

CP 2/1/17

Aspen Cove HOA Association Meeting Notice Follow-Up

June 5, 2017

I apologize for the delay in responding to those of you who had questions about the budget item to be discussed and vote on at the upcoming meeting scheduled for Saturday, June 24, 2017 at 1:30 pm at the pavilion. The past two weeks have been very busy with end of school activities, graduations, and other family activities.

The meeting will be held as announced previously and the following items will be discussed in more detail with those who attend the meeting. The Board feels a Special Assessment should be made for between \$10,000 and \$12,000. We currently have a deficit of \$3,362 in the snow removal part of the budget. This is a one-time assessment. This money will remain in the snow removal budget whether it will all be needed for the remainder of 2017 or in future years. It will not be used for any other purpose. This equates to between \$80.00 and \$96.00 for each lot owner.

The incremental increase in the annual dues was discussed at the annual meeting in January. Those members in attendance felt that would be a good way to increase our budget, over a few years without being a burden to anyone. The current dues are \$405.00/year. A 5% increase would cost each lot owner \$20.25 and a 10% increase \$40.50/year. Again, this will be discussed in the meeting with those who are present. We do not believe this proposal will be a burden and over the next few years it will give the Association sufficient funds to operate year to year. An accounting will be made at the annual meeting. When the members feel that sufficient funds are being collected through the annual dues, this practice will be eliminated and the dues will remain at that existing annual level.

Attached is a copy of the annual budget that was accepted by those who were in attendance at the January 2017 annual meeting. You will note, the budget was in the red \$6,950.00. This was primarily because of fencing and gate repairs needed at the common area from vandalism by members, their families, or our guests. A needless waste of our funds. This repair will cost \$5250.00. It should be done in the next few weeks. Someone also built a small fire on the basketball court that was refinished just a few years ago.

Also attached is our current budget balanced as of May 10, 2017. You will note that previous years budgets are also listed showing actual expenditures. For 2017, it indicates the amount budgeted and the expenditures to date.

The Board has approved the installation of a security camera at the common area to help reduce the vandalism that is occurring quite regularly. We received a bid of \$2499.99 for this work. Since the snow has melted we have also found the coating on the tennis court is peeling off. We are looking into having this replaced as soon as possible. Additional barricades will also be placed on the steep part of the dugway to improve the safety of this section of road.

6/24/17

By agreement Aspen Cove must provide culinary water to the Redford's. Our original water well is located on their property. The agreement was made with their predecessors, the Weight family when the developer bought their existing water well to provide water to Aspen Cove. Maybe two years ago the Redford's water line was connected to our water supply inside the pump house. We are very concerned that should it fail it would cause serious damage to the electronics that control our water system. Erkkila's are moving the connection outside of the pumphouse so the current threat is resolved.

The fencing repairs and the security camera at the common area, the barriers for the upper part of the road, and the Redford water reconnection will all be funded from the excess funds that we have on hand. We also plan to repair the tennis court but we are now trying to find those who can give us a bid. We keep \$50,000 in a money market account for those emergencies that come along for things such as water well and booster pumps and motors, any major road repairs, basically kinds of things that cannot be predicted.

Contrary to those who paint the Board as incompetent individuals who are trying to take advantage of everyone, this is not the case. We pay the same dues and assessment that you pay. We have a great Board who are working hard for you. They give a great deal of their time effort, and resources to help the Association to run smoothly and efficiently. There are no hidden agendas or personal advantages being sought by the Board, or its members. If you are really concerned come to our Board meetings and see what is going on. Probably much more than you would think.

The upcoming meeting will be held as announced. Voting will take place at the meeting. There will be no electronic ballot provided. If you are unable to attend the meeting, but you wish to vote you will need to appoint someone who will be at the meeting to cast your vote. Your signed proxy ballot must be received prior to the meeting. Because we all need to travel to Aspen Cove your ballot must be received by June 22. You cannot vote by returning the Proxy Ballot with your vote so noted. This will not be considered a valid vote. Also, be assured that there has never been a member's meeting for Aspen Cove from the time it was established that has had a quorum, 60%, to vote on any issue whether at the January or June meetings. This is a gross misstatement and a poor representation of past voting meetings. We are following the recently revised and recorded CC&R's as each of you had the opportunity to vote on. Because of many hours on the phone and knocking on some members doors by the Board and other member's, they were finally passed by the needed majority. Thank you. Hopefully you made a copy of them to read and study so you know how the Association operates.

