

State of the Association 2016

Dear Southpark No. 2 Homeowners:

I attended a recent church Mass at which our priest delivered a short homily about how we should all be grateful. I was preoccupied with how I was going to share the 2017 challenges facing our HOA when I suddenly realized, I should stop worrying about that and be grateful for all the efforts put forth by members of this community and those who serve it, and have made it the best place I have ever lived despite the challenges we will face over the next few years.

We should be grateful for our Board members for their ongoing attendance and active participation in the affairs of the community. They have spent many hours meeting with attorneys, residents, vendors, and in Board meetings both regular and special. That will be evident as I describe the challenges.

We should be grateful for the people who have served on our Landscaping Committee, our Clubhouse Committee, our Architectural Control Committee, our Finance Committee, National Night Out, and a variety of social committees.

We should be grateful for many of our vendors who meet with us, and then work to help us achieve our goals and solve our problems so that the difficult becomes the expected. Indeed, because of our vendors, Emerald Isle and Denver Water, we were able to save enough water to lower our water usage enough over a 5 year period to receive cash and rebates for an equivalent savings of \$4.81 per unit per month. Emerald Isle made us aware of the opportunity and the Board invested \$70,000 to upgrade equipment to Denver water specifications. We should be grateful for the hard work of our property manager, Kevin Lavene, who did the leg work to make this happen as well responding to the many needs throughout the community.

The community has two major challenges that I need to bring you up to date on. As many of you know, we have filed a lawsuit against the City of Englewood asserting that water from the McLellan Reservoir is leaking through our property and has caused damage to the hillside next to Mineral Avenue. We are asking the court for relief on repairing the damage. We initially engaged a forensic geologist to examine the damage and were told that the hill was in danger of collapsing due to water saturation. His conclusion was the water source was McLellan Reservoir. Let me hasten to say that no one's property is in danger of flooding at this time. The water level is below the houses, but daylight on the side of the hill on Mineral.

We engaged the law firm, Burg, Simpson, to initiate a suit on a contingency contract. The city of Englewood believes they are innocent of any damage, and have asked the judge to rule on sovereign immunity (as they are a governmental unit, they bear no liability for our problem). The court has not acted yet, but should do so in within a couple of months. We have decided to go ahead and start with the repair work on the side of the hill. The work will include cutting down the large cottonwood tree on the hill in order to lessen root damage to the installation of a new drainage system designed to move the water to a drainage pipe that will tie into a drainage pipe belonging to the city of Littleton. Work will begin in November. The project will cost approximately \$120,000 as bid.

When I first became involved with the governance of our HOA as a member of the Architectural Control Committee the issue of Landscaping and Landscaping rules and regulations was historically a difficult issue. The biggest problems are maintenance and architectural consistency when individual residents are allowed to plant directly in a foundation mulch bed. Regulations regarding types of plants, required design plans and maintenance agreement contracts, are often ignored for a variety of reasons. Attempting to police these plots is virtually impossible. As a result mulch beds are often over-grown, abandoned, and inconsistent with well groomed neighbors' mulch beds, and leave us with short-term fabulous spots of color and wretched tangles of neglected growth. The tangles of neglected growth often cost thousands of dollars to remove and replace.

Over the past year our Landscape Committee has worked hard to find a landscape designer, Ivy Street Designs, to take on the immense task of re-designing our landscaping in a manner that will be consistent and reflect contemporary landscaping practices. It is not an inexpensive undertaking. The Board has committed to financially supporting this project because there is no doubt in our mind that maintaining and improving on the #1 asset of this community, a park like setting, is our best bet in maintaining the desirability of living in the community no matter the age of its homes.

We are planning to begin installing a pilot project in the spring of next year. In order to finance the entire project and maintain financial stability the Board has decided on a five year installation plan that will increase annual assessments for the next several years. While we have set a five year completion for the project, we will have to use some reserve funds to finance the project. So, the big question is; how much are assessments going up and why. We do know we need to pay our landscape designer and complete the pilot project. Until we get a design for the entire project we cannot bid the project out. We have budgeted \$200,000 for the Landscape Project next year and set aside projected revenue of \$6.50 per owner per month to offset the cost. An additional \$3.50 will be needed to meet the projected increases from our vendors and contracts. This means an assessment increase of \$10.00 per month for the individual homeowner.

These are two big ticket items that we must engage to keep our community viable. The expenditure of large sums of money is not something the Board takes lightly, but not to act is to act and the consequences of not acting are evident. No landscaping update—an outdated and declining community. No Mineral Hill repair – a collapsed hill, damaged residences, and lawsuits against the HOA for not acting in the best interest of its homeowners.

I and my fellow Board members should be grateful for a community that by and large responds positively to the leadership and complies with rules and regulations that are intended to serve the greater good, even though they do not necessarily meet individual needs. That responsiveness suggests that most community members understand what my priest said about being grateful: it is not about my individual needs, but the needs of the community. I am grateful that I am surrounded by others who are so willing to help serve the needs of the community.

Charles Brown, Board President