

MINUTES

ASPEN VILLAGE HOMEOWNERS ASSOCIATION BOARD OF DIRECTORS MEETING

November 14, 2023
6:30 p.m.

Location:
31 Aspen Village, Clubhouse

Board Directors:
Suzanne Roth | Ellen Anderson | James Anderson | Kate Spencer | Matt Zubrod

Directors Present:	Suzanne Roth	President
	Ellen Anderson	Board Director
	James Anderson	Board Director
	Kate Spencer	Board Director
	Matt Zubrod	Board Director

Directors Absent: None.

Property Manager Present:	Megan Rodman	Property Manager
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Owners Present:	Valerie Carlin	Lot 124
	Michel Masciocchi	Lot 149
	Dan Fellin	Lot 116

1. CALL TO ORDER

Director Suzanne Roth called the Board Meeting to order at 6:34 PM MST.

2. APPROVAL OF NOVEMBER 14, 2023 AGENDA

The Board considered approving the Agenda for this meeting.

Director Jim Anderson moved and Director Ellen Anderson seconded to approve the Agenda for this meeting. Motion Passed.

3. APPROVAL OF OCTOBER 17, 2023 BOARD MEETING MINUTES

The Board reviewed the October 17, 2023 Board Meeting Minutes.

Director Ellen Anderson moved and Director Suzanne Roth seconded to approve the October 17, 2023 Board Meeting Minutes, with the correction to Leianne Wright's name. Motion Passed.

4. HOMEOWNER COMMENTS

The Board opened up discussion for items not on the Agenda, brought forth by present homeowners. Homeowners had a three (3) minute maximum per item.

- No comments.

5. BOARD COMMENTS

The Board opened up discussion for items not on the Agenda.

- Director Ellen Anderson found a bullet in the street and found it very concerning. She also noted that she has seen a lot of dogs off leash, would like a reminder sent to the HOA that dogs must be on leash in Aspen Village.
- Suzanne Roth notified the HOA that local police uses the dump after hours as a shooting range. Would like to inform the Board of this. Last night of the night shoots will be next Monday.

6. PROPERTY MANAGERS REPORT

Financials/ Accounts Payable

The Board of Directors reviewed the financial reports for the months of October – Balance Sheet, Budget v Actuals, Profit and Loss and statement of account for Edward Jones CD.

Board would like to know current CD rates at the next HOA meeting in January.

Director Suzanne Roth moved and Director Kate Spencer moved to approve the Financial Reports for October as presented. Motion Passed.

Memo From Management – Future of Aspen Village HOA

The Board will discuss a memo from Management on its four options for the future of the operation of the HOA. Memo displayed below.

RE: Future of Aspen Village HOA

BACKGROUND

A homeowner association (HOA) is an organization in a subdivision, planned community, or condominium building that makes and enforces rules for the properties and residents. The purpose of an HOA is to manage common or shared property, protect owners' property values, provide services to residents, and enforce the Covenants,

Conditions and Restrictions (CC&Rs) of the HOA – or its governing documents. Those who purchase property within an HOA’s jurisdiction automatically become members and are required to pay dues, which are known as HOA fees. These HOA fees are collected to fund operation of the HOA and to build a reserve fund, which is money set aside for major renovation projects or emergency use.

When Embers Property Management took over management of the Aspen Village Homeowners Association from the former property management company – Aspen Places – on February 1, 2023, property manager Megan Rodman notified the HOA Board of Directors that their current operating account only had \$3,085.73 cash available to use for the operation of the HOA. Megan Rodman informed the HOA Board that they did not have enough funds to continue operation of the HOA. The HOA Board held an emergency meeting with legal counsel and decided to cash in their CD account with Timberline Bank, pay the \$1,215.63 penalty fee, and used those funds to continue operation of the HOA. This gave the HOA \$121,426.05 cash to continue operating the HOA.

Since February, the HOA Board has worked to find alternative sources of income for the homeowners Association, in lieu of charging an assessment, by the end of 2023. So far, the HOA Board has been unsuccessful in finding alternative sources of income beginning January 1, 2024. This has left the HOA Board with the following four options on how to proceed:

OPTION 1 – Charge Assessments

Aspen Village has had the unique opportunity to not charge assessments to its homeowners over the last decade or so. This is a result of the HOA receiving a significant amount of cash from the sale of Lots that the HOA owned. The cash received from the sale of these Lots, has been used to fund the operation of the HOA over the last decade. As mentioned above, those funds have been exhausted as of February 1, 2023. The Board voted to cash in its CD account, providing the HOA with \$121,426.50 in cash to continue funding operation of the HOA.

At this juncture, the Board has the ability to review and approve of a proposed 2024 budget that shows a line item to charge HOA assessments, providing a source of income for the HOA to continue funding its operation. Over the last 5 years, the average annual cost of operating the HOA is \$58,000.00. If the Board were to add a line item for assessments to pay for operation of the HOA and to have extra funding to start building back up a reserve fund, that can be invested as a CD, this would increase the line item for an assessment to \$60,000.00 at least. This would mean that per homeowner, 149 Lots total, the annual HOA assessment would be \$403.00 per Lot, or \$201.50 biannually, or \$100.75 quarterly, or \$34.00 monthly. The Board has the option to decide how often it wants to charge the homeowners an HOA assessment, whether its annually, biannually, quarterly or monthly.

