



CHATEAU CHAPARRAL GENERAL MEMBERSHIP MEETING

September 2, 2017

Treasurer's Report

Arrears Accounts:

- 0 Payment Plan in place
- 8 Late Electric
- 1 Late HOA/Sewer Assessments

Account Balances:

Money Market	\$ 85,381.45
Kitchen/Social Account	\$ 4,616.90
Operating Fund	\$139,285.39
Debt Service Reserve	\$ 30,376.10
Asset Replacement	\$ 17,332.00
Construction (Sewer) Account	\$101,310.42

Balance Sheet/Profit Loss Statements:

Available on website & table outside the office

Sewer Loan #2 (\$6,000):

Paid in full

President's Message



Sewer Project

- Follow up Report
- 99% of DSI's work completed
 - ▣ Will seed & establish growth in common area by bathhouse on Oregon

Litigation Update

- Court date has been set for noncompliance issue
- Mitigation Ordered for noncompliance issue
- Can check Chaffee County website for documents that have been filed
- Claims have been filed with our insurance company, United Fire and Casualty, that provides coverage for Board liability.

Bylaws Election Results

- Total Ballots Received - 161
- Spoiled Ballots - 8
- Total Ballots Counted - 153
- Yeas- 113
- Nays- 40
- Percent Yeas- 73.9%
- Nays- 26.1%
- 2017 Bylaws will be distributed after they have been recorded with Chaffee County

