



C/O Z&R Property Management
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DRAINAGE
HOMEOWNER'S
ASSOCIATION

Dear Spires Homeowner:

Yes, it's that time of year again. Perhaps the singular most important aspect to running a homeowners association is participation by you, the homeowner. This participation encourages a sense of community and cooperation between all the residents in The Spires Drainage HOA and keeps your association strong. A strong association is the key to maintaining your association's assets properly and protecting the rights and property values of each and every homeowner. Your best chance to participate in The Spires Drainage HOA is at the general membership meeting, which is held annually. Your Annual Membership Meeting is scheduled for:

January 24, 2012

6:00 PM

First Station 16 - 4980 Farthing Drive (behind the City park)

Check In: 5:45 to 5:55 PM

Your attendance is important for several reasons. First and foremost, you get to meet your neighbors and be informed as to how the Association is run. Second, you help create a quorum of voting members so that the decisions made at the meeting are official. Finally, you get to participate in the democratic process by choosing which candidates are going to fill the expiring Board terms. Your proxy will designate the person of your choice to cast your vote at the meeting. All proxies should be mailed to Z&R or dropped off on site prior to the meeting (see proxy form). Please ensure that you mail proxies or directed mail-in ballots early enough to reach our office no later than January 23, 2012.

The Board of Directors general duties include the following:

- Prepare and monitor the budget, approve expenditures and investments;
- Review committee reports and recommendations and determine a course of action;
- Administer the Association's Covenants and Design Guidelines & Community Standards;
- Resolve violations and/or homeowner complaints; plan and promote community events,
- Attend any public meetings relating to The Spires DHA;
- Respond to questions and suggestions from the Association's membership.

Z&R Property Management is hired to run the daily operations of the association. They assist the Board and are the point of contact for the members of our community. They operate at the direction of the Board. The Board sets policy, holds hearings, and makes the final decision on issues in dispute. If you have any questions about the meeting or other Association matters, please feel free to call our office and we'll do our best to help you out. You can also visit the website, www.thespireshoa.com for information. We hope to see you at the annual meeting.

Sincerely,


Derek Patterson
Property Manager



The Spires Drainage Homeowners Association, Inc. GENERAL MEMBERSHIP MEETING

JANUARY 24, 2012
6:00 PM to 7:30 PM
FIRE STATION 16 ~ Parking spaces are limited.

Z & R: 719-594-0506

Website: www.thespireshoa.com

Type of meeting: *GENERAL MEMBERSHIP MEETING*

CHECK IN: 5:45 - 5:55 PM

Agenda Topics

A. CALL TO ORDER 6:00 – 6:02 PM

1. Roll Call – Quorum (19 homes)
2. Certification of Proxies
3. Proof or Waiver of Notice
4. Approval of previous year's Meeting Minutes

B. REPORTS 6:03 – 6:45 PM

1. President's Report
2. Financial Report

C. ELECTION 6:46 – 7:05 PM

1. Introduction of Candidate
One (1) Term Expiring
2. Nominations from Floor
3. Voting for Board Members
4. Volunteers for Board vacancies

D. ANNOUNCEMENTS 7:06 – 7:29 PM

(Question and answer period while Ballots are being counted)

E. ADJOURNMENT 7:30 PM

The Spires Drainage Homeowners Association, Inc.

General Membership Meeting Minutes

January 18, 2011

Mr. Tracer called the General Membership Meeting of The Spires Drainage Homeowners Association to order at 6:02 p.m. Present were as follows:

Carl Tracer	President / ACC Liaison
Roland Harris	Vice President
Ben DeMeter	Secretary / ACC Liaison
Wayne Booker	Treasurer
Larry Gilliam	Director at Large
Ed Lyons	ACC Member
Alan Jacobs	ACC Member
Brent Mellow	ACC Member
Derek Patterson	Z & R Property Management

Homeowners present: A total of thirty-five (35) homes were represented: five (5) by proxy, eight (8) by directed proxy vote and twenty-two (22) owners present. A quorum was present [19]. Mr. Patterson conducted roll call and certification of proxies.

Mr. Tracer introduced the Board of Directors, ACC members and Z & R. Mr. Tracer stated he would follow the agenda to cover the business of the meeting and any questions and comments would be addressed under the announcements section.

A motion was made to waive the reading of the previous year's meeting minutes and approve them as submitted. The motion carried. Copies of the minutes were in the handout for members to read.

Mr. Tracer presented the **President's Report** noting information for projects completed for 2010.

