

2023 ANNUAL MEETING MINUTES

Garden Grove Homeowners Association, Inc.

October 23, 2023, 3:00 PM || 640 Belford Avenue Grand Junction, CO 81501

In Attendance

HOAServices: Mark Shoberg, Annie Shoberg, Cayce Haren

Board Members: Mike Murdie, Don Curtis, Janie Ostlund, Patti Curtis, Carolyn Holmgren

Zoom: Nancy McAnally, Lori Bendickson, Valenci Adair, Mike Ventimiglia

Attended in-Person: 22

Proxies received: 17.

43 or total properties represented.

It was announced that Quorum was met.

Approval of the Previous Years Minutes

Motion: Mike Murdie

Second: Don Curtis

Passed with no objections.

New/Old Business

Mark S. opened the discussion for new/old business to the board.

Don Curtis provided the presidents report.

- It's been a fairly good year for the HOA. The major issue is the roof damage caused by a hail storm in July of 2022. During a routine maintenance request for one unit's roof, we sent Total Roofing to repair a leak and they reported back that we had significant hail damage to that roof. They suggested we have all the roofs inspected, we did and found that almost all the roofs in the HOA had hail damage that will eventually cause leaking. While the HOA does not own the roofs, we are responsible for maintenance of the singles

on the roofs. The HOA carries insurance on the roofs, and we had a professional public adjuster come out and look at all the roofs and the damage caused by the hail, and they recommended we file an insurance claim to replace the roofs. We did, and after an estimate of the cost to replace the roofs, the insurance company denied the vast majority of the claim. The claim was for over \$1,000,000 for all 96 roofs. The insurance company agreed there was damage to items on the roofs, such as HVAC units and vent covers, but no damage to the shingles themselves. Therefore, they denied the majority of the claim. We discussed this with a law firm who specializes in these types of claims, and they felt we had a very good case. They agreed to take the case on a contingency basis. That is, there is no cost to the HOA for their services unless they win the case in court. Part of any settlement includes the costs for legal fees, meaning the settlement, should we win, is increased by the attorney fees. I am sure you all have seen ads on the TV for accident injury attorneys who work on that same basis...they get a percentage of any settlement which includes actual compensation plus court/attorney costs. That process can take a year or two to complete. In the meantime, should any roof start to leak, the HOA will repair those leaks rather than replace the entire roof. Once a settlement is reached, those repair costs will be included.

The other concern was routine maintenance for minor issues that had been handled by board members. Mike Murdie in particular has done quite a lot of the maintenance needed on things like sprinklers, shrubs and gutters and downspouts. Mike, like all of us, is getting older and less capable of climbing ladders, digging out sprinkler heads and clearing the underground "French drains" for downspouts. The HOA board gets ZERO pay for anything. We get reimbursed for the costs of parts ONLY. As a result, we have agreed to have all maintenance requests, after board inspection and approval, be handled by HOAServices contractors who are all bonded and professional maintenance personnel. This means the maintenance has to be scheduled so there may be some delay between receiving a maintenance request and having the maintenance completed. Obviously, if whatever is broken is causing additional damage, that will be scheduled on a priority basis by HOAServices.

Other than those two items, it's been a relatively quiet year. We have had our tree maintenance moved from our landscape contractor to Alpine Tree. This has lowered the cost of the landscape contract and turned the work over to a company dedicated to tree service only.

Mike Murdie discussed the following items.

- Working on the bids that were received from Adcock concrete for driveways.
 - Hopefully they will be starting in 30 days.
- Working on bid that we have with Taylor Fence
 - Hopefully will be starting work in 2 weeks.
- Alpine treated trees with injections and will reinspect in the spring.
 - If you see dead stuff coming out of the trees, they did not cut these as they are a sign of regrowth.
- Gutter cleaning
 - Will happen around thanksgiving.
 - Addressing the pop ups and French drains as they were never mapped.

Mark S. opened the discussion for new/old business to the community.

- One homeowner brought up the concern that her gutters were not cleaned last year.
 - Mark S. confirmed that all gutters were cleaned as the tech took pictures.
 - If you don't think they were cleaned reach out to HOAServices, and we can have tech reinspect.
 - Contracted to hand scoop out debris not to power wash as it costs more.

- Owner asked if there was a limit on the number of cars that can be parked in a driveway.
 - No limit
 - Can't block the streets. City streets need to report to the Grand Junction Police
 - You can file a report online at <https://www.gjcity.org/647/File-a-Report-Online>
 - or call 970-242-6707 to file a report with an officer.
- One owner brought up garbage cans being left outside of the garage.
 - The board stated that they don't have to be in the garage, they just can't be in view from the street.
 - The board does not look for violations. If you see a violation, let Mark S/HOAServices know.
 - Mark S explained HB 22-1137
 - We are not able to process a fine until after 60 days of the violation not being cured.
 - Anytime the violation is cured then it starts over.
 - Provide a picture.
 - Must follow covenant enforcement policy to a as if an owner receives 2 notices in a 30-day period for the same violation they can sue the HOA and win.
 - Owner asked how often Mark S is in the community.
 - Mark S explained that he is not in the community that often as we are not contacted to.
 - Association has a high functioning board.
- Owner brought up personal unit and items that were noted on new buyers' inspection.
 - Discussion
- Discussion on roofs
 - Currently in council with Legal regarding insurance claim
 - Under legal contract that no roofs can be replaced at this time
 - If there is a leak, we can repair. (contact HOAServices)
- It was noted that bushes are maintained twice per year.
 - If there is a safety issue, please reach out to HOAServices.
- One owner requested more communication once something has been completed.
 - Mark S explained that he does not know if any techs would leave a note once something has been completed.
 - HOAServices does send Notices to alert homeowners when to expect to see vendors in the community.
 - If you have a complaint or feel like your unit got missed let HOAServices know, and they will send it to the board so that they can review.
- Discussion on board meetings
 - Meetings are set based on the board's prerogative.
 - In 2014 association was self-managed
 - The association is now professionally managed.
 - Members are not invited to executive session meetings held by the board.
 - The board does most communication by email.
 - Complaints made to the board are always kept confidential.
 - Contact HOAServices for complaints or concerns and everything goes to the board.
 - HOAServices email: contact@hoaservicesco.com
- One owner asked about the changes to the bylaws.
 - Most recent changes were made in 2018 regarding who collects monies.
- One owner asked why we got away from the conduct of meetings.
 - It was explained that we have not.
 - Required 1 annual meeting per year.

