

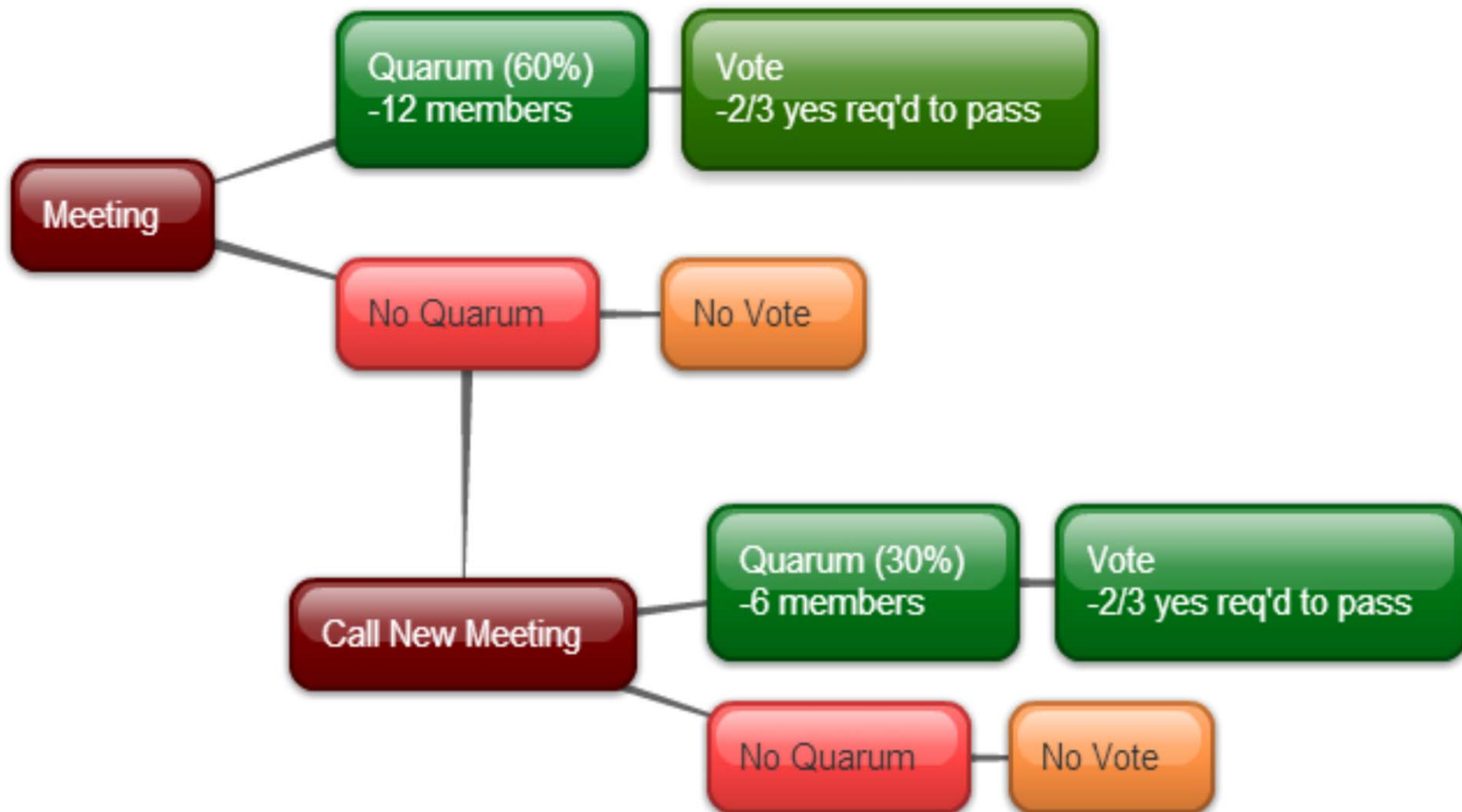
TRHOA 2014 Budget MEETING: WELCOME



TRHOA 2014 Budget Meeting: Agenda

- **Meeting Called to Order**
- **Agenda Review**
- **Verify Quorum: 60% of member households**
- **Quorum: TRHOA Covenants & Easements Article 29 | Section C**
- **Review TRHOA Budget Influencers**
- **Review TRHOA Board Approved Proposed Budget**
- **Parliamentary Procedure: how it works**
- **Call for a Motion to Approve**
- **Call for Vote**
- **Vote Count & Finalize Outcome**
- **Next Steps**

