

Saxony 2017 President's Report

Barbara Chamberlain

The Saxony Board adopted the following goals for 2017. Here is how the Board has addressed them:

1. Identify and repair areas of the common streets and sidewalks needing attention.

A contract with Andreos Construction was entered into to replace several areas on the southwest street in Saxony. The original start date had to be postponed because a new resident was scheduled to move in that day. Later Andreos completed part of the scheduled replacement, plus crack-sealing throughout the neighborhood. Still to be done this year is another stamped concrete and street section replacement, weather permitting. Other areas are expected to be completed in fiscal year 2018.

2. Continue tree pruning, Dayton Street and inside areas.

Fielding Tree pruned the Dayton Street trees, as well as a number of trees throughout the neighborhood. Some of the trees were scheduled on an ongoing trim list; some needed emergency attention after heavy snows broke branches. A final round of tree trimming is expected before the end of 2017.

Fielding also applied pest control measures and deep-root fertilizer.

3. Repair cracks and paint Caley wall from corner of Dayton to entrance to Saxony.

Community Painting Specialist (CPS) was contracted to do this stucco repair at the beginning of the summer. However, the weather and CPS's schedule have not allowed the work to be completed this year. It will be firmly scheduled next spring.

4. Obtain final approval of governing documents by HOA members.

The Amended and Restated Articles of Incorporation for Saxony, the Amended and Restated Bylaws of Saxony and the Amended and Restated Common Interest Community Declaration of Saxon were approved by 71.4% of the homeowners voting by mail-in ballot.

Saxony's insurance carrier reviewed the new documents, with reference to non-profit entities and requirements of the Colorado Common Interest Ownership Act, and found that Saxony's insurance coverage was in compliance with all requirements. However, on the advice of the carrier the Board added additional coverage to protect anyone volunteering on behalf of the Homeowners Association.

5. Maximize sprinkler system performance.

Replacement of the aging sprinkler system is not financially feasible. This year much attention was given to timely adjustment to prevent over-or-underwatering of a number of grass areas. Timely repair and replacement of sprinkler heads was a high priority.

6. Encourage homeowners to keep properties well-maintained.

The Board has reminded several owners of ownership responsibilities and has worked with some to coordinate Association efforts to maintain their property's appearance and value.

7. Review GroundMaster contract expiring October 31, 2017.

GroundMasters informed the Board that it would not renew their contract, as they were withdrawing completely from Homeowner Association landscape work. Saxony manager, Dave Littler, contacted four landscape contractors. Representatives from three contractors submitted bids and were interviewed by the Board. Bloom Floralscapes was chosen as the Board felt their price, scope of services and attention to detail best suited Saxony's needs. They have begun work under their snow removal contract. They will begin work under their landscape contract in the spring.

8. Complete trim painting of houses.

This summer CPS completed painting front door trim, front doors and garage doors on the final nine houses scheduled on the three-year cycle.

9. Review and update Reserve Analysis.

The original document was created in 2006 and updated in 2013. The Board has reviewed and discussed the 2013 update. No plans have yet been put into place to do a complete update; this may be possible in 2018. The proposed budget for 2018 includes increased moneys for the Reserve account.

Other areas of attention in 2017:

a. Volunteer Landscape Committee.

Many thanks to Grace Bierschbach and Gwen Hindsman for planting and maintaining the exterior flower beds. They looked beautiful this year.

b. Homeowners directory.

The Board and Dave Littler continue to maintain the voluntary homeowners directory. The Board encourages all residents (owners and renters) to submit or update their contact information.

c. Bramante.

Several homeowners complained about the sad state of the Bramante homeowners' fence on the west side of Saxony. Dave Littler contacted the Bramante representative and later the Arapahoe County zoning office to request repair and painting. The Zoning office has contacted Bramante and some upgrading has been started.

d. Saxony Summer Social.

The Board hosted and paid for a gathering on Bierschbach's driveway in August. It was a good chance to reconnect and meet our neighbors.

