

HARTSOCK VILLAGE CONDOMINIUM HOMEOWNERS ASSOCIATION

www.Hartsockhoa.com / Darren@zandrmgmt.com

October 14, 2016

Dear Hartsock Village Homeowner:

Yes, it's that time of year once again! Perhaps the singular most important aspect to running a homeowners association is participation by you, the homeowner. This encourages a sense of community and cooperation between all the residents and keeps your Association strong. This is the key to maintaining your assets properly and protecting the rights and property values of each and every homeowner. Your best chance to participate in the Hartsock Village Condominium HOA is at the annual general membership meeting. Yours is scheduled for:

Monday, October 24, 2016 - 6:00 p.m.
Fire Station 20 Meeting Room
6755 Rangewood Drive

Your attendance is important for several reasons. First and foremost, you get to meet your neighbors and be informed as to how the Association is run. Second, you help create a quorum of voting members so that the decisions made at the meeting are official, like the budget ratification. Finally, you get to participate in the democratic process by choosing which candidates are going to fill the vacating positions on the Board of Directors. There is one position up for election this year. If you are interested in serving, please notify me in writing before the meeting so your name can be added to the ballot.

If you cannot attend, please fill out the attached proxy. This proxy will designate the person of your choice to cast your vote at the meeting. All proxies should be mailed, faxed, or emailed to Z&R at the above addresses prior to the meeting.

The Board is responsible for deciding all the financial and contractual matters of the Association, so your vote is very important. Included with this notice are an agenda, the previous annual minutes, the September financial reports, a proxy and the 2017 budget. The budget has some significant changes, so your opportunity to hear about the changes in detail is at this meeting.

If you have any questions about the meeting or other Association matters, please feel free to call our office and we'll do our best to help you out. We hope to see you at the annual meeting! Please also find some helpful and informative pointers from your Board of Directors on the budget and life in a condominium community!

Sincerely,



Darren H. Burns
Property Manager

Professionally Managed by:



6015 Lehman Drive, Suite 205, Colorado Springs, CO 80918
Phone (719) 594-0506 • Fax (719) 884-4496 or (719) 594-0473



Hartsock Village Condominium HOA

ANNUAL MEMBERSHIP MEETING

October 24, 2016
6:00 p.m.
Fire Station 20

Type of meeting:

ANNUAL MEMBERSHIP MEETING

Agenda Topics

A. CALL TO ORDER

1. Roll Call (Completed at Door)
2. Certification of Proxies
3. Proof or Waiver of Notice (Quorum = 20%)
4. Approval of Previous Year's Meeting Minutes

B. REPORTS

1. President's Report
2. Financial Report (Budget)
3. Owner Education

C. NEW BUSINESS

1. Introduction of Candidates
2. Nominations from Floor
3. Voting for Board Members

D. ANNOUNCEMENTS:

E. ADJOURNMENT

HARTSOCK VILLAGE CONDOMINIUMS HOMEOWNERS ASSOCIATION
Annual Homeowners Meeting Minutes
October 28, 2015

The Annual Homeowners Meeting was called to order at 6:05 p.m. by Alice Wilson at the East Library, 5550 North Union Boulevard, Second Floor, Room E1

BOARD MEMBERS PRESENT:

Alice Wilson, President
Melody Dates, Vice-President and Recording Secretary
Linda Crownover, Communications Secretary
Robin Hardie, Treasurer

BOARD MEMBERS ABSENT:

Daren Dickson, Member-at-Large

OWNERS AND/OR PROXY VOTES PRESENT:

Total Owners Represented-34
Represented by Proxy-4

PROPERTY MANAGEMENT PRESENT:

Darren Burns, Z & R Property Management President/Owner

QUORUM: Darren announced that we had a quorum.

APPROVAL OF MINUTES:

The minutes for the October 27, 2014 were approved by the board by e-mail on January 3, 2015. The reading of the minutes was waived by P J Arriza and Alice Wilson seconded the motion for the owners to approve the minutes at the annual meeting and the motion passed unanimously.

REPORTS:

- President's report was given by Alice Wilson – See Attachment A
- The financial report was given by Darren Burns—See Attachment B
- Yearly Homeowners Association Educational report was given by Darren Burns on the topic of Owner Education and Manager Licensing.