TRHOA Covenants & Easements Article 29 | Sec C



TRHOA 2014 BUDGET INFLUENCERS

- **Duties of the Association | Article 27:** shall be responsible for the management & control of the Common Area owned by the Association & shall keep & maintain the same
- **Purpose of Assessments | Article 29 Sec B:** The assessments shall include the cost of maintenance relating to the Conservation Easement, Entrance Monument Easement, Waste Water Treatment System, landscaping areas within the right of ways and siltation pond.
 - Approximately 12 acres of shared common land ownership
 - 2,398 linear feet of paved pathways with mowed edges
 - 3 siltation ponds
 - User of a cluster waste water system managed by FOSC Association
- **Budget Development:** previous years expense; clarify landscape needs to maintain property value; secure proposals from providers; waste water system outlook by FOSC; determine escrow requirements for futures & unanticipated; multi-year smoothing of financial demands; escrow balance

TRHOA 2014 BUDGET INFLUENCERS

- Responsibility to maintain value of common property
- 14+ years of common area plant installation needs refreshing
- Volunteer homeowner support is not equitable
- Volunteer support does it yield a professional outcome
- Multi-year underinvestment and drought negatively impacted landscape
- Member decision: separate line-item \$1k/yr path maintenance escrow
- 2013 “additional landscape” in grub treatment, water algae, & turf fertilization yielded results
- Landscape services costs have increased: labor, materials, & fuel
- Waste Water system annual cost will remain the same

- - - - - Board Conclusions / Decisions - - - - -

- Board Vote: adopt best practice of 3.2 months of ongoing operating cost as undesignated escrow
- Continue treatments of water algae control, grub, & turf fertilization/treatments
- Refresh landscape were needed to maintain value of common property
- Convene member committee to prioritize landscape improvement actions
- Volunteer participation no longer a viable option

TRHOA ANNUAL MEETING: 2014 Proposed Budget

TRHOA Budget: 2013 Actual; 2014 Board Proposed 011514

Submitted RJG: Jan 16, 2014

		2012	2013	Approved Budget	2013	2014	2014	2014
		Actual	Household Month	2013	Actual	Proposed Budget	Household Month	% Change
Revenue								
	Assoc Member Fees/Qtr: 2013=\$250; 2014=\$275	\$20,000.00	\$83.33	\$20,000.00	\$20,000.00	\$22,000.00	\$91.67	10.0%
	Association Fee Late Payment Penalties-\$25		\$0.00			\$0.00		
	Total Revenue	\$20,000.00	\$83.33	\$20,000.00	\$20,000.00	\$22,000.00	\$91.67	
Expenses								
	Taxes & Surface Water Mgmt Fee	\$71.41	\$0.30	\$71.41	\$71.41	\$71.45	\$0.30	0.1%
	Septic System (FSC)	\$9,000.00	\$37.50	\$9,000.00	\$9,000.00	\$9,000.00	\$37.50	0.0%
	Common Area Maintenance/Landscaping	\$7,386.00	\$30.78	\$7,386.00	\$7,401.24	\$6,826.48	\$28.44	-7.8%
	Mulch: landscape optimization	\$2,525.00	\$0.00	\$0.00	\$0.00	\$3,612.95	\$15.05	43.1%
	Extra Landscaping needs - reference notes	\$366.95	\$4.17	\$1,000.00	\$1,376.97	\$1,586.80	\$6.61	15.2%
	Trail Route Surfacing & Repair	\$534.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
	Miscellaneous Expenses: admin; MN filing					\$0.00	\$0.00	
	Insurance	\$363.00	\$1.56	\$373.89	\$358.00	\$364.00	\$1.52	1.7%
	Total Expenses	\$20,246.36	\$74.30	\$17,831.30	\$18,207.62	\$21,461.68	\$89.42	
	Net Escrow for the Year	(\$246.36)	\$9.04	\$2,168.70	\$1,792.38	\$538.32	\$2.24	
	Beginning Escrow Balance	\$4,327.46		\$4,081.10	\$5,269.30	\$7,061.68		48.5%
	*Ending Escrow Balance	\$4,081.10		\$6,249.80	\$7,061.68	\$7,600.00		21.6%
	Trail Maintenance Designated Escrow	\$600.00		\$1,600.00	\$1,600.00	\$2,600.00		62.5%
	Undesignated Available Escrow	\$3,481.10		\$4,649.80	\$5,461.68	\$5,000.00		-8.5%*

