

# *Townes at Kettle Creek Owners Association, Inc.*

[Darren@zandrmgmt.com](mailto:Darren@zandrmgmt.com) / [www.Townesatkettlecreek.com](http://www.Townesatkettlecreek.com)

September 27, 2018

Dear Townes at Kettle Creek Homeowner:

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 and keeps your Association strong. This is the key to maintaining your assets properly and protecting the rights and property values of each and every homeowner.

Your best chance to participate in the Townes at Kettle Creek Owners Association is at the general membership meeting, which is held annually. Your Annual Meeting is scheduled for:

**Tuesday, October 23, 2018**

**6:00 p.m.**

**Academy Christian Church**

**1635 Old Ranch Rd., Colorado Springs, CO., 80908**

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 (i.e. budget ratification) at the meeting are official. This year, the 4.88% increase is going more than dollar for dollar to increase reserve contributions. One roof is being replaced this year at a cost of over \$30,000! That leaves 13 more roofs to go in probably the next 15 years, so saving now is essential. The reserve study update is under way to give us a better picture of where we stand and how much we need to fund long term.

Finally, you get to participate in the democratic process by choosing which candidate is going to fill the vacating positions on the Board of Directors. ***If you are interested in serving on the Board, please submit your name in writing (email is preferred) to my attention no later than October 15, 2017, and I'll make sure you get on the ballot.*** Nominations from the floor will also be accepted.

If you cannot attend, please fill out and return the attached proxy. This proxy will designate the person of your choice to cast your vote at the meeting. All proxies should be mailed, emailed or faxed to Z&R at the above addresses prior to the meeting. The Board is responsible for deciding all the financial and contractual matters of the Association, so your vote is very important.

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. I hope to see you at the annual meeting!

Sincerely,



Darren H. Burns  
Property Manager

Professionally Managed by:



6015 Lehman Drive, Suite 205, Colorado Springs, CO 80918  
Phone (719) 594-0506 • Fax (719) 594-0473



# Townes at Kettle Creek OA ANNUAL MEMBERSHIP MEETING

October 23, 2018  
6:00 p.m.

Academy Christian Church  
1635 Old Ranch Rd., Colorado Springs, CO., 80908

Type of meeting:

*ANNUAL MEMBERSHIP MEETING*

## *Agenda Topics*

### **A. CALL TO ORDER**

1. Roll Call (Completed at Door)
2. Certification of Proxies (Completed at Door)
3. Proof or Waiver of Notice (Quorum = 20%)
4. Previous Year's Meeting Minutes

### **A. B. REPORTS**

1. President's Report
2. Financial Report (Annual Budget)

### **C. NEW BUSINESS**

1. Introduction of Candidates
2. Nominations from Floor  
Voting for Board Members

### **D. ANNOUNCEMENTS**

### **E. ADJOURNMENT**

# *The Townes at Kettle Creek Owners Association*

## **Annual Membership Meeting Minutes**

**October 16, 2017**

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The Townes at Kettle Creek Annual Membership Meeting was held at Fire Station 19. The meeting was called to order by Darren Burns at 5:57 p.m. Present were:

Rhonda Martin	President
Lou Yoo	Secretary
David Kuiper	Treasurer
Darren Burns	Property Manager
Chris Schade	Property Manager

A total of 20 homes were represented with 13 in person and 7 by proxy. Roll call was conducted at the door by Darren along with certification of any proxies that had not been submitted in advance of the meeting. A quorum was not present so the proof of notice was provided by the members present. Those present elected to continue the meeting.

Darren introduced himself and the Board of Directors. Rhonda Martin was welcomed as the newest member who was appointed to fill the vacancy created by the resignation of Konrad Kahle. Arlene Chumley moved to approve the 2015 annual meeting minutes as submitted and the motion carried unanimously.

**President's Report** (presented by Chris): A number of landscaping improvements were done during the course of the summer. Site visits were conducted through the year and Chris summarized Board decisions. The speed bumps were removed to the delight of the fire department, the front entrance was upgraded, a number of dead shrubs were removed and the outer perimeter was cut back on water to go native.

