

Cima Vista Condominiums Homeowners Assoc. Inc.

BOARD OF DIRECTORS ANUAL MEETING AGEND/MINUTES
Tuesday, November 8, 2022, 2:00 PM MST
Teleconference

Board Member Attendance:

- Joanna Harmon - P - Present (Phone)
- Brian O'Bara - Present (Phone)
- Kendall Crouch - S - Present (Phone)
- Gary Holcomb - T - Present (Phone)
- Janice Frazier - Present (Phone)

Others Present:

Ashley Dring-Hill (Z&R)
Sandra Pachaud
Latrina Barnhill
Brannan Idle
Laura OBara
Quinton Stacy
Jay Peterson
Nicolai Zoulin
Rymma Zoulin
Rich Holcomb
Troy Warrick

Call to order: 2:05 P.M. MST

A. Establish Quorum - 30% = 43 units - Enough ballots have been submitted - quorum is met

B. Introductions

1. Ashley Dring-Hill
 - Took over management from Darren a couple of months ago
 - Been in property management for 6 years
 - Living in Colorado entire life
2. Joanna Harmon
 - Lived 3-4 years in Cima Vista
 - Moved from Washington state
 - President for 2 years
3. Gary Holcomb
 - Treasurer
 - Property owner in Cima Vista since 2011
 - Board member for 6 years
4. Brian OBara
 - Owns 5 properties in Cima Vista
 - On the board for 2 years
5. Kendall Crouch

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- Lived in Cima Vista for 7 years
 - Moved from Iowa
 - On the board about same length as Gary
6. Janice Frazier
- Cima Vista since 2006
 - On the board for the past year
7. Sandra Pachaud
- Owned property with David Blackman since 2006
8. Brannon Idle
- Purchased property about 1.5 years ago

C. Annual Reports

a. President's Report - Joanna

- Plans for this year have been slow
- Gate have been worked on repeatedly
 - Had to replace gate motors
 - Gates should go active soon
 - Plan to let owners know when they will go live
 - This will allow people to contact Z&R if they have lost their codes
- Some concrete work done this year
- There were plans to limit water usage so that Cima Vista wouldn't have such high water bills with CSU
 - Cost will continue to go up
 - Limited sprinkler systems so that we weren't using the extra pipeline from CSU
- Replaced lights in the middle walkway this year due to vandalism
 - Still working with the vendor to get the lights turned on
- Future projects
 - Projects are limited due to funding
 - Slow response from contractors
 - Conscious of the camera system so that it can be used
 - Keep gate system functioning
 - Upkeep on the landscaping
 - Landscaping contract increased by 4%
 - Snow removal always a big expenditure for us
 - Looking into different vendors that will be able to do work for us efficiently and cost affectively
 - A lot of negotiating and trying to get contractors to respond to requests
 - Constantly trying to make Cima Vista a good place to live
 - Apologies to owners who might be frustrated - Board is trying to get things done
- Dues increase
 - Sure that most have noticed the increase in dues recommended for 2023
 - Due to increase costs and reserve funds not being fully funded
 - Board hopes owners will understand that the increase is not undo
 - Gate repairs were over \$10,000

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- Concrete work around \$5,000
- Monthly water bill around \$13,000

