

MINUTES
SOUTHPARK #2 HOMEOWNER'S ASSOCIATION
ANNUAL HOMEOWNERS MEETING
Thursday, October 15, 2015

The meeting was called to order by President Charles Brown at 7:32 P.M.

Mr. Brown reported that his first year as President of the Association has been one of "setting the stage" and "learning". His first report was that Association Reserves maintained for very large expenditures and unexpected situations was in very good condition, in spite of very low interest rates. In addition to keeping the Reserves healthy, the Association has also just completed a long-range study to assess future needs for maintenance and replacement of the Association's common buildings and grounds. Two primary projects are planned for 2016. The first will be replacement of landscape material, and the second will be fence replacement around the property. In order to keep the "Reserves" at a healthy level, and accomplish next year's projects, it will be necessary to raise the monthly assessment by \$6 next year.

The Association Treasurer, Norma Thiesen, presented the budget sheet and graph for 2016. She emphasized that Water Expense comprises 32% of the total operating budget. She also reiterated the Reserve Expenditures planned for next year included Fence Replacement at \$142,000. Currently the HOA has a cash position of \$17,000, and \$687,000 in the Reserve Fund. Snow removal is currently budgeted for \$25,000, however, this is an unpredictable expense. Ms. Thiesen added a comment that 1% of the budget is utilized for National Night Out, and that other expenditures are conservative.

Kevin Lavene, Property Manager, gave the Manager's Report and explained the variability of Reserve Balances and Expenditures from year-to-year, citing snow removal, wind storms with tree damage, and scheduled capital expenditures dictated by the Reserve Study to maintain the common grounds and buildings such as asphalt repair, concrete replacement, pool maintenance, and painting.

Kevin addressed a question on who decides on snow removal by explaining the current protocol in place for the Association.

The Property Manager also reported on the painting schedule and that 97 units complied with the requirement to paint, while one unit was in noncompliance.

There was a question on whether the five-year painting schedule would ever be changed, and Kevin explained the rationale for maintaining integrity of building materials and for consistency in blocks of HOA units being painted at the same time.

He also reported that asphalt has been done each year, and current asphalt repairs will last for some time into the future. Concrete repair and replacement will be annual, and that the HOA Agreement with Denver Water for installation of the Smart Water System was coming to conclusion. Each year during the four-year term, Southpark 2 has received a check for \$20,000 - \$30,000 plus a water savings check for \$20,000 - \$30,000. In the future, the HOA will still receive a water savings check only.

Report on the Landscape Committee. Two grounds assessments were conducted. The first identified a good deal of winter kill, followed by a second assessment where plants were marked with yellow ribbons. Beginning late October, Emerald Isle will begin to remove dead material, but will put no replacement plants in at this time. The Committee will spend the next year meeting and planning future landscaping strategy and material. This will move the actual work one year forward.

The Property Manager made additional comment that snow removal was over budget to date for this year. He also announced that the tree trimming program was in its last year of a four-year program, and that turf replacement will be evaluated and addressed on a case by case basis for alternative landscaping where turf continually needs replacement such as steep slopes and under pine trees.

At 8:20 the Board Secretary, Sharron Dorenkamp, announced that there was a Quorum to conduct business, and introduced all candidates for the three open Board Positions including: Ken Ayars, Judie Foster, Margret Khan, John Kron, Sharon Malion, and Jim Ramsay. After counting the votes of attending members and Proxys, the three new Board Members were Ken Ayars, Judie Foster, and Sharon Malion.

The meeting was then adjourned at 8:55 PM.