This was a controversial decision and the cost savings won't be realized or quantified until next year. Bart Rafferty, the paint contractor, honored his paint warranty and repainted railings under hail damage, which is not normally covered under warranty. There was general discussion about the perimeter grass with some discontent. Lou recommended measuring the total sq. footage of the grass in the Community and review savings.

**Financial Report**: Darren presented the September 2017 financial statements and the 2018 budget in detail. Due to rising operating costs, an assessment increase of 5.1% will take effect on January 1, 2018. The 2018 budget has an increase of 5.1% on the dues with bad debt offsetting any increase in reserve funding, but the bad debt is more of a "books" balance so there is hope to fund it. Darren discussed the

**NEW BUSINESS**: Lou Yoo volunteered to serve on the Board. Darren opened the floor for volunteers and there were none. David moved to elect Lou by acclamation and the motion carried unanimously. Lou introduced himself.

He and David talked about their qualifications in handling budgets and numbers and putting together a 10 year maintenance schedule. Kira Schubert recommended the management company be bid out to at least two other companies.

The Board acknowledged the request. David mentioned during his tenure Z&R has been responsive and for the most part he is happy. Lou discussed the topic of increased oversight and addressing contract deficiencies and to date he's seen no deficiencies.

Officers were elected as follows and Board term expirations are also listed:

		<b><u>Term</u></b>
Rhonda Martin	President	2018
David Kuiper	Treasurer	2018
Lou Yoo	Secretary	2019

The meeting was adjourned at 8:15 p.m.



Darren H. Burns  
Property Manager

Lou Yoo  
Secretary

# Townes at Kettle Creek

## Balance Sheet

08/31/2018

### Assets

Owner Receivables	477.26
Other Receivables	20,663.11
Cash Operating - First Bank	24,355.32
<b>Reserves</b>	
Reserve - RBC Wealth	80,342.70
Reserve - First Bank	22,346.03
RBC CD 10/17/18 1.70%	60,000.00
RBC CD 1/22/19 2.00%	60,000.00
RBC CD 5/24/19 2.15%	40,014.14
<b>TOTAL Reserves</b>	<u>262,702.87</u>
<b><u>Total Assets</u></b>	<u><u>308,198.56</u></u>

### Liabilities

Owners Receivable Over Collected	10,285.03
<b><u>Total Liabilities</u></b>	<u><u>10,285.03</u></u>

### Net Worth

<b>Reserve Funds</b>	
Reserve Interest Earned	379.54
Reserve-Consolidated	274,241.97
Reserve Expense-Consolidated	(11,918.64)
<b>TOTAL Reserve Funds</b>	<u>262,702.87</u>
<b>Prior Retained Earnings</b>	1,326.00
<b>Retained Earnings</b>	22,945.77
<b>Net Income</b>	10,938.89
<b><u>Total Net Worth</u></b>	<u><u>297,913.53</u></u>
<b><u>Total Net Worth and Liabilities</u></b>	<u><u>308,198.56</u></u>

# Townes at Kettle Creek

## Income and Expense Comparative Statement

From 08/01/2018 to 08/31/2018

	<u>August 2018</u>		<u>January to August</u>			<u>Yearly Budgets</u>	
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Var. \$</u>	<u>Current</u>	<u>Last Year</u>
<b><u>Revenues</u></b>							
Monthly Dues	16,810	16,810	134,480	134,480		201,720	191,880
Interest Income							10
Late fee-Nsf Charges	53	150	223	1,200	(977)	1,800	1,200
Returned Check Charges			40		40		
Misc Income			44		44		1,000
<b>Total Revenues</b>	16,863	16,960	134,787	135,680	(893)	203,520	194,090

