	Secretary	2015
Deb Gabour	Director at Large	2016

The meeting was adjourned at 7:57 p.m.

Marilynn Baldwin
President

Darren H. Burns
Property Manager

Hillsboro Condominium Owners Association, Inc.

Balance Sheet

09/30/2015

Assets

Owner Receivables	7,141.60
Other Receivables	13,283.86
Cash Operating - First Bank	613.17
Reserve Funds	
Reserve - First Bank	34,689.67
RBC Wealth Management	155,114.29
RBC CD 10/14/15 .45%	60,000.00
RBC CD 6/15/16 2.10%	61,373.30
RBC CD 1/17/17 1.05%	60,000.00
TOTAL Reserve Funds	<u>371,177.26</u>

Total Assets 392,215.89

Liabilities

Owners Receivable Over Collected	14,294.42
Accounts Payable - Net Total	632.00
Insurance Proceeds	20,561.20
<u>Total Liabilities</u>	<u>35,487.62</u>

Net Worth

Reserve Funds	
Reserve Interest Earned	968.26
Reserve-Consolidated	536,799.43
Reserve Exp-Consolidated	(166,590.43)
TOTAL Reserve Funds	<u>371,177.26</u>
Retained Earnings	16,039.50
Net Income	(30,488.49)

Hillsboro Condominium Owners Association, Inc.

Balance Sheet

09/30/2015

Total Net Worth

356,728.27

Total Net Worth and Liabilities

392,215.89

Hillsboro Condominium Owners Association, Inc.

Income and Expense Comparative Statement

From 09/01/2015 to 09/30/2015

	<u>September 2015</u>		<u>January to September</u>			<u>Yearly Budgets</u>	
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Var. \$</u>	<u>Current</u>	<u>Last Year</u>
Revenues							
Monthly Dues	45,552	45,552	409,968	409,968		546,624	528,720
Garage-Dues	1,694	1,694	15,246	15,246		20,328	19,656
Key and Card Fees	5	42	522	378	144	500	350
Interest Income		6	4	54	(50)	75	50
Late fee-Nsf Charges	260	208	2,820	1,872	948	2,500	2,000
Returned Check Charges			20		20		
Misc Income			64		64		
Fines			250		250		
Garage Rental	70	70	630	630		840	840
Clubhouse Fees			456		456		
Total Revenues	47,581	47,572	429,980	428,148	1,832	570,867	551,616
Expenses							
Operating Expenses							
Accounting Fees			1,900	1,500	(400)	1,500	400
Administration Costs	677	542	6,520	4,878	(1,642)	6,500	7,000
Dues-Springs Ranch	580	193	2,320	1,737	(583)	2,320	2,400
Bad Debt		208	1,166	1,872	706	2,500	2,500
Carport Repair		125	1,760	1,125	(635)	1,500	1,500
Clubhouse Maint	469	233	1,868	2,097	229	2,800	2,800
Electric	1,629	1,500	14,037	13,500	(537)	18,000	18,000
Fence/Wall Repair		167	629	1,503	874	2,000	2,000
Gas	417	500	3,517	4,500	983	6,000	6,000
General Mx and Repair	3,895	1,667	9,756	15,003	5,247	20,000	15,000
Gutter Repair		125	1,700	1,125	(575)	1,500	500
Insurance Property/Liability	4,931	4,583	40,407	41,247	840	55,000	68,000
Janitorial	225	333	2,925	2,997	72	4,000	4,230
Landscaping	6,190	917	11,712	8,253	(3,459)	11,000	11,000
Legal Expense	70	833	3,170	7,497	4,327	10,000	10,000
**Legal Reimb	(70)	(750)	(1,734)	(6,750)	(5,016)	(9,000)	(9,000)
Lawn Contract	4,520	2,208	20,240	19,872	(368)	26,500	26,000
Light (Electric) Maint/Repair	807	667	8,801	6,003	(2,798)	8,000	4,500
Management Fees	2,916	3,016	26,844	27,144	300	36,192	36,192
Misc/Contingency							250