BUSINESS:

- Motion: Darren called for a motion to approve the 2015 Budget after noting that there will not be an increase in dues for 2016.
- Vote: Motion Approved – Unanimous
- Nominations were made for the two open positions on the Board of Directors. Sandra Tanner moved to accept the nominations to seat Alice Wilson and P J Arriza on the Board for three-year terms. Alice seconded the motion and it was approved by unanimous acclamation.
- A Board organizational meeting will be held by e-mail to determine which positions will be filled by its members. Alice Wilson will coordinate the discussions.

MEETING ADJOURNED: Meeting adjourned at 6:40 p.m.

Prepared by: Melody Dates, Recording Secretary, on November 12, 2015

Approved by the Board on: November 18, 2015

ANNUAL HOMEOWNER'S MEETING

October 28, 2015 – 6:00 pm

President's Report

Accomplishments:

1. _Painting of exterior doors, trim, railings, and patios
2. 3775 – Four plex- removed mulch and replaced with stone-fire mitigation
3. Electrical conduit 3765 – stop the water from entering the conduit and damaging the wallboard in the NE corner in the garage. Fixed mold issue from the water

In Process:

1. Drainage/erosion south of 3765 and 3755
 - a. First goal is to prevent further erosion by directing water to the city storm drain system
 - b. Second goal is to prevent or reduce water seepage into garages on the Western walls.
2. When the drainage system is finished, we will be putting in a sidewalk in the south side exit of 3755 to the parking lot.

HARTSOCK - Reserve Exp-Consolidated + Settlement Fees			
Date	General Reserves - Description	Debit	Balance
4/20/2015	Excel Exteriors, Inc. Deposit	\$5,000	(\$5,000)
5/31/2015	Unlimited Landscape - Remove all Mulch/repl with Rock bldg 3775	\$1,435	(\$6,435)
5/31/2015	Unlimited Landscape - additional ton of Rock	\$345	(\$6,780)
7/12/2015	Excel Exteriors - Balance 2015 Exterior Repaint Project	\$20,565	(\$27,345)
Date	Settlement Funds - Description	Debit	Balance
12/31/2014	Z&R 3% Per Contract	\$6,900	(\$6,900)
10/27/2015	RMG Engineering Drainage and Site Plan	\$3,350	(\$10,250)
Nov. 2015	Extended egress sidewalk south of 3755 - Rocky Mtn. Concrete	\$4,495	(\$14,745)
Nov. 2015	Drainage modifications to protect new sidewalk - Unlimited	\$5,227	(\$19,972)
Nov. 2015	Replace leaking electrical conduit N. side 3765 - Recon. Experts	\$6,500	(\$26,472)
April 2016	Divert Drainage from from west side of 3755 to South- Approx.	\$10,000	(\$36,472)
April 2016	Divert Drainage from from west side of 3765 to South - Approx.	\$10,000	(\$46,472)
Date	Settlement Fund	Balance	
Dec. 2014	Initial Balance	\$158,103	
Dec. 2014	Less 2014 Expenses	(\$6,900)	
Dec. 2015	Less 2015 Expenses	(\$19,572)	
May 2016	Less 2016 Expenses	(\$20,000)	
May 2016	Estimated Remaining Balance	\$111,631	

Hartsock Village CHOA

Balance Sheet

09/30/2016

Assets

Owner Receivables	8,032.22
Operating Account - First Bank	15,994.72
Reserve Accounts	
Reserve - First Bank	67,835.05
Settlement Funds - First Bank	114,624.61
TOTAL Reserve Accounts	<u>182,459.66</u>
Total Assets	<u>206,486.60</u>

Liabilities

Owners Receivable Over Collected	1,624.32
Total Liabilities	<u>1,624.32</u>

Net Worth

Reserves	
Reserve Interest Earned	131.56
Reserve-Consolidated	60,402.06
Reserve-Contingency	6,924.00
Reserve Exp-Consolidated	(2,678.00)
Reserve - Settlement Fund	114,450.28
Working Capital	3,229.76
TOTAL Reserves	<u>182,459.66</u>
Retained Earnings	28,014.08
Net Income	(5,611.46)
Total Net Worth	<u>204,862.28</u>
Total Net Worth and Liabilities	<u>206,486.60</u>