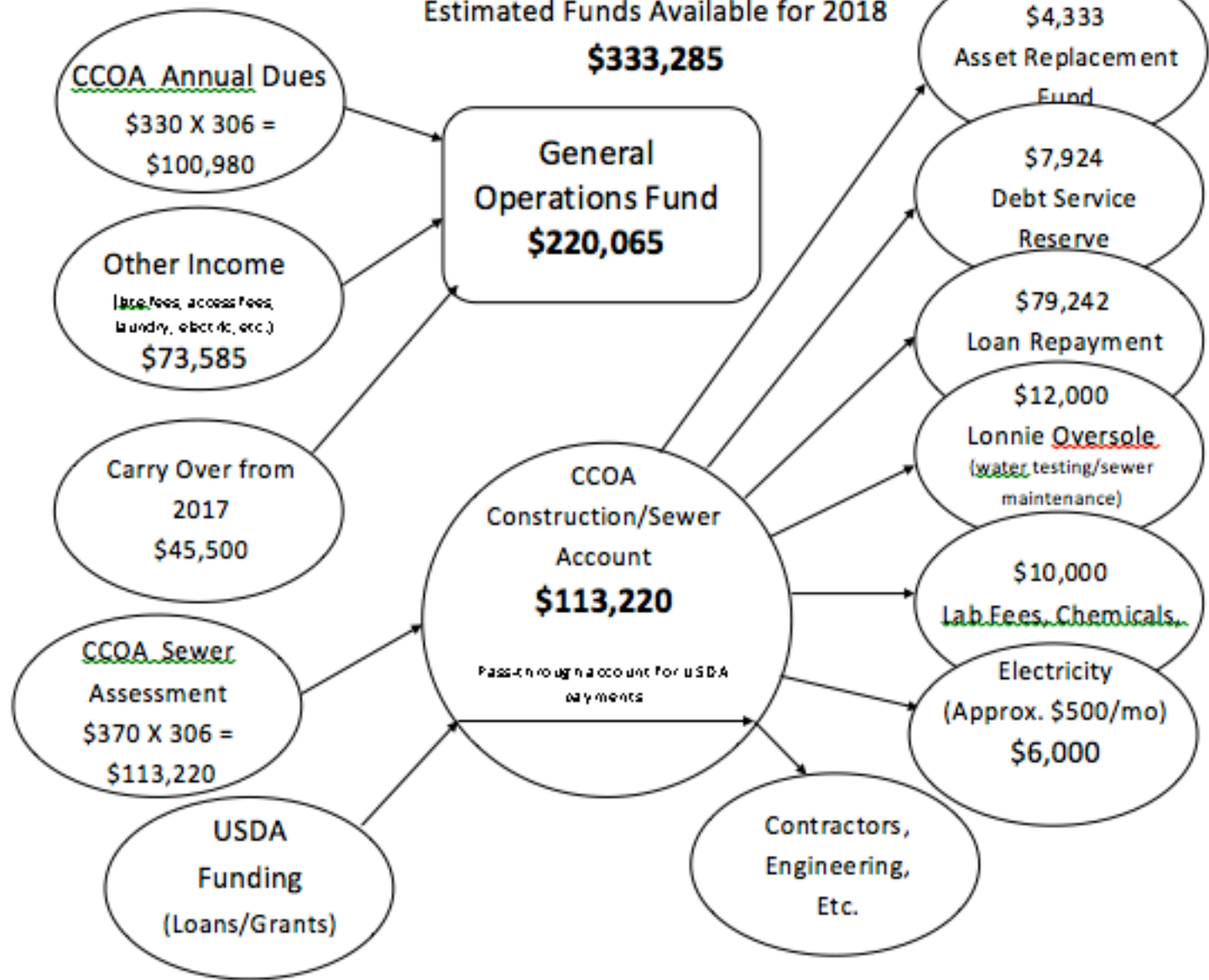
Building Improvements

- Lodge Update

CCOA CASH FLOW

CCOA Annual Cash Flow (Revised August, 2017)

Estimated Funds Available for 2018



Approximate Current Sewer Expense = \$119,499

2018 Proposed Income Budget

CHATEAU CHAPARRAL OWNERS ASSOCIATION TOTAL INCOME BUDGET 2018

EXEMPT INCOME

Dues and Assessments (\$700/lot)	\$214,200
Fines, Penalties, and Late Charges	<u>2,000</u>
TOTAL EXEMPT INCOME	\$216,200

NON EXEMPT INCOME

Electric Income		<u>\$ 61,000</u>
Processing Fees		1,800
Laundry Income		7,000
Lodge Income		
Food	600	
Donations	200	
Social Committee Income	300	
Facilities Rental	100	
Total Lodge Income		1,200
Equipment Income		<u>500</u>
Refuse Use Income		360
Right-of-Way Income		<u>225</u>
TOTAL NON EXEMPT INCOME		\$ 71,585

TOTAL PROJECTED 2018 INCOME **\$287,785**

* Projected carry-over from 2017 **\$ 45,500**

TOTAL FUNDS AVAILABLE FOR 2018 **\$333,285**

* Final figures for the projected carry-over from 2017 will be adjusted at the end of the fiscal year. Other adjustments will then be required to balance the final budget (income budget = expense budget).



2018 Expense Budget

CHATEAU CHAPARRAL OWNERS ASSOCIATION

TOTAL EXPENSE BUDGET

Projected 2018 Budget

EXPENSES TO ACQUIRE, BUILD, MANAGE, MAINTAIN, AND CARE FOR ASSOCIATION PROPERTY & (*OTHER) EXPENSES

Website Expense (Includes internet/website mtc.)		<u>1,100</u>	<u>500</u>
Bank Charges		100	
Bath House Supplies		450	
Dues and Subscriptions		250	
¹ Electric Company (power usage)		70,000	
Insurance			
² Pinnacle (Workman's Comp)	2,500		
United Fire (Liability & Casualty)	10,000		
Other [CNA Surety (Bond # 71129454)]	360	<u>600</u>	
Total Insurance		12,860	<u>13,100</u>
Loan Payment (sewer loan principle & interest)		79,442	
LP Gas (Lodge)		<u>4,500</u>	<u>3,600</u>
LP Gas (Bathhouses)		<u>400</u>	<u>1,300</u>
Laundry Expense		1,500	
License Fees (DORA, Register/Sec. of State, Water org., etc.)		200	
Lodge Expense			
Food	200*		
Internet & wifi service	1,200		
Kitchen Supplies	150*		
Social Committee	150*		
Telephone Service	205		
Satellite TV	250*		
Pest Control	1,200		
Other (masonry work fire inspection, TP & towels)	500	<u>1,500</u>	
Total Lodge Expense		<u>3,855</u>	<u>4,855</u>
Office Supplies		2,000	
Mileage Reimbursement		<u>200</u>	<u>500</u>
Payroll Taxes			
Federal Unemployment tax (\$42/employee)	168		
State Unemployment tax	400		
² Other (everything not listed above)	3,200		
Total Payroll Taxes			3,768
Permits (U.P. Railroad yearly rent)		100	
Postage/Shipping		1,000	