Saxony HOA Board Key Goals for year 2018

Vice-president: José Luis Vallejo

- Property is aging; next year the HOA board will stress the importance of owner responsibility for keeping properties well maintained. During the next year the Board will walk through our community to identify areas with deteriorating conditions that are undermining property values.
- Replacement of Ground Masters by another landscape service (Bloom Floralscapes) will involve support from homeowners to identify landscaping and ground issues on their properties. Hopefully, this will bridge a smooth transition between both contractors.
- Current Board needs to know which homeowners are willing to serve on the Board. Serving is a volunteer task and is every homeowner's responsibility. Please send an email to our Property Manager or a Board member in this regard.
- The Board would like to hear homeowner ideas that will improve the attractiveness of the community and that will protect home values. Please send your ideas to the Property Manager or a Board member.
- Reserve Analysis: the original document was created in 2006 and updated in 2013. The Board believes a new update will be necessary by 2018.
- HOA information is displayed on: <http://www.peaktopeakmgt.com/> .The Saxony website contains current information including the monthly newsletters, monthly financial statements and minutes of the Board meetings. The minutes and financial statements for a month are posted one month later, after they are formally approved by the Board at the next meeting. The website also contains all of the Governing documents and rules along with Architectural Review request forms and information on the formulated Saxony paint colors.
- Saxony social: We encourage participation in this annual event. Attending will improve relationships among residents, identify common values, and enhance effective social interaction of our community.

Financial Report by Dennis Bierschbach:

1. The operating budget for 2017 should end up with a potential surplus of approximately \$9,200 vs the budgeted negative \$142 assuming that we only have about two moderate snow events that requires clearing during the last half of November and December (if we do not have any event requiring clearing this surplus could increase by approximately \$4,000).
2. Major variances of more than \$1,000 that contribute to this net potential surplus comprise of favorable variances of \$3,000 in legal and professional fees, \$8,000 in snow removal and \$1,700 in sprinkler repairs; which were offset by unfavorable variances of \$2,000 in tree pruning and care and \$1,500 in water usage.
3. Replacement costs included the third and final year of the resumption of the painting of the doors and garage doors and related trim for 9 residences at a cost of \$5,870. Replacement costs also included landscape related costs of \$4,811 associated with the installation of a replacement drainage system and restoration of the affected landscaping. Concrete work totaling \$14,819 has been approved for replacement of a section of stamped concrete, sealing of smaller cracks and replacement of a section of the street and drain pan that has settled (the street and drain pan work for \$6,093 remains to be done). The total of these projects is \$25,500 compared to the \$21,500 budgeted.
4. The total spending from the Reserve Accounts will be \$9,900 greater than the \$15,600 transferred into it during the year. However, the expected Operating Surplus of between \$9,200 and \$13,200 will be transferred to the reserves which would yield a balance of between \$63,000 and \$67,000 at the end of 2017 compared to \$63,503 at the end of 2016.
5. The budget for 2018 was prepared taking into account historical operating expenses as well as attempting to anticipate areas where funds need to be expended. The Operating Budget anticipates expenses comparable to those budgeted for 2017. Snow removal at 17% (\$15,500) of the operating budget is the large variable, and if it isn't needed after the winter has passed, a portion of the savings could be considered for additional landscaping and tree trimming if there is a need (or transferred to the reserves if it were to produce an operating surplus).
6. The \$15 increase in the monthly assessment will yield \$5,040 for 2018, of which \$3,600 is directed to increasing the annual funding of the Reserve Account for a total of \$19,200. The remaining \$1,440 of the increase goes to the Operating Budget. The budgeted spending for 2018 from the Reserves totals \$21,000 or \$1,800 more than its funding.
7. The Reserve balances at the end of 2016 and 2017 were and will be at approximately 55% of the amounts calculated in the 2012 Reserve Study. The level of funding over the last two years has averaged about 82% of the amount recommended in the study and is at the lower end of the range that most Associations achieve in order to attempt to avoid extravagant "special" demands on the homeowners (for 2018 the funding will be at 100% of the amount recommended). During 2016 and 2017 amounts expended from the Reserves exceeded the amounts added to the Reserves by approximately \$6,100 and \$9,900 respectively. The 23 year age of Saxony and the ongoing needs for replacements and major Capital Repairs dictates that contributions to the Reserves need to be increased somewhat each year. Colorado law dictates that Reserves are maintained and the periodic Reserve Studies give Associations the guidance as to the levels that should be maintained.