### Expenses

#### **Operating Expenses**

Accounting Fees			1,750	1,350	(400)	1,350	350
Administration Costs	532	192	2,142	1,536	(606)	2,300	2,000
Bad Debt		833		6,664	6,664	10,000	
Electric	20	23	156	184	28	280	280
General Mx and Repair	231	208	336	1,664	1,328	2,500	2,500
Gutter Repair	350		350		(350)		
Insurance Property/Liability	2,703	3,045	24,110	26,815	2,705	39,000	35,000
Landscaping	130	333	2,222	2,664	442	4,000	3,000
Legal Expense	145	112	606	896	290	1,350	4,000
**Legal Reimb	(145)	(83)	(502)	(664)	(162)	(1,000)	(2,500)
Lawn Contract	1,437	1,333	11,370	10,664	(706)	16,000	16,000
Light (Electric) Maint/Repair	448	208	1,573	1,664	91	2,500	2,500
Management Fees	1,230	1,230	9,840	9,840		14,760	14,760
Pest Control		104	140	832	692	1,250	250
Pond Maintenance		100		500	500	500	500
Plumbing		62		496	496	750	750
Roof Repair		500	1,315	4,000	2,685	6,000	3,500
Snow Removal			8,388	16,000	7,612	23,500	22,000
Sprinkler Repair	1,517	550	5,400	2,200	(3,200)	3,130	2,750
Street Repair/Sweep							270
Storm Water Fee	132		132		(132)		
Trash	785	750	6,202	6,000	(202)	9,000	8,880
Tree Maintenance	1,607	475	4,465	3,800	(665)	5,700	4,500
Water	6,254	1,625	16,420	13,000	(3,420)	19,500	18,000

	<u>August 2018</u>		<u>January to August</u>			<u>Yearly Budgets</u>	
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Var. \$</u>	<u>Current</u>	<u>Last Year</u>
<b>TOTAL Operating Expenses</b>	17,376	11,600	96,415	110,105	13,690	162,370	139,290
<b>Reserve Funding</b>							
Reserve Allocation Consolidated	3,429	3,429	27,432	27,432		41,150	54,800
<b>TOTAL Reserve Funding</b>	3,429	3,429	27,432	27,432	0	41,150	54,800
<b>Total Expenses</b>	20,805	15 ,029	123 ,847	137 ,537	13 ,690	203 ,520	194 ,090
<b>Net Income</b>	(3,942)	1,931	10,940	(1,857)	12,797	0	0