Hartsock Village CHOA

Income and Expense Comparative Statement

From 09/01/2016 to 09/30/2016

	<u>September 2016</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>
<u>Revenues</u>							
Monthly Dues	10,162	10,167	91,458	91,499	(41)	122,000	122,000
Water Revenue	1,135	959	8,922	8,631	291	11,507	13,500
Interest Income						5	30
Late fee-Nsf Charges	103	83	1,033	747	286	1,000	500
Returned Check Charges	40		60		60		
Misc Income		1		9	(9)	10	
Fines							150
Move-In Fees		100	1,200	900	300	1,200	1,000
Total Revenues	11,440	11,310	102,673	101,786	887	135,722	137,180

Expenses

Operating Expenses

Accounting Fees			325	350	25	350	350
Administration Costs	115	150	1,619	1,350	(269)	1,800	1,500
Asphalt		62		558	558	750	500
Bad Debt		125		1,125	1,125	1,500	1,500
Bad Debt Write-Off		(125)		(1,125)	(1,125)	(1,500)	(1,500)
Contingency		167		1,503	1,503	2,000	5,393
Electric	906	1,122	8,192	10,098	1,906	13,466	13,585
Elevator Inspection Contract	749	261	2,467	2,349	(118)	3,131	2,400
Elevator Repairs		42	212	378	166	500	600
Ext Maint & Repair		83	1,911	747	(1,164)	1,000	1,500
Fire System Repairs		42	1,425	378	(1,047)	500	1,625
Fire System Inspection Contract	2,375	198	2,855	1,782	(1,073)	2,375	2,375
Furnace Screens		12		108	108	150	500
Gas	54	100	665	900	235	1,200	1,250
Gutter Repair		25		225	225	300	500
Garage Doors	247	62	1,747	558	(1,189)	750	1,500
HVAC		42	450	378	(72)	500	500
Insurance Property/Liability	1,042	1,222	8,997	10,998	2,001	14,665	13,500
Insurance Claim Deductible			5,000		(5,000)		
Insurance-Workmans Comp			367	400	33	400	360
Int Maint & Repair		167	370	1,503	1,133	2,000	1,500

	<u>September 2016</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>
Janitorial	1,225	1,133	10,275	10,197	(78)	13,600	13,200
Landscaping	195	125	1,195	1,125	(70)	1,500	1,000
Legal Expense	175	125	1,533	1,125	(408)	1,500	1,500
**Legal Reimb		(125)	(790)	(1,125)	(335)	(1,500)	(1,500)
Landscaping Contract	308	333	2,660	2,997	337	4,000	4,000
Light (Electric) Maint/Repair	774	375	3,997	3,375	(622)	4,500	3,000
Locks & Keys	75	8	247	72	(175)	100	100
Management Fees	1,050	1,050	9,450	9,450		12,600	12,600
Fire System Monitoring		52	630	468	(162)	630	630
Plumbing		22	1,190	198	(992)	265	250
Professional	1,320	42	2,640	378	(2,262)	500	3,000
Roof Repair		125	750	1,125	375	1,500	1,500
Snow Removal		542	4,795	4,878	83	6,500	3,000
Sprinkler Repair		42	90	378	288	500	500
Telephone	311	292	2,667	2,628	(39)	3,500	4,000
Trash	178	132	1,767	1,188	(579)	1,584	1,584
Tree Maintenance		58		522	522	700	750
Water & Sewer	1,629	1,312	11,972	11,808	(164)	15,750	17,500
TOTAL Operating Expenses	12,728	9,400	91,670	85,350	(6,320)	113,566	116,052
Reserve Contribution							
Reserve Allocation Consolidated	1,846	1,846	16,614	16,614		22,156	21,128
TOTAL Reserve Contribution	1,846	1,846	16,614	16,614	0	22,156	21,128
Total Expenses	14,574	11,246	108,284	101,964	(6,320)	135,722	137,180
Net Income	(3,134)	64	(5,611)	(178)	(5,433)	0	0

HOA Monthly Dues/Water Billing

As you review the Budget document, you will see an increase in our monthly dues next year– but please note that *the 2017 increase will be significantly offset by the HOA assuming the full cost of all water usage*. After paying for your individual December water use, you will not be billed again for water. The Board is required to implement this change, due to the Colorado Springs Utility Board’s designation of the three Hartsock buildings as “master meter” properties. The submeters in buildings 3755 and 3765, which record individual usage, are not acceptable substitutions to the City – they will only send one bill per building. This is also why we pay the commercial rate, along with the City’s surcharge from May-Oct, rather than the lower residential rate.