Charging a total assessment of \$403.00 per Lot per year, would be option 1 for the HOA Board to consider continuing funding of the operation of the HOA and to build a reserve fund.

OPTION 2 – Continue Operation of HOA “As Is”

The second option the HOA Board has is to approve a proposed 2024 budget that does not have a line item for charging assessments, and to continue exhausting the funds that the HOA has left. Currently the HOA has \$88,328.51 in its operating account as of 11.10.2023. As mentioned above, the HOA has been operating at an average \$58,000.00 deficit over the last 5 years. This would mean that by the end of 2024, the HOA would roughly have \$30,000.00 left in its operating account and would completely exhaust all funds in the operating account by June 2025.

If the HOA Board were to decide to not charge assessments and continue operation of the HOA without a source of income, the Board could continue its efforts to find alternative sources of income. The HOA Board has had discussions with the Metro District Board regarding if they would finance operation of the HOA through taxes. However, with the proposed tax increases to fund the sewer treatment plant, and the due diligence needed to not rush into an unknown situation of merging the Metro and HOA Boards, the Metro District would be unable to help fund operation of the HOA until 2025/2026. The Metro District is in full support of keeping the HOA, but they would need at least one to two years to be able to rewrite their service plan to incorporate operation and/or funding of the HOA, and that would need to get approval from the BOCC. While this has been the main alternative solution to prevent charging an assessment and to keep the HOA intact, that the HOA Board has been researching, this is not a definite solution that would be guaranteed to work. In addition, this alternative solution would not come into fruition until 2025/2026.

The current property management company, Embers Property Management and current legal counsel for Aspen Village HOA, both strongly advise against not charging an HOA assessment.

OPTION 3 – HOA Board takes over management of the HOA

In an effort to cut back on HOA expenses, the HOA Board has the option to terminate its agreement with the current property management company – Embers Property Management – its largest expense, and turn over management of the HOA to its elected Board of Directors. The HOA Board would be unable to collect any compensation, but they would become responsible for enforcing the CC&Rs, managing HOA finances, responding to resident inquiries, managing the HOA website and email account, and performing weekly drive throughs. While this removes the property manager, a non-bias enforcement entity, there is no law that requires an HOA to have a property manager.

OPTION 4 – Dissolve Aspen Village Homeowners Association

The final option that the HOA Board has is to dissolve the HOA entirely. An attorney from Winzenburg, Leff, Purvis & Payne – the current legal counsel for Aspen Village HOA – is willing to handle the dissolution of the HOA. Dissolution of an HOA is a complicated process and is estimated to cost \$7,200.00 as a starting fee. This estimate does not include the preparing and mailing of documents to owners requesting their approval of the dissolution of the HOA or for the costs of recording of any required documents. In the event there is a requirement that First Mortgagees be notified of the potential dissolution, then this estimate will also not cover the costs of pulling an Ownership & Encumbrances Report (“O&E”) for each Lot and the process that must

be undertaken, if any, to obtain the consent of First Mortgagees. As of the date of this Memo, the HOA would have the finances to proceed with dissolution of the HOA.

If the HOA were to dissolve, there would no longer be any governance over Aspen Village, meaning that there would no longer be an entity to call for assistance in any regard, rules or regulations for the HOA, and no protection of property values. Also, once the HOA is dissolved, it would be extremely difficult, if not impossible, to bring the HOA back.

CONCLUSION

In summary, the Aspen Village HOA Board of Directors has four options on how to continue with operation of the HOA and handling its financial status. Those options are:

1. Charge HOA Assessments of \$403.00 per Lot annually, or \$202.00 biannually, or \$111.00 quarterly, or \$34.00 monthly.
2. Not charge assessments, operate the HOA at a deficit and continue trying to find alternative sources of income.
3. The HOA Board takes over management of the HOA.
4. Dissolve Aspen Village Homeowners Association entirely.

Both the current property management company and current legal counsel advise that the Aspen Village HOA Board approve of a proposed 2024 budget that adds a line item of income to charge an HOA assessment.

At the November 14, 2023 HOA Board meeting, the Board of Directors will review and consider taking action on one of these four options.

2024 Proposed Budget

The Board of Directors reviewed the final proposed budget for 2024.

Director James Anderson moved and Director Kate Spencer voted to approve the proposed 2024 budget that would not add a line item to collect an HOA assessment. Motion Passed.

Aspen Village Winter Christmas Tree Bonfire

The Board of Directors discussed when they would like to have the annual Winter Christmas Tree Bonfire and decided on January 6, 2024. Director Matt Zubrod volunteered to bring hot coco and possibly other snacks to the event. All members of the Aspen Village community are welcome to attend this event.

7. ADJOURNMENT

Director Suzanne Roth moved and Director Kate Spencer seconded to adjourn the Board Meeting at 7:53 PM MST. Motion Passed.

The next Aspen Village Board Meeting will be on January 9, 2023.

The Annual Meeting of the Members will be on December 12, 2023 at 6:00pm at the Aspen Village Clubhouse.

