

**December 8, 2019 - Minutes  
Victorian Gables HOA, Annual Homeowners Meeting  
3:00 pm, Senior Center Auditorium**

**HOA BOARD**

**Present:**

Scott Novogoratz, President #39  
Ted Huston, Treasurer #21  
Susan Cavender, Secretary #17  
Kammi Eckhoff, Landscape Committee Chair #2  
Ron Segul, Landscape & Architecture Comm. #30

Paul Schnaitter, Director #15

**Absent:**

Chris Bailey, Vice President #18  
Mark Watkins, Architectural Comm. Chair #28

**Homeowners Present (24 Units)**

MarthaJayne Vaughan, #1	Celeste & Drew Hammond, #16	Doug Ouren, #31
Kammi Eckhoff, #2	Susan Cavender, #17	Ida Sinden, #32
Karen Habel, #4	Bonnie Geter, #19	Ernestine Munsey, #33
Ellen Eihausen, #10	Tom/Nancy Glenn, #20	Morgan/Marty Bolts, #34
Dave/Shara Stills, #11	Ted Huston/Rosemary Rader, #21	Lanny Moore, #35
Dale/Diane Noels, #12	Dick Lawson, #24	Mark Cunningham, #36
Sunit Bhalla, #13	Andres Gavaldon, #29	Nancy Kauffman, #37
Paul Schnaitter, #15	Ron Segul, #30	Scott Novogoratz, #39.

**Homeowners by Proxy (7 Units)**

Ken/Audrey Landt, #5	Chris Bailey #18	Jim/Mary Lou Lewis, #25
Mert/John Mercier, #6	Esther Osborn, #22	Will/Ciria Sutton #40
Mary Ceci Garza-Aragon; #14		

**Absent/No Proxy (9 Units)**

Richard Coupe, #3	Pete/Ida White, #9	Sallie Wilkie, #27
Ed Voelkel, #7	Dolores Wagner, #23	Mark/Melody Watkins, #28
Virgil/Pat Hancher, #8	David/Carol Hodson, #26	LaVonne Armstrong, #38.

**Call to Order**

The meeting was called to order at 3:04 p.m. by Scott Novogoratz, President. Board were introduced by Paul Schnaitter followed by attendees introducing themselves and unit numbers. A quorum was present, with 77% of homeowners represented either in person or by proxy. The meeting agenda main topics were:

- Reports by committee members
- Notices and conversations
- Questions and concerns
- Nominations for new board members and election

**REPORTS**

Secretary Minutes: The minutes of the October 28, 2018 Annual Homeowners Meeting were presented by Scott, reviewed and approved by consent, on a motion by Doug Ouren and a second by Rosemary Rader.

Architecture Report: Mark Watkins, Architecture Chair #28, resigned his seat due to lack of time to work on the committee (non-elected open seat to be filled by decision of Board members). 2019 accomplishments were presented that included replacement of 17 window wells (of 103) at a cost of \$23.9K. Remaining decks were completed and minor repairs and touch-ups are underway in the cul-de-sac. 2020 priorities are:

- Repair of driveway and sidewalk concrete. There are complications with underground infrastructure in close proximity to some units which drastically increases the cost of work.
- Continuing replacement of window wells and,
- On-going minor repairs and paint touch-ups.

Landscape Report: Kammi reported on work in 2019. Evergreen Landscape and Sprinkler was retained as our lawn care provider. VG has a longstanding relationship with them and they have maintained their contract price for several years at \$12,800. The watering schedule was reduced from 3x week to 2x saving ~ \$3,000 in the landscaping budget. Sidewalks and driveways were blade and string trimmed on a regular basis.

Snow removal was discussed at length with 2 snow storms on this year's budget so far. Sidewalks are shoveled at 3" or more and streets at 5"+. Some were disappointed with the response to our last big storm; Kammi will address those concerns with Evergreen, our provider, who has been responsive so far. On-going snow issues should be directed to Kammi.

Jordan's Trimming provided tree removal and trimming in the spring and fall. Colorado Lawn and Tree sprayed for various bugs and diseases throughout the year. Trees are replaced as necessary at the rate of 2-4/year. Each tree runs \$600-700 including ~\$200 to plant; shadow planting around trees was done.

Crack seal was done at the end of October. With the age of our private road, future maintenance costs for overlay are estimated at \$91K based at current prices. Further discussion about the road follows later in the agenda. The cul-de-sac has 3-5 years before needed repairs. It is already "alligatoring". Patching will cost \$2,300 with overlay at \$18,700.

Other items such as wasp control, contouring around window wells and the annual potluck were mentioned. The potluck would have been rained out except for the Eckhoffs opening their garage and saving the day for the 20 folks attending.

Xeriscaping in common areas is an idea put forth to decrease watering costs. The Kentucky Bluegrass in the catch basin, aka the "bowling alley" behind the tennis courts, lawns south of #36 and #37 and the corner off Dunbar are under consideration for test plots. These large areas contribute to the high cost of annual watering. Perennials, shrubs, mulch, native grasses and a drip watering system are potential solutions.

The Ft. Collins Broadband Initiative known as "Connexion" is underway. The City replaced sprinkler heads and lines they damaged during construction of laying conduit. Step 2 entails running the fiber optic lines and step 3, connecting from the boxes along the roadway to each home. There is no timeline from the City for project completion. Subscription to Connexion is an option for homeowners.