¹ best estimate for power to SBR

² includes additional cost for PA and Cleaning

Projected 2018 Budget (Cont'd)

Professional Fees			
Accounting	\$17,000		
Legal	4,500	30,000	
Tax Preparation	500		
Total Professional Fees		\$22,000	47,500
Repair and Maintenance (Operational)			
Electrical System	\$ 4,000		
Water System	3,500		
Sewer System	3,500	1,000	
Equipment (Tractors, Truck)	2,250		
Buildings	3,000		
Grounds & Bridge	2,500		
Contract Labor	1,000		
Total Repair and Maintenance		\$19,750	17,250
Vehicle Expense (tags, license & gas)		450	
Trash Collection		12,000	
Wages			
Cleaning	7,000		
Office Clerks	6,000	7,000	
² Park Attendant	\$13,460	23,400	18,000
Sewer Plant Tech	12,000		
Total Wages		\$31,460	\$41,400 44,000
Water Purification Supplies		2,500	
Lab Fees, Chemicals		7,000	
TOTAL ORDINARY EXPENSE		\$308,385	\$286,825 313,365
USDA Mandated Contribution to Reserves (Sewer)			
Debt Service Reserve	7,924		
Asset Replacement Reserve	4,333		
Total Mandated USDA Reserves for Sewer		\$12,257	
TOTAL ANNUAL RECURRING COSTS FOR 2016		\$ 399,082	325,622
USDA Pay Off Second Loan		6,000	
Interest		1,033	
Total Special Projects		\$26,475	\$20,000 7,663
Contribution to Reserves (Capital Improvements—see 5-year plan)		\$50,883	\$40,000
TOTAL FOR ALL REQUIREMENTS BUDGETED FOR 2017		\$398,000	\$359,082 333,285

\$17 \$20

² Based on \$15/hr, 30 hrs/wk, 52 weeks a year (with payroll taxes & workman's comp, shown elsewhere, the total is around \$17,430 \$18,500)

The Bottom Line

⁴ TOTAL PROJECTED 2016 EXPENSES FOR 2017	\$398,000 \$ 359,082 <u>333,285</u>
⁴ TOTAL PROJECTED FUNDS AVAILABLE FOR 2017	\$398,000 \$ 360,115 <u>333,285</u>

Summary:

The variance from 2107 Income & Expense Budgets is due to much greater legal fee expenses, increased insurance, additional bathhouse open during winter and greater employee expense. There has also been a reduction in late fees (most accounts are paid in full) reducing the "other" income. Consequently the projected carry over is less than the previous budget, resulting in less money available for special or future projects.

Depending on the outcome of current litigation, some of the legal fees may be reimbursed by either of the opposing parties or the insurance company. However, the planning process cannot include that assumption.

Total (*Other) Expense = \$550
Percentage of Expenses to Build,
Manage, Maintain, Etc = 99.9%

Drainage Update



Proposed Schedule of Fees & Fines

As required under **POLICY AND PROCEDURES FOR ENFORCEMENT OF GOVERNING DOCUMENTS**

adopted by the Board of Managers June 25, 2017

Fines are retroactive to the date of the first notification if not corrected by the date specified on the first notice.