I hope this additional information is helpful as you consider the two budget items that will be discussed and voted on at the meeting. If a quorum is not present, which we expect to happen again, another meeting will be called and those in attendance will vote and the majority will prevail, for or against.

6/24/17

I apologize for the length of this email but I do not know how to share absolutely everything that we have talked about and of course cannot share things yet to be discussed. Thank you for your interest and support. Through the best efforts of each of us, Aspen Cove can continue to be a great place to spend time with family, friends, and enjoy the great outdoors.

Thank you,

Mark Page, Association President and Board

Attachments

6/24/17

	12/31/12	12/31/13	12/31/14	12/31/15	12/31/16	12/31/16	2017	Projection Assumptions	Potential
Cash Balances									
Checking - Zions	1,738	14,431	121	517			3,740		Revenue Increases and Capital
Zions Money Market	52,047	60,367	55,902	75,039			75,135		Investments going forward
Total Cash	53,785	74,798.1	56,023	75,556			78,875	Projected	
	Actual	Actual	Actual	Actual	Budget	Actual	Budget		
	2012	2013	2014	2015	2016	11/30/16	2017		
Actual Costs	60,571	61,083	59,680	60,371	59,620	67,842			
Revenues									
Dues (125 lots @ \$480)						60,395	60,000	125 lots @ \$480	\$50 per lot add to bas - \$6,250 plus 5% cost s increase per year beginning 2017 = 125 @ \$535 = \$66,875
Fines						2,200	150	Pass through to contractor	
Services (Weeds etc)						150	175	Only 1 Cabin projected	
Late Fees						97		Note it was only these fees that kept us out of red in '16	
Interest Income						5,000	1,000		
Road Impact Fees						67,842	61,325		
Expenses									
Corporate Dues	50	0	0	0	0	105	100		
Bank Service Charges	84	69	56	28	50	82	100		
Liability Insurance	625	625	625	625	650	625	650		
Postage	199	139	199	39	100	686	150		
Accounting	0	150	299	151	300	583	500	Audit/ Review	
Property Management	0	3,972	5,958	3,194	4,200	2,100	0	Moved to Water Mngmnt	\$500 p/mth Property Mngr
Property mgt Fuel	100	243	267	0	0	0	0		Cameras \$8,500-\$10,000
Security	0	0	0	0	0	0	0		
Water Management	0	0	0	0	0	0	0		
Water System	4,157	13,025.2	2,319	3,055	3,000	4,879	5,000	\$500 p/mth Erkkila fees	
Annual Mgt/Mbr Service	0	0	695	26	100		1,000	Member Services	
Rec Exps / Common Areas	0	893	529	750	500	1,118	0	Repair \$5,000 take from general account	Would like to see development budget for improvements
Printing	66	0	40	44	100	464	250		
Legal Services	2,300	1,194	3,549	230	500	0	500		
Dust Control	6,143	8,447.3	0	9,120	9,000	9,523	10,000		
Snow Removal	6,901	9,765	14,127.5	4,767	13,000	17,355	18,000	Likely Assessment coming for 2017 - \$50-\$200 p/lot	
Entrance Gates	2,475	698	6,587.0	362	1,500	2,615	1,500		
Road Maintenance	6,514	8,179	12,158.6	3,137	7,825	4,982	6,000		
State Park Passes	9,225	9,300	9,300.0	9,300	9,300	9,375	9,375	125 lots * \$75	Changes likely here soon +/-?
Office Supplies, Print	39	1,882	695.7	26	100	0	250		
Income Tax	14	0	0.0	0	0	0	0		
Property Tax	1,723	1,262	73.8	0	0	0	0		
Power	4,360	3,800	5,006.6	5,253	5,500	5,407	6,000		
Gate Telephone/Internet	250	220	272.1	304	320	492	1,100		
Water Shares	944	974	1,138.0	685	1,100	1,158	1,200	Collection fee to Wtr Mgt	
Water Test Lab Fees	258	176	710.0	536	300	1,225	200	Spray - trimmer gas and Oil etc.	
Weed Control	0	0	0	0	0	2,109	150		
Misc.	879	0	0	0	250	79	250		
Total Expenses	47,307	65,014	64,606	41,631	57,695	64,962	68,275	Subject to \$50 '17 Increase and Assessment for snow	
Net Income (loss)	13,264	(3,930)	(4,926)	18,740	1,925	2,880	(6,950)		