TRHOA ANNUAL MEETING: 2014 Proposed Budget Notes

Revenue Notes

- 1.) 2014 Member Fee proposed increase = \$8.33/month / \$25/quarter or \$100/year per household
- 2.) Late Payment fee remains the same per TRHOA bylaws

Expense Notes:

- 1.) Expenses managed to budget; Board of Directors decision to utilize portion of "undesignated escrow" for turf aeration=\$377
- 2.) Septic: Highest expense line item; unchanged 2012/2013/2014; monitoring single largest ongoing expense; misuse repair costs elevated; no 2010 - 2012 annual expense report; no 2014 plan provided by FOSC
- 3.) 2013 Common Area Maintenance/Landscaping: bid within proposed budget; unanticipated tax expense and \$10 debris removal charge
- 6.) 2013 Extra Landscape: grub control \$428.50; fall aeration \$377; pond stones; dog wood debris disposal; pond treatment; monument maintenance \$
- 4.) 2014 Common Area Maintenance/Landscape: seeking improved service quality; secured 3 new bids; quality with competitive cost; provider contract includes maintenance & mulch reducing overall cos
- 5.) 2014 Mulch: includes materials and spreading costs; every other yr expense; mulch use optimization initiative;
- 7.) 2014 Extra Landscaping: overgrowth pruning; dead bush & plants replace &/or remove; monument management & improvement; 3 Year staged plan development including redesign, repair, removal, and installatio
- 8.) 2014 Insurance: Common area liability insurance coverage document on TRHOA web site; 2013 cost \$15.89 less than plan; conservative 2014 insurance rate increases forecast

TRHOA Escrow Notes:

- 1.) 2012 *Ending Net Escrow Balance stated incorrectly at \$4,001.10 in annual reporting; was corrected in 2013 Actual to \$5,269.30
- 2.) Member approved Trail Maintenance designated escrow: 2013 & 2014 recognition of \$1k per year; on track to achieve goal of \$10k by 2021
- 3.) Jan 16, 2014 Board approved 3.2 months of expense as undesignated escrow balance objective = \$4,855 or approx \$5,000; undesignated escrow provides cash assets for unforeseen needs;
- 4.) *Undesignated Available Escrow -0.5% due to full service mulch optimization; landscaping improvement phase plan; meets goal of 3.2 months of operating cost in escrow (2013 expense based)

Parliamentary Precedure: 2014 Budget Approval Process

Parliamentary Procedure: fair & equal representation; one voice per household present

- ♦ **Chair:** “Can I hear a motion to approve the 2014 TRHOA Proposed Budget?”
- ♦ **Motion:** “I move that we approve the 2014 TRHOA Proposed Budget as presented”
- ♦ **Second:** “Second”
- ♦ **Chair:** “It is moved and seconded that the 2014 TRHOA Proposed Budget be approved.”
- ♦ **Discussion open to the floor:** Members called upon by presiding Chair
- ♦ **Amendments If Proposed:** “I move to amend the 2014 TRHOA Proposed Budget with....”
- ♦ **Second Proposed Amendment:** “Second”
- ♦ **Discussion open to the floor:** Members called upon by presiding Chair
- ♦ **Chair:** “Are you ready for the question? The question is on amending the 2014 TRHOA Proposed Budget by”
- ♦ **Chair:** Those in favor of the amendment designate by saying “Aye”; Those opposed designate by saying “No”
- ♦ **Chair:** The 2014 TRHOA Proposed Budget amendment has been...
- ♦ **Chair:** Return to main motion (with amendments if approved) and state the question | “Are your ready for the question? The question is....
- ♦ **Chair:** Those in favor of the proposal please indicate by checking yes on your ballot; those opposed please indicate by checking no on your ballot
- ♦ **Members:** record vote on ballot

2013 TRHOA ANNUAL MEETING: Close

- **Chair:** Secretary can we have the results of the vote?
- **Secretary:** XX votes were cast; XX votes were checked as “Yes” and XX votes checked as “No”
- **Chair:** The motion to.... has been
- **Actions & Next Steps**
- **Chair:** Can I have a motion to adjourn the meeting?
- **Member:** “I move that we adjourn the TRHOA 2014 Budget meeting”.
- **Member:** “Second”
- **Chair:** All those in favor of adjourning the TRHOA 2014 Budget Meeting designate by saying “Aye”. Those opposed designate by saying “No.”
- **Chair:** Meeting adjourned