	<u>September 2015</u>		<u>January to September</u>			<u>Yearly Budgets</u>	
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Var. \$</u>	<u>Current</u>	<u>Last Year</u>
Painting		21		189	189	250	250
Pest Control	870	125	1,840	1,125	(715)	1,500	1,500
Gate-Maintenance		292	2,222	2,628	406	3,500	1,200
Clubhouse Access	1,395	300	5,642	2,700	(2,942)	3,600	2,500
Pool/Jac Operations	2,085	458	5,659	4,122	(1,537)	5,500	5,500
Pool/Jac Repairs	261	83	926	747	(179)	1,000	500
Roof Repair	1,495	417	6,975	3,753	(3,222)	5,000	3,500
Sign Repair/Replacement		25	432	225	(207)	300	300
Siding/Stucco Rpr/Rpl	1,245	292	8,990	2,628	(6,362)	3,500	2,000
Snow Removal		2,083	24,974	18,747	(6,227)	25,000	25,000
Street Repair/Sweep		208	3,370	1,872	(1,498)	2,500	1,000
Sprinkler Repair	663	292	1,867	2,628	761	3,500	3,500
Telephone	112	54	1,256	486	(770)	650	640
Trash	1,435	1,463	12,940	13,167	227	17,559	18,000
Tree Maintenance	300	417	3,335	3,753	418	5,000	5,000
Water/Sewer	17,615	10,000	95,689	90,000	(5,689)	120,000	120,000
Sewer Cleanout		450	5,408	4,050	(1,358)	5,400	
TOTAL Operating Expenses	54,732	34,047	339,063	307,923	(31,140)	410,071	399,662
Reserve Funding							
Reserve Allocation Consolidated	13,400	13,400	120,605	120,600	(5)	160,796	152,000
TOTAL Reserve Funding	13,400	13,400	120,605	120,600	(5)	160,796	152,000
Professional			800		(800)		
Total Expenses	68,132	47,447	460,468	428,523	(31,945)	570,867	551,662
Net Income	(20,551)	125	(30,488)	(375)	(30,113)	0	(46)

HILLSBORO CONDOMINIUM OWNERS ASSOCIATION

2016 OPERATING BUDGET

Effective January 1, 2016

Operating Income	DUES	2013	2014	2015	2016	Delta	Comments:
MONTHLY DUES 2 BD. SML	\$183	114,240	114,240	118,944	122,976	4,032	3.5% Increase
MONTHLY DUES 2 BD. LRG	\$197	198,000	198,000	201,696	208,032	6,336	3.3% Increase
MONTHLY DUES 3 BD.	\$221	216,480	216,480	225,984	233,376	7,392	3.2% Increase
		\$528,720	\$528,720	\$546,624	\$564,384	17,760	3.24% Avg. Increase
GARAGE DUES Per Garage	\$23	19,656	19,656	20,328	21,252	924	4.5% Increase
INTEREST INCOME		25	50	75	5	(70)	Cash account only
KEY/CARD FEES		250	350	500	575	75	
LATE FEE-NSF CHARGES		3,000	2,000	2,500	4,000	1,500	
GARAGE RENT		1,440	840	840	840	0	
		\$24,371	\$22,896	\$24,243	\$26,672	2,429	
Total Operating Income		\$553,091	\$551,616	\$570,867	\$591,056	20,189	
Operating Expenses							
Accounting Fees		1,500	400	1,500	350	(1,150)	Tax Return Only
Administration Costs		7,000	7,000	6,500	7,000	500	Cov Enf., newsletters, laws
Bad Debt		5,000	2,500	2,500	5,000	2,500	\$13k non owner rec.
Carport Repair		1,500	1,500	1,500	1,000	(500)	Large repairs - reserves
Clubhouse / Pool Access		2,500	2,500	3,600	4,750	1,150	Inc. Monitoring Hours
Clubhouse Janitorial		4,230	4,230	4,000	4,000	0	
Clubhouse Maint		3,000	2,800	2,800	2,500	(300)	Based on Actuals
Dues-Springs Ranch		2,400	2,400	2,320	2,320	0	Actuals
Electric		18,000	18,000	18,000	18,750	750	Actuals + 5% Inc.
Fence/Wall Repair		1,200	2,000	2,000	1,000	(1,000)	
Gas		6,000	6,000	6,000	4,800	(1,200)	Actuals - 4%
Gate-Maintenance		1,200	1,200	3,500	3,500	0	aging system
General Mx and Repair		15,000	15,000	20,000	5,000	(15,000)	Paint and Stucco Sealed!!
Gutter Repair		500	500	1,500	3,000	1,500	More repairs and cleaning
Landscaping		10,000	12,500	11,000	12,000	1,000	Flowers, Shrub Trims, Poop
Lawn Contract		25,920	26,000	26,500	27,120	620	New Contract
Legal Expense		10,000	10,000	10,000	6,000	(4,000)	
Legal Reimb**		(8,000)	(9,000)	(9,000)	(3,500)	5,500	
Light (Electric) Maint/Repair		5,000	4,500	8,000	9,500	1,500	LED Repairs / sweeps
Insurance Property/Liability		60,000	68,000	55,000	60,000	5,000	Actual + 9% inc.
Management Fees		36,192	36,192	36,192	40,368	4,176	1 Inc. in 7 years - New Svcs
Misc/Contingency		500	250	0	0	0	
Painting		500	250	250	0	(250)	Full Community Done
Pest Control		1,000	1,500	1,500	2,000	500	Various critters
Pool/Jac Operations		5,500	5,500	5,500	5,700	200	Based on Actuals
Pool/Jac Repairs		500	500	1,000	1,250	250	aging system
Roof Repair		4,000	3,500	5,000	6,500	1,500	Heavy rainy year
Sewer Cleanout		8,000	0	5,400	5,400	0	2nd half in 2016
Siding/Stucco Rpr/Rpl		1,000	2,000	3,500	0	(3,500)	All stucco patched/sealed
Sign Repair/Replacement		450	300	300	50	(250)	
Snow Removal		25,000	25,000	25,000	24,000	(1,000)	Bad year predicted
Sprinkler Repair		3,500	3,500	3,500	2,500	(1,000)	Based on Actuals
Street Repair/Sweep		1,500	1,000	2,500	1,600	(900)	1 sweep + rprs
Telephone		640	640	650	1,700	1,050	Alarm Internet in clubhouse
Trash		17,892	18,000	17,559	17,250	(309)	Contract + xtra pickups
Tree Maintenance		5,000	5,000	5,000	3,000	(2,000)	
Water/Sewer		125,000	120,000	120,000	130,000	10,000	Actuals + 5% Inc.
Total Operating Expenses		\$408,124	\$401,162	\$410,071	\$415,408	5,337	1.3% Increase
Reserve Contribution		144,967	152,000	160,796	175,000	14,204	8.8% Increase
Total Budget Requirement		\$553,091	\$553,162	\$570,867	\$590,408	19,541	
Surplus (Shortage)		\$0	-\$1,546	\$0	\$648		
Avg. Per Unit Per Month		\$0	-\$1	\$0	\$0		