- 1-Cash is abnormally high due to early payment of dues for 2014 of \$9,490 & due to \$15K collection of delinquent dues in 2013
- 2-Large water pump for well failed so was replaced at a cost of about \$8,500 as well as a broken/frozen pipe was replaced.
- 3-Board decided to treat the entire association's roads, previously only portions were treated and treated roads were purchased for the treasurer and the secretary at about half of the price.
- 4-New pumps were purchased for the treasurer and the secretary at about half of the price.

6/2/17

2012-2017 Comparative Budgets

	12/31/12	12/31/13	12/31/14	12/31/15	12/31/16	12/31/16	12/31/16	5/10/17
Cash Balances								
Checking - Zions	1,738	14,431	121	517	3,740			\$ 6,269.02
Zions Money Market	52,047	60,367	55,902	75,039	75,135			\$ 85,162.62
Total Cash	53,785	74,798 ¹	56,023	75,556	78,875			\$ 91,431.64
Revenues								
Dues	60,571	61,083	59,680	60,371	59,620			60,395
Weed Control/fines								2,200
Late Fees								150
Interest Income								97
Road Impact Fees								5,000
								1,000
Expenses								67,842
Corporate Dues	50		0	0	0	105	50	\$ 10.00
Bank Service Charges	84	69	56	28	50	82	50	\$ 62.00
Liability Insurance	625	625	625	625	650	625	650	\$ 625.00
Postage	199	139	199	39	100	686	100	
Accounting		150	299	151	300	583	300	
Property Management		3,972	5,958	3,194	4,200	2,100	4,200	\$ 1,400.00
Property Mgr. (fuel)	100	243	267	0	0	0	0	
Recreation Expense		893	529	750	500	1,118	1,000	
Water System	4,157	13,025 ²	2,319	3,055	3,000	4,879	3,000	\$ 2,977.00
MISC.	879		0	0	250	79	150	
Printing/postage	66		40	44	100	464	100	
Legal Services	2,300	1,194	3,549	230	500	0	500	
Dust Control	6,143	8,447 ³	0	9,120	9,000	9,523	9,000	
Snow Removal	6,901	9,765	14,128	4,767	13,000	17,355	18,000	\$ 21,362.00
Entrance Gates	2,475	698	6,587	362	1,500	2,615	1,500	
Road Maintenance	6,514	8,179	12,159	3,137	7,825	4,982	6,759	
State Park Passes	9,225	9,300	9,300	9,300	9,300	9,375	9,375	\$ 9,375.00
Annual Meeting			696	26	100	0	100	
Office	39	1,882 ⁴	30	0	0	0	0	\$ 93.32
Income Tax	14		0	0	0	0	0	
Property Tax	1,723	1,262	74	0	0	0	0	
Power	4,360	3,800	5,007	5,253	5,500	5,407	5,500	\$ 1,853.00
Telephone	250	220	272	304	320	492	1,100	\$ 270.00
Water Shares	944	974	1,138	685	1,100	1,158	1,200	\$ 486.70
Water Test	258	176	710	536	300	1,225	2,500	\$ 600.00
Weed Control								2,109
Total Expenses	47,307	65,014	63,941	41,605	57,595	64,962	65,134	\$ 39,114.02
Net Income (loss)	13,264	(3,930)	(4,261)	18,766	2,025	2,880	(3,809)	\$ 17,900.98

1-Cash is abnormally high due to early payment of dues for 2014 of \$9,490 & due to \$15K collection of delinquent dues in 2013
 2-Large water pump for well failed so was replaced at a cost of about \$8,500 as well as a broken/frozen pipe was replaced.
 3-Board decided to treat the entire association's roads, previously only portions were treated and alternated
 4-New PC laptops were purchased for the treasurer and the secretary at about half of the price budgeted.

Projection assumption
 125 lots

Two CPA exams
 12 months * \$350

Fireworks, outhouse

3-year average
 125 lots * \$75

-3,362