

Fawngrove Homeowners' Association  
Management Committee Meeting  
October 16, 2020

Members present: Jeff Batterson, President, David Bolles, Duncan Patterson, Bill Case and Theresa Rollins

The meeting began at 10:00 am, MDT, via Zoom.

Theresa reviewed the actual expenses through 9/30/20. Currently, expenses are below budget. This is a result of our ending the contract with the property management company and lower expenses in payroll and electricity. We had almost \$5,000 in legal fees related the redoing of our bylaws. Some of the positive variance may be the result of timing differences.

Theresa had requested input on the budget from the MC before the meeting. The MC went through the budget and discussed the expenses line by line and a number of changes were made. We anticipate that operating expenses will increase about 6 percent (\$475,850 in 2021 vs \$446,855 in 2020). The most significant of these is for building maintenance, which we increased to \$20,000 from last year's budget of \$4,245. The reason is that we need to replace much of the heat tape on the roof and expect that we will be doing deferred maintenance on the building. We anticipate that water costs will continue to increase. The 2021 budget for irrigation water was increased to \$48,200 from a budget of \$35,000 this year. The actual for 2020 will be over budget, as a result of the drought. The MC will be looking at ways to control this expense. We also anticipate that liability insurance will be \$5,000 higher than in 2020.

There are some decreases in the 2021 budget. As noted above, we do not anticipate having any expense for property management. Currently, the resident members of the MC are filling this role. If we need to hire an outside person, we expect it to be expensive, though we don't have data on this now. Because we have moved to virtual meeting for foreseeable future, we are able to save money on meeting expense and travel.

We are budgeting an increase of about 7.5 % for revenues (\$500,850 in 2021 vs \$446,130 in 2020). First, we are proposing an increase in dues of 3.5%. Secondly, we are proposing a reinvestment fee of 0.5% on the sale of condominiums, to be paid by the buyer. We are budgeting \$15,000 for this. Obviously, the actual will depend on how many units are sold and the sales price. This fee will need to be approved by the owners and must be put into the capital reserve.

We are budgeting a \$10,000 increase in the capital reserve from the operating budget and the \$15,000 increase from the reinvestment fee. We expect the capital reserve to be about \$91,000 at the end of 2020. Per our reserve study, we may have large expenses in 2021 for repaving the driveways and fixing the concrete curbing. We will be investigating this at the beginning of 2021

and anticipate that the funding in the reserve account will be adequate for the work we decide to do.

We are required by law to review the reserve study after three years and will be doing that at the beginning of 2021. We will need to have a full reserve study done at the beginning of 2024.

The meeting adjourned at 11:45 am.

Respectfully submitted,

Theresa Rollins  
Treasurer