Noncompliance Issue	August 2017 Bylaws Reference	Fine for failure to correct
No proof of ownership on file with the Association	Art. VII, Sec 1	\$0 (Cannot vote) Has no standing in the association
More than three vehicles for transportation on site	Art VIII, Sec 4, para C	\$50/month
Secondary RV on lot over 15 days with no extension granted	Art VIII, Sec 4, para D,E	\$100/month
Secondary standard vehicle parked on lot more than 10 days without Occupants in residence.	Art VIII, Sec 4, para F	\$100/month
Standard Vehicle not being in operating condition i.e. current registration.	Art VIII, Sec 4, para F	\$100/month
Failure to notify the Association of lot renters and related information	Art VIII, Sec 4, para G	\$50
Construction over \$500 without permit from Architectural Committee	Art X, Sec 3, para A	\$250
Lot not equipped with winter water for winter occupancy	Art X, Sec 2, para I	\$250 + \$50/month
More than two pets per residence	Art VIII, Sec 4, Para A, i	\$50/month
Occupancy of any unit by more than four (4) persons in excess of three (3) weeks (The Board may grant an extension of an additional three (3) weeks based on circumstances.)	Art VIII, Sec 4, para A,I,a	\$50/day
Pets, dogs and cats, not under control of the owner at all times by means of a leash or fence.	Art VIII, Sec 4, para A,I,a	\$50/occurrence
Lot not maintained: <ul style="list-style-type: none"> - Fire hazard free manner e.g. Dead trees, tree limbs, dead weeds and unusable lumber - Structures kept in repair, and painted to a clean appearance - Weed growth in excess of 10" - Firewood stacked away from the primary unit 	Art VIII, Sec 4, para J, viii, ix, x	\$50/month
Other – Compliance issues contained in the Bylaws but not explicitly stated above.		\$50/month

Committee Reports



- Nominations
- Social
- Building/Grounds
- Architectural
- Finance

Odds 'N Ends

- HindmanSanchez Legal Opinions
- Quarterly Newsletter
- If you have not been receiving e-mails or other mail, please verify your address with the office.
- Please send payments to the PO Box designated on the statement.
- Please discard unwanted items or take them to various charitable organizations rather than leaving them in the Lodge for others to deal with... especially electronics.

Voting Documents

- This is what you will receive in your ballot packet:
 - Ballot solicitation document: required by statute
 - Action to be voted on
 - Ballot for the proposed action
 - 1 envelope stamped **BALLOT** per unit owned
 - 1 legal size envelope to return **BALLOT** envelope(s) to CCOA

Voting Procedure

- ▣ Mark your ballot(s)
- ▣ Place each ballot in a separate envelope stamped **BALLOT**
- ▣ Place the **BALLOT** envelope(s) in the self addressed return envelope. Members return address must remain on the envelope for the vote to be valid. This will enable CCOA to track who has voted and who has not. This will provide the opportunity to replace missing or lost ballots and prevent duplicate voting.
- ▣ The envelope(s) stamped **BALLOT** will be placed unopened in the locked voting box.
- ▣ Voting will remain open for 60 days starting the day the ballots are postmarked.

Condominium Declaration Revision

- Why?
 - ▣ Out dated- still refers to Alliance Corporation and owners of the Lodge
 - ▣ New CCIOA requirements
 - Budget approval provisions need to be updated/added to comply with the CCIOA requirement to utilize the budget ratification process. This process becomes mandatory for all Associations in 2018.

Condominium Declaration Revision

- ▣ New CCIOA requirements (cont')
 - Language regarding liens needs updated
 - Additional insurance requirements are needed

- ▣ Process:
 - Consulted with HOA law specialists HindmanSanchez
 - Rough draft (based on legal recommendations) was reviewed/modified at Board work session

Condominium Declaration (cont.)

Process (cont')

- ▣ HindmanSanchez informed us that we do not need county approval, we only need to file the final document with the county clerk. Chaffee County concurs.
- ▣ Voted on modifications at June 11 Board Meeting
- ▣ Sent to Hindman/Sanchez for final legal review and draft
- ▣ Presented at the July General Meeting.
- ▣ Open discussion at September General Meeting

Condominium Declaration (cont.)

□ Process (cont')

□ Voting

- 67% of the membership voting in the affirmative is required for change
- Following discussion at the September, 2017, General Membership Meeting member concerns will be incorporated as appropriate and the final document sent to HOA Attorneys for final review.
- Ballots will be mailed at a future date

Questions



Comments



Closing Comments

- Please return your voting cards to the basket by the door before you leave.
- Please recycle any unwanted paper in the box provided.
- Pot luck at 1:00 today. Please volunteer to help set up & clean up.