**Table 4: 30-Year Reserve Plan Summary**

**24561-0**

**Fiscal Year Beginning: 01/01/14**

<b>Interest:</b>	<b>1.0%</b>	<b>Inflation:</b>	<b>3.0%</b>
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Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Rating	Annual Reserve Contribs.	Loans or Special Assmts	Interest Income	Projected Reserve Expenses
2014	\$182,500	\$381,359	47.9%	Fair	\$39,360	\$0	\$2,024	\$1,350
2015	\$222,534	\$460,523	48.3%	Fair	\$43,296	\$0	\$2,375	\$15,450
2016	\$252,756	\$529,613	47.7%	Fair	\$47,626	\$0	\$2,771	\$1,432
2017	\$301,720	\$617,349	48.9%	Fair	\$52,388	\$0	\$3,287	\$1,475
2018	\$355,920	\$709,872	50.1%	Fair	\$57,627	\$0	\$3,764	\$20,090
<b>2019</b>	<b>\$397,221</b>	<b>\$788,263</b>	<b>50.4%</b>	<b>Fair</b>	<b>\$63,390</b>	\$0	\$3,772	\$106,943
2020	\$357,439	\$781,882	45.7%	Fair	\$69,729	\$0	\$3,827	\$22,687
2021	\$408,308	\$864,496	47.2%	Fair	\$76,702	\$0	\$4,479	\$1,660
2022	\$487,828	\$973,722	50.1%	Fair	\$84,372	\$0	\$5,132	\$38,320
2023	\$539,012	\$1,051,016	51.3%	Fair	\$92,809	\$0	\$5,817	\$12,852
2024	\$624,785	\$1,159,486	53.9%	Fair	\$102,090	\$0	\$6,780	\$1,814
2025	\$731,841	\$1,285,285	56.9%	Fair	\$112,299	\$0	\$7,180	\$146,590
2026	\$704,729	\$1,268,525	55.6%	Fair	\$123,529	\$0	\$6,479	\$243,164
2027	\$591,573	\$1,154,662	51.2%	Fair	\$135,881	\$0	\$6,615	\$1,983
2028	\$732,087	\$1,288,756	56.8%	Fair	\$149,470	\$0	\$7,970	\$27,000
2029	\$862,527	\$1,404,150	61.4%	Fair	\$164,416	\$0	\$9,480	\$2,103
2030	\$1,034,320	\$1,551,785	66.7%	Fair	\$169,349	\$0	\$11,088	\$30,489
2031	\$1,184,268	\$1,677,842	70.6%	Strong	\$174,429	\$0	\$8,081	\$934,189
2032	\$432,589	\$880,196	49.1%	Fair	\$179,662	\$0	\$5,023	\$44,859
2033	\$572,415	\$978,059	58.5%	Fair	\$185,052	\$0	\$6,593	\$17,272
2034	\$746,788	\$1,110,802	67.2%	Fair	\$190,604	\$0	\$8,425	\$6,954
2035	\$938,863	\$1,261,791	74.4%	Strong	\$196,322	\$0	\$10,278	\$27,904
2036	\$1,117,558	\$1,399,475	79.9%	Strong	\$202,212	\$0	\$12,230	\$2,587
2037	\$1,329,413	\$1,571,224	84.6%	Strong	\$208,278	\$0	\$13,473	\$184,826
2038	\$1,366,337	\$1,564,391	87.3%	Strong	\$214,526	\$0	\$14,621	\$36,285
2039	\$1,559,199	\$1,714,443	90.9%	Strong	\$220,962	\$0	\$16,759	\$2,827
2040	\$1,794,094	\$1,907,674	94.0%	Strong	\$227,591	\$0	\$18,961	\$40,975
2041	\$1,999,671	\$2,071,750	96.5%	Strong	\$234,419	\$0	\$20,146	\$222,906
2042	\$2,031,329	\$2,057,831	98.7%	Strong	\$241,451	\$0	\$21,317	\$60,287
2043	\$2,233,810	\$2,215,597	100.8%	Strong	\$248,695	\$0	\$22,497	\$237,424



# TOWNES AT KETTLE CREEK DUES HISTORY

<b>Year</b>	<b>Dues</b>	<b>% Increase</b>	<b>Total % Increase</b>	<b>Avg Per Year</b>
2006	\$145.00	0.00%	0.00%	0.00%
2007	\$145.00	0.00%	0.00%	0.00%
2008	\$145.00	0.00%	0.00%	0.00%
2009	\$145.00	0.00%	0.00%	0.00%
2010	\$145.00	0.00%	0.00%	0.00%
2011	\$145.00	0.00%	0.00%	0.00%
2012	\$145.00	0.00%	0.00%	0.00%
2013	\$160.00	10.34%	10.34%	1.29%
2014	\$160.00	0.00%	10.34%	1.15%
2015	\$170.00	6.25%	16.59%	1.66%
2016	\$185.00	8.82%	25.42%	2.31%
2017	\$195.00	5.41%	30.82%	2.57%
2018	\$205.00	5.13%	35.95%	2.77%