b. Treasurer's Report - Gary

- Additional comments to the president's report
 - Also had road work done for around \$8,000
 - This coming spring the roads will be resurfaced
 - \$5,000 for the cement work will be billed back to property owner responsible for the damage - moving truck
 - So everyone knows, Darren sold Z&R in June or July, but the board wasn't notified until October
 - Darren emailed board that was different than what actually happened
 - Darren also switched bank accounts that the board was not aware of
 - Still working through issues with new Z&R
 - Ashley
 - Was sudden for the sell of Z&R
 - Sudden for board and Darren
 - Not familiar with how Z&R was running things
 - Happy to take on Cima Vista as a client and get us on track
 - Ashley will go over the financials
 - Financials as of 9/30/2022
 - October is not available for a week to a week and a half
 - South State Bank account with \$10,976.73
 - Reserve accounts
 - South State reserve = \$62,288 Bills paid from this account
 - RBC Wealth Management company - 2 accounts
 - \$33,558
 - \$223,090
 - Total \$318,937
 - Accounts Receivable \$46,000 - Dues collected
 - Accounts Payable \$7,253
 - Total Liabilities \$17,651
 - Gary
 - Darren had RBC invest funds into 1 year or shorter bonds
 - At maturity, we will receive full face value of the bond
 - Before maturity, there are losses - Unrealized
 - Bonds held to maturity will have no losses
 - Unrealized losses are due to interest rate increases
 - Total Liabilities & Equity as of 9/30/2022: \$375,871.99
 - Second column is the 8/31/2022 balance: \$409,648.98
 - Change is amount spent in September: \$33,776.99
- Covering the rest of budget items

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- Total operating expenses YTD, as of 9/30, was \$295,165.47
- Budget up to 9/30 was \$305,202.15
- Expenditures were \$10,036.68 under budget

- Joanna - Not contributing to the reserves as budgeted
- Ashley - Contributions to the reserves stopped around February of 2022
 - Accounting department is trying to get us caught up with the reserves
- Joanna - Not catching up with reserves could lead to special assessment in the future
- Ashley - That is correct
 - Partial reason for increasing the monthly dues

- Ashley explains some expense increases in the budget
 - Administration: Due to state law changes, steps taken to fine owners of units will require many extra steps and expense. COA will have to pay these expense up front, but will be billed back to the owners
 - Property Liability Insurance: Anticipated cost increases. Cannot bid out insurance until 60 prior to expiration of current policy
 - Landscaping: 6% to 8% increases by contractors
 - Water: 5% increase by CSU
 - Street Repair/Sweeping: Will increase from \$1,000 to \$18,000 due to repairs in the spring
 - Excess income from monthly fee increases (\$40) will go to reserves

- Laura - Question on when last audit was completed concerning reserves. Increase of \$40 monthly seems quite large
 - Joanna
 - Original thought was \$50, but was dropped to \$40. Due to fact that Darren was running the budget very thin. Anything outside of the budget was being taken from the reserves. Reserves were not being built up.
 - New possible state law will require COAs to be fully funded, instead of slowly building up as we are. If this law passes, Cima Vista will have to fully fund all accounts which will require a large special assessment.
 - To avoid the special assessment, we are trying to build up the funds.
 - Laura - Where do the reserves need to be?
 - Ashley - Cima Vista's last reserve study was done in 2018. Cima Vista should have \$1,100,000 in the reserves to be fully funded.
 - At the beginning of 2020 the reserves should have been around \$640,000
 - By 2023, the reserves should be around \$1,300,000
 - Currently only \$319,000
 - With the looming legislation, reserves need to be increased. Law would allow associations 2 years to get fully funded.
 - Laura - Just seems like an extreme amount the legislation thinks associations should have.
 - Ashley - Trying to figure out some miss handling of the reserves and get back on track before the potential law passing
 - Laura - What about the individuals that are not paying? Those that owe \$30,000 to \$40,000