Treasurer's Report: Ted Huston, Treasurer, presented the 2019 financial report as of November 30:

Total income YTD (year to date):	\$117,084.06
Total expenses YTD:	<u>\$ 92,626.09</u>
Net Income less Expenses:	\$ 24,457.97

The projected 2019 budget is:

Total annual income:	\$117,360.00
Total expenses YTD:	<u>\$113,129.00</u>
Net Income less Expenses:	\$ 4,231.00

Current assets are:

Checking and Money Market (maintenance):	\$42,450.49
Insurance Reserve (to cover deductible)	\$16,726.06
Replacement Reserve	<u>\$85,241.58</u>
TOTAL ASSETS:	\$144,418.13

Current assets were explained in detail. Projected income and expenses for 2019 were discussed. HOA fees make up almost all income; all fees have been collected for 2019. The replacement budget makes up 40% of total expenses. Routine maintenance, such as paint and minor carpentry repairs, are estimated at \$400 per unit and have begun. Snow removal is generally \$1,000 per call-out and runs between a low of \$3,000 to a high of \$10,000 per winter.

The 2020 proposed budget includes a fee increase of 2% to cover inflation. Expenses are increasing for insurance, 10% over last year. Our community is nearing the 30 years old, a point at which many things, are starting to be near the end of their useful life and will require replacement. The 2% increase will raise quarterly fees from \$710 to \$725, annually \$2,840 to \$2,900. After a Q & A period a motion to amend the fee from \$725 to \$750 was made by Ron Segul, seconded by Rosemary Rader. A majority of those in attendance approved the increase (1 opposed).

President: Fully funding the 30 year replacement budget was explained in detail by Scott Novogoratz and Ted. As mentioned above, either an increase in our reserves, funded by annual dues increases, or a special assessment down the road will be required. Our properties will hit the 30 year mark in 2023, a short 3 years away. In today's dollars a 30 year distribution of those expenses would require a reserve fund of \$1.63M or \$54,400 added every year. Our current replacement reserve is at \$83K and the proposed budget. This tact can be accomplished if the reserve is funded appropriately and the replacement schedule is maintained. The top 3 priorities for the reserve are fixing things that impair safety, avoiding extra expense from failure to act and replacement of items as they wear out. The 30 year replacement plan presented showing the cost differential and coverage of the HOA's responsibilities.

The proposed 2020 budget is:

Income (including 2019 rollover):	\$125,200
Expenses:	<u>\$120,874</u>
Net Income less Expenses:	\$ 4,326

The budget includes \$35,000 in replacement funding, most of which is expected to be spent on replacement items, such as window wells and concrete, in 2020.

Scott asked for a motion to accept the 2020 budget, motion by Susan Cavender, second by Bonnie Geter. Budget approved unanimously. (Note: full financial statements are on file with Treasurer, Ted Huston #21).

Special thanks to Kammi Eckhoff for her work on landscaping, the private road and snow removal oversight. The property looks good largely due to her efforts and oversight.

Special thanks also to Ron Segul for serving on the Architecture Committee. His assessment and guidance on architecture is invaluable to the HOA.

New Discussion Items: An important update for homeowners is the recommendation from the Board that all homeowners purchase HO6, loss assessment insurance. This loss assessment rider supplements an existing homeowner insurance policy and provides coverage if the HOA does a special assessment due to loss from a covered peril. For example, if a hail storm required roof replacement for all units, the HOA insurance policy benefit pays less than half the roof replacement cost (this is the way all HOA policies are written now). The HOA would do a special assessment to cover the remaining cost. Those homeowners with the H06 rider would be able to file a claim with their own insurance company to cover the cost of the special assessment. A special assessment for roof repair could be as much as \$13,000/unit. This loss assessment coverage bridges the gap in coverage and should cost only around \$10 year.

New Parking policy with potential fines for violators was presented.

The board is working hard to make sure the HOA is fully funded by offering cost saving ideas to prevent special assessments for large expenses not planned in yearly budgets. In presenting the 30-year budget, Scott described information about converting the private road between Swallow and Dunbar to a City road as a cost savings measure. His research on City requirements, costs, reasons for converting and pros and cons were presented. Discussion followed by attendees, some of whom have experience with other HOAs who attempted this. A straw poll was taken for interest to pursue this route but was rejected. Scott will no longer pursue this as a cost saving measure for the HOA.

Another cost savings idea is to take HOA window replacement out of the covenants and make homeowners responsible for replacing their own windows. This could feasibility save up to \$400K over the course of a 30 year replacement cycle. Currently, members are responsible for their window glass only. A straw poll was taken with a 50/50 split result.

Further discussion followed on special assessments for huge expenses such as the road. Unanimous agreement was that we don't want special assessments.

In depth discussion on xeriscaping, group voted to go forth. Nays -0-.

#### Nomination and Election of Officers

The officers' slate was presented and with no nominations from the floor the slate was unanimously re-elected by written ballot. All homeowners are encouraged to support the incoming Board and to participate to the extent possible. A new homeowner, Lanny Moore, #35, volunteered to step into the Board secretary position to replace out-going officer, Susan Cavender.

President, Scott Novogoratz, #39  
Vice President, Chris Bailey, #18  
Secretary, Lanny Moore, #35  
Treasurer, Ted Huston, #21  
Director at Large, 3 year term 2020-2022, Doug Ouren #31  
Director at Large, 2 year term 2020-2021, Tom Glenn #20  
Director at Large, 1 year term 2020, Paul Schnaitter, #15

Adjournment: Motion to adjourn by Ron Segul, meeting adjourned at 5:03 p.m.

Respectfully submitted by:

*Susan Cavender* \_\_\_\_\_

Susan Cavender  
Secretary  
12/19/19

*Scott Novogoratz*

Scott Novogoratz  
President  
12/19/19