Budget

Mark S. opened the discussion for proposed 2024 budget to the board.

Patti Curtis provided the Treasurer's report.

- Overall, we are within our budget goals for this year. We still have 3 months to go before the end of our fiscal year (same as calendar year). Our office expenses remain within our projected budget with the exception of our HOA insurance premiums which rise based on the economy and are adjusted in July. This year, the monthly cost rose from \$2500 to \$3600. So overall, we expect to spend another \$6,000 on insurance for this year. The HOA has no control over that expense and our coverage is required by the State of Colorado.

Our maintenance expenses are currently below our estimates. Not by a huge amount, but we expect to end the year with at least \$100,000 left within our operating budget. Any amounts over \$110,000 are typically moved into the reserve account at year's end. That may or may not be changed by the new board of Directors. We have kept the operating dues at \$120/month for next year.

For our reserve account, we are within our budget goals but haven't quite made it to \$300,000 this year, but again, we still have 3 more months to go. We have raised the yearly special assessment from \$100/year to \$300 per year. This was necessary as after close to 20 years in existence, we only have about \$300,000 in our reserve account. That is not enough money to cover any expenses not covered by insurance in case of a major event, such as the roof damage caused by a hail storm in July of 2022. As the President's report stated, we had to take Farmers Insurance to court to collect the damages from that hail storm. The damages are estimated at over \$1,000,000 and in the very unlikely event we had to cover it all, the board would have to enforce and collect a one-time special assessment of about \$10,000 per UNIT.

To avoid that, we need at least \$1 million in our reserve account. Even with the increase to \$300/year for each unit (times 96 units= 28,800 per year) it will take close to 25 years to reach \$1,000,000 in reserve. The only way to shorten that time is to increase the yearly special assessment. Any further increase would be up to future board decisions. We will be increasing the annual assessment to 300. /year

- It was noted that the \$300 special assessment could be paid in 4 installments of \$75.00 or in full at the beginning of the year. Owners need to let HOAServices know by January 1st, 2024, if they plan to pay in the 4 installments.

Open to community for questions.

- One community asked if we could see the money go directly to the contractors.
 - Mark S explained that there is no commingling.
 - Money received goes directly into the HOA account.
 - Board has live access to all financials through online portal
 - Community members have access to balance sheets and income statements though HOAServices Website.
 - If community members want a printed copy, they can come to the office, and we can print the financials or mail them but both options are at a cost as they are available online.

- Aged receivables are not provided to community members.
- One member asked how often an audit was performed.
 - Mark S stated that an official audit starts around \$4,000 if the board approves (not often)
 - The board can check financials anytime as they have live access through the portal.
- One owner asked what the balance was in the reserve account?
 - Around \$293,989.75
- Discussion on Lawn services amount
 - Will be around \$48,000 for 2023.
 - Originally around \$55,000
 - Removed some items from scope.
 - Mark S explained that next year the community should expect an increase in this service due to inflation.
- The question was asked why owners are receiving statements before dues are due.
 - Mark S explained that we are required to send statements in advance per association bylaws, but if you don't want paper statements, contact HOAServices and we can enroll you in paperless communications.
 - We are also set up for auto payments. Contact us if you need help with this option.
- The question was asked if there was money in the budget to replace trees that were removed.
 - The board stated that yes there was and that it would be addressed in the spring.
- The question was asked who management was.
 - HOAServices
 - Monthly payments

Mark S asked for a motion to approve the proposed 2024 budget as it stands.

Motion: Ruth Wingfield

Second: Don Curtis

Only one proxy opposed

The 2024 budget passes

Elections

Mark S opened the 2023 Election.

- Discussion on last years election and special meeting
- Discussion on how board is elected per bylaws.
- 2 positions on the board are open to be filled. Both Carolyn Holmgren and Don Curtis terms are up

Volunteers to serve on the board for a 3-year term.

- Carolyn Holmgren- Presented Bio
- Brian Wingfield- Presented Bio

Nominations to serve on the board for a 3-year term.

- Woodard
- Bob Hemberger
- Bennett

- Foss
- John Farmer

Secret Ballot was Cast.

Carolyn Holmgren and Brian Wingfield were elected to the board with the most votes of members present.

Adjournment

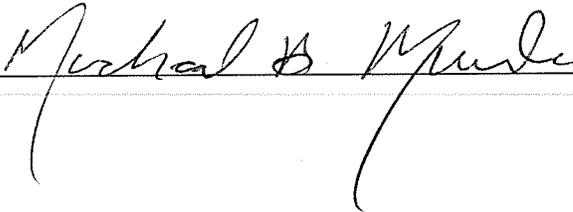
With no further business, meeting adjourned at 4:40 PM

Motion: Mike Murdie

Second: Don Curtis

None opposed.

Signature



Date

Nov 25, 2024