- The Association encompasses 369 homes;
- The website (www.TheSpiresHOA.com) has had more than 2676 visits in 2 ½ years;
- There are 9 Common Areas tracts throughout the community that are taken care of by the Association;
- During 2010 there were 110 letters issued for violations and ACC approvals with 1 hearing being held;
- There were 9 homes in the collection process, totaling \$10,432.58:
 - Of that, \$4,596.28 has been successfully collected;
 - There are currently 4 homes outstanding which total \$5,836.30;
 - 1 home went to court with the case being successful, hoping to collect \$2,623.07;
 - The other home makes up \$2,268.07 and 2 homes total \$945.16.
- There was a lawsuit successfully settled in 2010:
 - It involved a multi-year continued ACC violation where \$24,700.00 in fines was posted. The home went through the Collection and Covenant Enforcement process and ended up in court. The Association successfully collected all fines, late fees, dues and \$6,798.44 in legal fees.
- In February the Board approved new ACC directives for the Association to be in compliance with House Bill 08-1270 ... concerning the removal of restrictions on the use of Energy Efficiency Measures.

- The Board amended the General Liability insurance policy to include all Common Area Tracts plus each Debris Dam.
- In May the Board conducted a community inspection to view the general condition of the Association;
- Also in May the Board approved the renewal of the NORAD Easement which is good for 5 years;
- New “No Trespassing” signs were installed at each of the Debris Dam entrances which identify the areas as being private property and they also give a contact number.
- Kiowa Engineering conducted its yearly inspection of each Debris Dam in July;
- The Board has a contractor conduct general inspections of the Debris Dams, Drainage Channels and the Under Drain system in the spring and fall, or after any significant rainfall event,
- The Reserve Fund CD’s and Money Market accounts earned \$6,325.77 in interest in 2010.

Mr. Tracer and Mr. DeMeter discussed the purpose of the Association and how it was originally created stating it has two primary functions; 1) maintain the Debris Flow Dams and Drainage Channels and 2) perform all the duties necessary for the daily operation of an Association, such as the financial services, Reserve funding, Covenant enforcement and control and ACC requirements.

Mr. Patterson noted The Mountain Preserve future project was granted an extension for submitting amended development plan issues to the City; the submittal date is April 11, 2011. It was further noted the City can grant a second 6-month submittal extension. The Association has been monitoring the development and has had the Association’s legal firm review The Maintenance and Easements Agreement with specific focus on the maintenance and maintenance cost sharing. A question and answer period followed.

Under Reports, Mr. Booker presented the **Finance Report**. He reviewed a handout which showed the December 31, 2010 year end status, the 2011 approved Budget and a new Reserve projected expense spread sheet. A question and answer period followed.

The next order of business was the election of two (2) Board members. Mr. Tracer’s and Mr. DeMeter’s terms expired. Mr. DeMeter, Mr. Whiting and Mr. Mellow volunteered to serve and were placed on the ballot. The floor was opened for nominations and with there being none, the floor was closed. The candidates introduced themselves. A question and answer period followed from the membership. The members were instructed to vote for two candidates. Mr. Patterson and Mr. Nikodemski collected, verified and counted the ballots. Mr. DeMeter and Mr. Mellow were elected to the Board and will serve 3-year terms.

Under **Announcements**, the floor was opened for general discussion. Topics discussed were sidewalks not being completed/installed on vacant lots, snow removal and the lack of City services in the community and a history of information relating to The Mountain Preserve project. The Board was thanked for their efforts in maintaining the community.

There being no further business, the meeting was adjourned at 7:24 p.m.