Hillsboro Condominium Owners Association, Inc.

SB-100/89 DISCLOSURE STATEMENT

Dear Hillsboro Condominium Homeowner:

Pursuant to the requirements of SB-100/89 (Senate Bill), the Association hereby discloses the following information:

Association Name: Hillsboro Condominium Owners Association, Inc.

Association Management Company: Z&R Property Management

Management Co. Physical Address: 6015 Lehman Drive, Suite 205
Colorado Springs, CO 80918
(719) 594-0506

Association Physical Address: Riviera Grove, 80922

Association Phone Number: (719) 594-0506

Name of Community: Hillsboro Condominium Owners Assoc.

Initial Recording Date of Declaration: 12/02/1999

Declaration Recording Information: El Paso County Clerk and Recorder
099182199

*HILLSBORO CONDOMINIUM
OWNERS ASSOCIATION, INC.*

GENERAL MEMBERSHIP MEETING

OFFICIAL PROXY

November 9, 2015

A. I hereby certify that I/we own, via recorded deed in my/our name only, the following described property:

(HILLSBORO UNIT ADDRESS)

B. I hereby appoint as my official proxy (please circle one choice below or fill in the blank with the name of the person you wish to appoint - Blank proxies will be assigned to the Association President):

Marilynn Baldwin (President) or

Larry Groggel (Vice President)

_____ to exercise my vote on any and all matters and subjects that may properly come to the attention of the membership of the Hillsboro Condominium Owners Association at, and only at, the annual meeting of that body to be held on November 9, 2015 or at any adjournments thereof.

Name: _____
(PLEASE PRINT)

Signed: _____ - *(Required to be Valid)*

Date: _____

Please give to your designated proxy or forward to: Darren Burns, 6015 Lehman Dr., #205, Colo. Spgs., CO 80918 or Darren@zandrmgmt.com / fax #'s (719) 884-4496 or (719) 594-0473.