## Townes at Kettle Creek Budget for 2019

Revenues	Budget 2016	Budget 2017	Budget 2018	Budget 2019	Delta	Comments
Monthly Dues <b>\$215 per month</b>	182,040	191,880	201,720	211,560	9,840	<b>\$10 Increase</b>
Interest Income (Not Reserves)	10	10	0	0	0	Checking Acct. not Reserves
Late fee-Nsf Charges	1,200	1,200	1,800	1,000	(800)	Based on Actuals
<b>Total Revenue</b>	<b>\$183,250</b>	<b>\$193,090</b>	<b>\$203,520</b>	<b>\$212,560</b>	<b>\$9,040</b>	
<b>Expenses</b>						
Accounting Fees	1,350	350	1,350	500	(850)	Tax Return Only
Administration Costs	2,250	2,000	2,300	2,600	300	Need more EFT!! - Bank Fees!!
Bad Debt	1,500	0	10,000	10,000	0	1st Mortgage Forclosure - 2 Unit/book balance
Electric	280	280	280	280	0	
General Mx and Repair	3,500	2,500	2,500	2,000	(500)	Catch all account - multiple items
Insurance Property/Liability	32,000	35,000	39,000	43,000	4,000	Market-wide losses again in 2018
Landscaping	2,000	3,000	4,000	1,500	(2,500)	Large Projects to Reserves
Legal Expense	4,000	4,000	1,350	1,350	0	
**Legal Reimb	(2,500)	(2,500)	(1,000)	(1,000)	0	Collections offset to indiv. owner accounts
Lawn Contract	15,480	16,000	16,000	17,500	1,500	
Light (Electric) Maint/Repair	2,500	2,500	2,500	2,500	0	Monthly sweeps plus fixtures
Management Fees	14,760	14,760	14,760	14,760	0	
Pest Control	250	250	1,250	730	(520)	Lighter year
Pond Maintenance	0	500	500	500	0	Hydrojet Drainage Pipes
Plumbing	500	750	750	500	(250)	Boulders have prevented lots of damage
Roof Repair	3,500	3,500	6,000	5,000	(1,000)	
Snow Removal	17,000	22,000	23,500	20,000	(3,500)	Mult. Trips for ice - zero tolerance areas
Street Repair/Sweep	250	270	0	300	300	1 Sweep
Sprinkler Repair	2,250	2,750	3,130	3,500	370	Multiple updates and repairs
Trash	8,880	8,880	9,000	9,200	200	Includes recycling
Tree & Shrub Maintenance	4,500	4,500	5,700	5,500	(200)	Bug Sprays / Winter Water Trees + Shrubs x 3
Water	17,000	18,000	19,500	20,500	1,000	
<b>Total Operating Expenses</b>	<b>\$131,250</b>	<b>\$139,290</b>	<b>\$162,370</b>	<b>\$160,720</b>	<b>(\$1,650)</b>	
Reserve Allocation Consolidated	\$53,000	\$54,800	\$41,150	\$51,840	\$10,690	Res. Study says \$63,390 and \$150k behind schedule
<b>Total Budget Requirement</b>	<b>\$184,250</b>	<b>\$194,090</b>	<b>\$203,520</b>	<b>\$212,560</b>	<b>\$9,040</b>	
<b>Surplus (Shortage)</b>	<b>(\$1,000)</b>	<b>(\$1,000)</b>	<b>\$0</b>	<b>\$0</b>		
<b>Per Unit</b>	<b>(\$1.02)</b>	<b>(\$1.02)</b>	<b>\$0.00</b>	<b>\$0.00</b>		

# TOWNES AT KETTLE CREEK OWNERS ASSOCIATION

## ANNUAL MEMBERSHIP MEETING

### OFFICIAL PROXY

I hereby certify that I own, via recorded Deed, the following described property:

\_\_\_\_\_  
(TOWNES AT KETTLE CREEK ADDRESS)

I hereby appoint as my official Proxy, \_\_\_\_\_ to exercise my vote on any and all agenda matters and subjects that may come to the attention of the Membership of the Townes at Kettle Creek Owners Association at, and only at, the meeting of that body to be held on October 23, 2018. Blank proxies will be assigned to the Board President.

Name: \_\_\_\_\_  
(PLEASE PRINT)

Signed: \_\_\_\_\_ (Required to be valid)

Date: \_\_\_\_\_

*Please give to your designated proxy or forward to Darren Burns, Managing Agent, Z&R Property Management, 6015 Lehman Drive, Suite 205, Colorado Springs, CO 80918, Fax (719) 594-0473 or email to [Darren@zandrmgmt.com](mailto:Darren@zandrmgmt.com).*