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- Gary - This year's new law, assessments were not being gone after. The new law allows the assessments to be paid over 18 months at only \$25/month. They can continue to not pay into the association and only pay \$25.
- Ashley - In the past the board could offer 6 month payment plans. Now they must offer 18 month plan and they can pay a minimum of \$25.
- Latrina - Why can't individuals/owners pay for their own water/sewage, trash, insurance.
 - Ashley - The insurance costs if for the COA commons and exteriors. Owners will have their own insurance for interior of the unit.
 - Ashley - Trash is too hard in the community as there would be too many companies and too many days of trash. A lot of traffic on the roads.
 - Joanna - Switching to meters on each unit was looked into, but is a huge project and expense.
- Laura - Also be sure that owners have loss assessment insurance coverage for \$20,000 or more. Very inexpensive insurance.
- Latrina - Landscaping is expensive and not very well covered. There are a lot of weeds and not all grass is being cut near her unit.
 - Gary - We started with a new contract with a new company this year. All areas should be covered. If you have any issues, please contact Z&R.
 - Janice - Aren't they also supposed to remove weeds from rocks?
 - Joanna - Yes, they should be spraying for weeds a couple of times each year.
 - Who should be working on taking care of the weeds?
 - Ashley - Site visits haven't been going on as needed with the transition from Darren.
- Latrina - Shouldn't the board have known what Darren was doing?
 - Ashley - Yes. And the management company should be notifying the board of actions being taken. The board should have been responsible for switching banks. The board did not know what was happening and were kept in the dark.
 - Gary - A little over a year ago Z&R switched over to a new accounting system. The board was supposed to be given access to the system to keep an eye on everything. The board was not given full access except to pay invoices. We don't have anyone on the board listed on the new bank account. The board was supposed to be given access to the RBC accounts, but that never happened. The alternative was to fire Z&R and move to another company. Over the years Cima Vista has had 6-7 other companies. The board is working with Ashley and the new Z&R to get things fixed.
 - Joanna - Board members were working to get items done, but Darren was keeping things from the board. Darren kept giving the board assurances that things were getting done. The board was considering a move to a different company, but then Darren sold. A new company would have cost more.
 - Janice - Had Darren not sold the company, would we still be with Z&R.
 - Joanna - Was talking with Gary about bringing up to the board the idea of shopping for a new company. The contract with Z&R was due to run out the end of 2022.

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D. Open Forum/Election of Board Members/Budget Ratification

- Janice - Does Ashley have ownership in Z&R?
 - Ashley - No
 - RowCal has been Colorado Springs for a few years
 - Offices in MN, Denver, and Colorado Springs
- Gary - Does anyone want to serve on the board? We have openings.
 - Rymma or Nicoli Zoulin would be willing to serve.
 - Nicoli has been volunteered to be on the ballot.
 - Rymma - Can the board position be explained?
 - Ashley - Term is for 3 years. Members are allowed to step down at any time. You would have to step down if you were to sell your unit.
- Janice - When does my term end?
 - Gary - It should run through the end of 2023.
 - Was it Brian's position that ends this year?
 - Brian - Yes, and will step down
- Ashley - Reads a question. Can the water/sewer dues based on the number of occupants in a unit
 - Kendall - How would we know how many persons are living in a unit? Does Z&R keep that kind of information? How can we be sure?
 - Gary - That's not feasible. We don't even know how many dogs are in Cima Vista.
 - Ashley - And bill disputes would be difficult to solve.
 - Kendall - Metering each unit would be the only way to make this work. Too expensive.
- Ashley - Reads a question. There are dog fees?
 - Ashley - Yes, it's \$50 per year per dog
- Ashley - Any more owners that want to run for the board?
- Ashley - Checking on the ballots.
 - Quorum is satisfied
 - A majority of the ballots will need to not approve the budget in order for it to not pass.
- Kendall - What is going to happen with the current web site? Who has access and control? <https://cimavistacoa.com>
 - Ashley - Will check on it.
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- Latrina - How much would a special assessment cost each owner?
 - Ashley - It would depend on what the assessment was for.
 - Latrina - If the law goes into affect and Cima Vista needs to have \$1,200,000 in reserves, how much would that be?
 - Ashley - Take the dollar amount needed and divide it by the number of units.
 - Latrina - Then there are still the people who won't pay.
 - Ashley - That is correct.

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- Loss Assessment insurance is highly recommended and not very expensive per year.

E. Ballot Results

- Ashley
 - 2021 minutes are approved.
 - 2023 budget is approved.
 - Board member elected:
 - Gary Holcomb
 - Nicoli Zoulin
- Joanna - Thank you all for joining the meeting. More input is always better.

F. Adjourned 3:34 P.M. MST