The HOA is required to allocate costs to owners according to the “Proportional Share” algorithm, as described in the Hartsock Declaration. This means that 3 bedroom owners pay slightly higher dues than 2 bedroom owners, regardless of the number of occupants. Just as the owners in the 4-plex (Building 3775) help to pay for the elevators in the other two buildings, some owners will find that the increase in dues exceeds their historical water billing. Installing “main meters” inside each unit is not feasible and changing the Hartsock Declaration could cost tens of thousands of dollars.

HOA Reserves

The 2017 budget provides a necessary increase to our reserve funds. The Board recently commissioned a professional Reserve Study, to assist us in estimating Hartsock’s future repair/replace costs and life expectancies on capital items such as elevators, pavements & walks, pipes, roofs, carpets, and the like. The Study also calculated the financial impact on the HOA over 30 years and recommended the amount of annual reserve contributions that would be needed to meet those needs.

The Board does understand the need to minimize the impact of monthly dues increases on owners. We will always try to balance the necessity to increase HOA reserves with the need for a monthly HOA fee that doesn’t place an undue burden on Hartsock owners. The Board’s goal is to keep the annual dues increases within an 8-12% range.

Life in a Condominium Community

We are all aware of the challenges residents face in living in such close proximity to others –and know we must adjust our behavior at times (such as lowering the sound on the TV and stereo) to live in harmony with our neighbors. A polite, friendly request is usually all it takes to resolve a situation the other resident may not be aware of – and if not, then please follow the protocol for reporting rule violations. Remember that we are all entitled to the peaceful enjoyment of our personal and common-area property, and that nuisances are not allowed.

We also have the opportunity to help ensure our neighbors’ safety, as well as our own, by being alert to unusual activity at Hartsock. If you are concerned about visitors, or notice that they are in some way creating a problem or violating a rule, please contact Z&R – you should not engage in arguments or try to resolve the situation yourself. At the same time, please understand that there will always be agents showing units that are for sale/for lease, delivery people, and many different types of contractors and laborers on the property. Most have never posed any problems, but if you have a legitimate concern, call Z&R.

Reporting Non-Compliance with Hartsock Rules

The Board reminds everyone again that in order to address any issues, the person observing an infraction MUST provide a written statement to our property manager, Darren Burns, before he can investigate and act on the complaint. This is not just a sound practice, but it is a legal requirement. Please DO NOT call or email a Board member – call or email Z&R, and provide a brief description of the problem - any pictures or identification of witnesses to support your claim will be very helpful. You can also send a letter to Z&R, but of course that may delay action.

Garage Doors

The HOA will be placing signs outside and inside near the two doors, reminding everyone that only *one car at a time* may safely enter/exit the garage. Drivers cannot rely on the sensor to keep the door up, or to reverse the closing of the door, even if a second car immediately follows the first. PLEASE BE CAREFUL.

