

Summer Hill Homeowners Association
2020-2021 Annual Budget

	2020-2021 Budget	2019-2020 Actual
Income		
Dues Assessment		
Patio Homes (144 homes @ \$1,100)	158,400	158,400
Large Lots (33 homes @\$275)	9,075	9,075
Less Outstanding Dues Collection		(172)
Total Dues Assessment	<u>167,475</u>	<u>167,303</u>
Grand Valley Power-Return of capital credits		93
Finance Charges-Customers		304
Interest Income-Savings Acct	250	262
Total Income	<u>167,725</u>	<u>167,962</u>
Expenses		
Landscape Maintenance		
Irrigation - per contract	9,610	11,761
Irrigation - non routine	15,000	24,378
Turf - per contract	56,718	51,686
Turf - non routine	2,500	1,688
Turf - new homes (New)	3,360	
Native Grasses/Pathways - per contract	4,920	5,854
Native Grasses/Pathways - non routine	2,000	978
Miscellaneous	700	6,086
Major Projects (New)	7,500	
Irrigation Water	2,000	1,888
Snow Removal	1,500	300
Utilities	9,500	8,363
Total Landscape Maintenance	<u>115,308</u>	<u>112,982</u>
Common Areas		
Softscape - per contract	12,113	14,783
Softscape - non routine	4,000	19,314
Softscape - Residential (New)	10,000	1,200
Ponds - per contract	4,400	4,715
Ponds - non routine	1,000	666
Ditch Maintenance (New)	2,500	
Tree Spraying & Maintenance	3,500	4,572
Total Common Areas	<u>37,513</u>	<u>45,250</u>
Administration		
Board education and training	500	
Website design and expenses	100	
Insurance	1,600	1,436
Legal and professional fees	2,500	1,100
Office expense/postage/annual mtg/state registration	1,500	1,706
Income Taxes (paid on interest income from bank)		17
Total Administration	<u>6,200</u>	<u>4,259</u>
TOTAL EXPENSES	<u>159,021</u>	<u>162,491</u>
CASH RECEIPTS LESS CASH EXPENSES	8,705	5,471
Beginning of Year Cash Balance	<u>43,424</u>	<u>37,953</u>
End of Year Cash Balance as of March 31	<u>52,129</u>	<u>43,424</u>
End of Year Cash Reserve	40,000	30,000
End of Year Operating Cash Balance	<u>12,129</u>	<u>13,424</u>
Total End of Year Cash Balance as of March 31	<u>52,129</u>	<u>43,424</u>

WHAT YOU NEED TO KNOW ABOUT THE 2020-2021 BUDGET

We received several questions from residents about the Budget:

“Why was there such a big drop in the Softscape budget item from last year?”

The budgeted amount last year in the Bookcliff contract for routine Softscape of \$14,783 and non-routine of \$19,314 Softscape. The amount of non-routine Softscape was not planned for, and included such things as weed control which was charged at time and materials. This year’s contract with WD Yards included several areas as fixed costs that had previously been done on a time and materials basis to give us more predictability in the budget, particularly in the areas of weed control. Additionally, we separated the softscape into two categories: residential softscape (the 20’ area around residences) and common area softscape. The routine, common area softscape will be managed by WD yards, for \$12,113. The non-routine common area softscape, managed by WD Yards is budgeted for \$4,000. The residential softscape maintained by Bob Remmers, with Custom Gardens, is budgeted at \$10,000, divided into \$6,000 routine and \$4000 non-routine as needed.

“Explain the changes in the irrigation budgeted amounts.”

The 2019-2020 year saw a significant number of irrigation and weed problems that resulted in higher than expected costs. However, the board of directors was able to establish an HOA reserve account with an initial funding level of \$30,000. The proposed budget includes a reasonable budget for all anticipated work and our new contract with WD. We also feel that WD has more expertise in managing irrigation systems and can do it more economically. Many of the costly irrigation problems were corrected last season. The WD contract budget this year is \$2,151 lower than Bookcliff’s last year, and non-routine (time and materials) is \$9,000 less. Pending no irrigation disasters (like a pump replacement), we feel this is reasonable. And we have our reserve as backup for major, unforeseen issues.

“Why did the miscellaneous category drop from \$6,086 down to \$700?”

In evaluating our expenses assigned to miscellaneous, the board discovered that many of the items categorized as “miscellaneous” actually should have been assigned to other budget accounts. As a result, the amount is much lower. We have devised a more accurate method of assigning expenses for this year.

“Explain the increase in legal fees.”

With some of the policies on use of common areas, we wanted to build into the budget funds for legal advice should we need it. We also anticipate doing some consolidating of the CC&R’s to make it more user friendly, and that will require some legal advice.

“Explain again the definition of ‘Patio Homes’ and ‘Large Lots’ and the rationale for the difference in dues”

Patio homes include both duplex homes and single-family dwellings that are on lower lots in Filings 4-8. The homes in Filings 1-3, “on the hill”, are named “large lots”. At the beginning of the Summer Hill subdivision development, it was determined that only amenities the “large lots” would have from the HOA would be irrigation and care of the common areas. They mow their own lawns and care for their landscaping personally. While they enjoy the other amenities of the subdivision, such as the walking paths, gazebo, irrigation water, street lights and others, what is provided to the patio homes is substantially greater. Consequently, when the developer wrote the Covenants, Conditions and Restrictions (CC&Rs) they specified that “large lot” dues should be 25% of patio home dues. There has been discussion about reexamining this breakdown, which would require amending the CC&Rs.