Derek Patterson
Property Manager

The Spires Drainage HOA

Approved 2012 Budget

	<u>Final 2012</u>	<u>Comments</u>	<u>Approved 2011</u>	<u>Delta</u>
Operating Income:				
Dues 370 Homes/Lots	\$110,100	367 Homes (-2 lots in 2011)	\$110,700	(\$600)
Late fee-NSF Charges	\$250		\$250	\$0
Gross Income:	<u>\$110,350</u>		<u>\$110,950</u>	(\$600)
Operating Expenses:				
Accounting Fees	\$1,400	x Audit each year	\$1,199	\$201
Administration Fees	\$3,900	x	\$4,600	(\$700)
Bad Debt	\$900	x loss of dues due to BR or 1st Mortgage Foreclosure	\$950	(\$50)
Contingency	\$9,500	x funded to Reserves if not utilized	\$1,000	\$8,500
General Mx and Repair	\$5,000	x fees spent to clean/maintain the debris dams repairs to other Common Areas, MBU's, etc.	\$5,298	(\$298)
Insurance (Package) 10% estimated				\$0
Catastrophic [\$2.5M]	\$22,660	\$20.6k renewal is 6-2012	\$22,229	\$431
G/L for Common / Dams [\$1M/\$2M/\$300k]	\$4,870	\$4427 new G/L - renewal is 12-1-11	\$4,870	\$0
Crime [\$700k]	\$1,098	\$998 renewal is 8-8-2012	\$1,098	\$0
Professional Liability (D&O) [\$1M]	\$2,420	\$2200 renewal is 6-1-2012	\$2,300	\$120
	<u>\$31,048</u>	x	<u>\$30,497</u>	\$551
Landscaping / Common Areas	\$1,500	x mowing / cleaning of Common Area tracts	\$1,500	\$0
Legal Expense	\$5,500	x \$2k for Board use (non Collection related)	\$5,500	\$0
Legal Reimbursement	(\$3,500)	x Pass thru for Collections	(\$3,500)	\$0
Management Fee	\$35,613	x	\$35,807	(\$194)
Taxes: Fed/State	\$1,200	x	\$1,600	(\$400)
Total Operating Expenses:	<u>\$92,060</u>		<u>\$84,451</u>	\$7,610
Reserve Funding:				
Consolidated	\$18,290	x Plus \$9.5k from Contingency	\$26,500	(\$8,210)
Total Op. Exp. + Res. Fund	<u>\$110,350</u>		<u>\$110,951</u>	(\$600)
Surplus (Shortage)	\$0		-\$1	\$0

December 2008: total assets \$513,475.49 / Reserves: \$407,918.18

December 2009: total assets \$585,106.00 / Reserves: \$494,543.68

December 2010: total assets \$648,969.75 / Reserves: \$546,928.45

The Spires Drainage HOA

Balance Sheet

11/30/2011

Assets

Accounts Receivable	904.55
Cash-Operating-UMB Bank	83,745.97
Reserve Funds	
Reserve - UMB Bank MMF .5% #69	290,147.74
UBS MMF .01%	650.48
Chase - High Yield Savings .65% 1/13/12	245,203.12
TOTAL Reserve Funds	<u>536,001.34</u>

Total Assets 620,651.86

Liabilities

Prepaid Dues	15,567.61
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Total Liabilities 15,567.61

Net Worth

Reserve Funds	
Reserve Interest Earned	4,086.62
Reserve-Consolidated	546,928.45
Reserve Exp-Consolidated	(15,013.73)
TOTAL Reserve Funds	<u>536,001.34</u>

Retained Earnings	39,353.82
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Net Income	29,729.09
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Total Net Worth 605,084.25

Total Net Worth and Liabilities 620,651.86

The Spires Drainage HOA

Income and Expense Comparative Statement

From 01/01/2011 to 11/30/2011

	November 2011		Year-to-Date			Yearly Budgets	
	Actual	Budget	Actual	Budget	Var. \$	Current	Last Year
Revenues							
Monthly Dues			107,800	110,700	(2,900)	110,700	111,600
Interest Income	3		57		57		
Fines			100		100		
Late fee-Nsf Charges	(108)	21	842	231	611	250	350
Misc Income			400		400		
Total Revenues	(105)	21	109,199	110,931	(1,732)	110,950	111,950
Expenses							
Operating Expenses							
Accounting Fees			1,400	1,199	(201)	1,199	975
Administration Costs	978	383	4,096	4,213	117	4,600	5,200
Bad Debt		79	3,436	869	(2,567)	950	
General Mx and Repair	506	442	5,791	4,862	(929)	5,298	21,295
Insurance Property/Liability	4,516	6,602	28,411	30,497	2,086	30,497	28,617
Landscaping		125	1,004	1,375	371	1,500	1,500
Legal Expense		458	6,909	5,038	(1,871)	5,500	3,500
**Legal Reimb		(292)	(4,558)	(3,212)	1,346	(3,500)	(2,500)
Management Fees	2,982	2,984	32,807	32,824	17	35,807	35,904
Misc./Contingency		83	175	913	738	1,000	
Taxes-Federal/State		133		1,463	1,463	1,600	2,000
TOTAL Operating Expenses	8,982	10,997	79,471	80,041	570	84,451	96,491
Reserve Funding							
Reserve Allocation Consolidated		2,208		24,288	24,288	26,500	15,459
TOTAL Reserve Funding		2,208		24,288	24,288	26,500	15,459
Total Expenses	8,982	13,205	79,471	104,329	24,858	110,951	111,950
Net Income	(9,087)	(13,184)	29,728	6,602	23,126	(1)	0