HARTSOCK VILLAGE 2017 BUDGET

	BUDGET 2016	ACTUALS 2016 JAN-SEPT	Estimated 2016	BUDGET 2017	Change Between 2017 & Est. 2016	Change Between 2017 & 2016 Budget
INCOME:						
Assessments	122,000	91,458	122,000	137,000	15,000	15,000
Fines	0	0	0	0	0	0
Interest Income - Oper. Only	5	0	5	5	0	0
Late Fee - Nsf Charges	1,000	1,033	1,600	1,250	(350)	250
Misc. Income	10	60	0	50	50	40
Move-In Fees	1,200	1,200	2,200	2,200	0	1,000
Water Income	11,507	8,922	11,896	0	(11,896)	(11,507)
Total Income	\$135,722	\$102,673	\$137,701	\$140,505	\$2,804	\$4,783
OPERATING EXPENSES:						
Accounting - Tax Return/Audit	350	325	325	325	0	(25)
Administrative Costs/Supplies	1,800	1,594	2,125	1,800	(325)	0
Asphalt	750	0	1,000	218	(782)	(532)
Bad Debt	1,500	0	0	2,500	2,500	1,000
Contingency	2,000	0	1,000	1,000	0	(1,000)
Electricity	13,466	8,192	10,923	11,469	546	(1,997)
Elevator Inspection Contract	3,131	2,467	2,966	3,191	225	60
Elevator Repairs	500	212	350	500	150	0
Exterior Maint & Repair	1,000	1,911	500	1,500	1,000	500
Fire System Insp. Contract	2,375	2,855	0	2,375	2,375	0
Fire System Monitoring	630	630	630	630	0	0
Fire System Repairs	500	1,425	1,900	2,500	600	2,000
Furnace Screens	150	0	0	150	150	0
Garage Doors	750	1,747	1,800	2,000	200	1,250
Gas	1,200	665	887	1,152	265	(48)
Gutter Repair	300	0	300	300	0	0
HVAC	500	450	500	500	0	0
Insurance - Workers Comp	400	367	396	400	4	0
Insurance + deductible	14,665	12,988	15,000	14,000	(1,000)	(665)
Int Maint & Repair	2,000	370	493	1,500	1,007	(500)
Janitorial	13,600	10,275	13,700	13,700	0	100
Landscaping (non-routine)	1,500	1,195	1,000	2,000	1,000	500
Landscaping Contract	4,000	2,660	3,360	4,000	640	0
Legal Fees	1,500	1,533	2,000	3,500	1,500	2,000
Legal Reimbursement	(1,500)	(790)	(2,000)	(1,500)	500	0
Lighting - sweeps and materials	4,500	7,242	6,000	4,000	(2,000)	(500)
Locks & Keys	100	247	300	250	(50)	150
Management Fee	12,600	9,450	12,000	10,800	(1,200)	(1,800)
Plumbing	265	1,190	350	277	(73)	12
Professional	500	2,640	500	430	(70)	(70)
Roof Repairs	1,500	750	500	1,000	500	(500)
Snow Removal	6,500	4,795	6,393	6,500	107	0
Sprinkler System (Landscape)	500	90	250	400	150	(100)
Telephone	3,500	2,667	3,556	3,600	44	100
Trash Removal	1,584	1,767	2,295	2,300	5	716
Tree Maintenance	700	0	500	250	(250)	(450)
Water & Sewer	15,750	11,972	15,963	18,000	2,037	2,250
Total Expenses	\$115,066	\$93,881	\$107,762	\$117,517	\$9,755	\$2,451
Reserve Allocation	22,156	14,768	19,691	22,988	3,297	832
Grand Total	\$137,222	\$108,649	\$127,453	\$140,505	\$13,052	\$3,283
Surplus (Shortage)	(1,500)	(5,976)	10,248	0		

Hartsock Village Assessment Calculator

Unit Size		%	#of Units	Total %	Annual Dues	2016 Dues Monthly	2017 Dues Monthly	Monthly Increase	% Inc.
Bldgs 2&3- 2 BDR	1174.1 sq.ft.	1.79%	24	0.43	\$2,452.30	\$182	\$204	\$22	12.3%
Bldg 1 - 2nd floor	1238.9 sq.ft.	1.89%	2	0.04	\$2,589.30	\$192	\$216	\$24	12.4%
Bldgs 2&3 - 3BDR	1336.8 sq.ft.	2.04%	24	0.49	\$2,794.80	\$207	\$233	\$26	12.5%
Bldg 1 - 1st floor	1422.5 sq.ft.	2.17%	2	0.04	\$2,972.90	\$221	\$248	\$27	12.1%
Total			<u>52</u>	<u>1.00</u>					

HARTSOCK VILLAGE CONDOMINIUM HOMEOWNERS ASSOCIATION

SB-100/89 DISCLOSURE STATEMENT

Dear Hartsock Village Homeowner:

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

Association Name: Hartsock Village Condominium Homeowners 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: Hartsock Lane, 80917

Association Phone Number: (719) 594-0506

Name of Community: Hartsock Village CHOA

Initial Recording Date of Declaration: 09/22/2005

Declaration Recording Information: El Paso County Clerk and Recorder
Reception #: 205149609

HARTSOCK VILLAGE CONDOMINIUM HOA

ANNUAL MEMBERSHIP MEETING

OFFICIAL PROXY

I hereby certify that I own, via recorded Deed, the following described property:

(UNIT ADDRESS)

I hereby appoint as my official Proxy, _____ to exercise my vote on any and all matters and subjects that may come to the attention of the Membership of the HVCHOA at, and only at, the meeting of that body to be held on October 24, 2016. Blank proxies will be assigned to the Board President.

Name: _____
(PLEASE PRINT)

Signed: _____ (Required to be valid)

Date: _____

Please give to designated proxy or forward to Darren Burns, Managing Agent, Z & R Property Management, Darren@zandrmgmt.com, or 6015 Lehman Drive, Suite 205, Colorado Springs, CO 80918, or Fax (719) 884-4496, or (719) 594-0473 or emailed to.