

# Cobblestone Townhomes Homeowners Association

November 8, 2022

Dear Fellow Cobblestone Homeowner,

Attached is your copy of our 2023 budget, 2022 projected expenses and the 2022 budget YTD.

As you may recall, the Board of Directors hired Davis Engineering late 2021 to update our reserve study. We received their report in Q1 of 2022 and upon receipt, we were concerned that Davis may have over-engineered the study. It included significant costs for items that if maintained properly, are unlikely to need full replacement out in time. Some examples of over-engineering include: \$260,000 to remove and replace the road, curb & gutter in 15-20 years; \$110,000 to replace foundations in 20 years; \$10,000 - \$20,000 every 5 years to replace posts; \$10,000-\$20,000 every 5 years to replace railings. Our concerns were validated by the company that does our staining which advised that the posts should last 30 years if stained properly.

We have been trying to get a handle on the report by focusing on critical items such as Roofs, Sewer/Lift Stations, Exterior Maintenance, Water and Landscaping. As a result, we feel we are in a much better reserves position as compared to the Davis Engineering report. That said, our reserves will need to grow at a faster pace than previously forecasted.

As we move into 2023, our operating costs have also increased. For example, our current insurance policy provider will not renew our policy due to concern with fire. As we look for new companies, we have also been advised that we need to separate the Board insurance policy as some companies are not willing to insure us due to having Short Term Rentals in our community. Our agent assures us he will find us new insurance providers and is forecasting a 10%+ increase. Additionally, we are planning for a list of projects to be completed. Those include exterior staining; updating our CC&Rs to remove the developer and make them clearer; hiring an inspector to provide property report; replacing dead landscaping; updating back up power to the lift stations.

With inflation being a moving target, we think it's prudent to increase overall dues by 10% in 2023 and are using forecasted inflation numbers for dues projections out in time.

Lastly, for those of you who short term rent your homes, please note that you need to have a short-term rental insurance rider and there will continue to be a \$100 annual fee to help offset the associations costs.

Your 2023 Board is:

Kristin McCollam, President, Unit 1  
Dick Roberts, Vice President & Secretary, Unit 5  
Steve Wardt, Treasurer, Unit 4

And our manager is Tammy Walters, Unit 3.

Thank you for your support!  
Kristin

# Cobblestone Townhomes Homeowners Association

November 8, 2022

Dear Cobblestone Unit Owners,

The Colorado Common Interest Ownership Act (CCIOA) indicates that HOAs created after July 1, 1992, need to follow the following process for creating and passing a budget for the association:

- Draft and adopt a budget,
- Provide notice of the adopted budget to the membership, and;
- Set a meeting for association members to review and consider a veto of the budget.

Unless most of the owners veto the proposed budget (or such higher percentage as established in the Declaration), the proposed budget becomes the approved budget of the association.

Accordingly, attached to this email are the following documents:

1. 2023 Dues Summary 2022 thru 2025
2. 2023 Dues by unit
3. 2023 Operating Budget Report
4. 2023 Disclosure Statement

The meeting on November 9, 2022 has agenda time to review the Owners Packet. If you are unable to attend and have any comments/questions concerning these attachments, please feel free to contact a member of the Board.

Cobblestone Board Members:

Kristin McCollam (President)  
Dick Roberts (Vice President/Secretary)  
Steve Ward (Treasurer)

## Cobblestone Townhomes Homeowners Association

# 2023 Overview

## Dues Summary with projection thru 2027

	2023	2024	2025	2026	2027
<b>Dues:</b>					
Maintenance Reserve(1)	\$37,950	\$39,848	\$41,441	\$43,099	\$44,823
Operating Exp. (2)	\$47,410	\$49,781	\$51,772	\$53,843	\$55,996
<b>Total Combined 16 Units</b>	<b>\$85,360</b>	<b>\$89,628</b>	<b>\$93,213</b>	<b>\$96,942</b>	<b>\$100,819</b>
<b>Total Per Unit Per Yr.</b>					
Units: 3,9,10,13,14,15,1	\$4,515.54	\$4,741.32	\$4,930.97	\$5,128.21	\$5,333.34
Units: 1,2,4,5,6,7,8,11,12	\$5,975.20	\$6,273.96	\$6,524.92	\$6,785.92	\$7,057.35

(1) Based on Interpreted Reserve Study & Inflation

(2) Based on the 2023 Operating Budget

**Notes:**

The Operating Budget is established on an annual basis. Changes to the dues forecast will be made as necessary to reflect any changes. Inflation rate for the Operating Budget includes a 2% Pagosa adder to Statista inflation rate forecast. 10% in 2023, 5% 2024, 4% 2025, 4% 2026, 4% 2027

Maintenance Reserve Account at 10-31-2022: \$91,826.45

The Board will continue to investigate how to simplify / merge priority items with the reserve study provided by Davis Engineering.

## Cobblestone Townhomes Homeowners Association

### COBBLESTONE HOMEOWNER'S ASSOCIATION Maintenance/Operating Budget Dues By Unit Per the CC&R's January through December 2023

Unit #	Percentage	Reserve Fund	Operating	Annual	Monthly
1	7.00%	\$2,656.50	\$3,318.70	\$5,975.20	\$497.93
2	7.00%	\$2,656.50	\$3,318.70	\$5,975.20	\$497.93
3	5.29%	\$2,007.56	\$2,507.99	\$4,515.54	\$376.30
4	7.00%	\$2,656.50	\$3,318.70	\$5,975.20	\$497.93
5	7.00%	\$2,656.50	\$3,318.70	\$5,975.20	\$497.93
6	7.00%	\$2,656.50	\$3,318.70	\$5,975.20	\$497.93
7	7.00%	\$2,656.50	\$3,318.70	\$5,975.20	\$497.93
8	7.00%	\$2,656.50	\$3,318.70	\$5,975.20	\$497.93
9	5.29%	\$2,007.56	\$2,507.99	\$4,515.54	\$376.30
10	5.29%	\$2,007.56	\$2,507.99	\$4,515.54	\$376.30
11	7.00%	\$2,656.50	\$3,318.70	\$5,975.20	\$497.93
12	7.00%	\$2,656.50	\$3,318.70	\$5,975.20	\$497.93
13	5.29%	\$2,007.56	\$2,507.99	\$4,515.54	\$376.30
14	5.29%	\$2,007.56	\$2,507.99	\$4,515.54	\$376.30
15	5.29%	\$2,007.56	\$2,507.99	\$4,515.54	\$376.30
16	5.29%	\$2,007.56	\$2,507.99	\$4,515.54	\$376.30
<b>TOTAL</b>	<b>100.0%</b>	<b>\$37,950.00</b>	<b>\$47,410.00</b>	<b>\$85,385.61</b>	<b>\$7,115.47</b>

**\*\*Late Fees: 18% per annum if not fully paid by the 10th day after the date when due plus a late fee of \$20 per month.**

**\*\*Payments are due annually or quarterly. If you choose to pay monthly there is an additional fee of \$25 per payment due to administrative costs.**

**\*\*If paying annually, due date is Feb 1, 2022**

**\*\*If paying quarterly, due dates are Feb 1, April 1, July 1 and Oct 1**

# Cobblestone Townhomes Homeowners Association

<b>COBBLESTONE HOMEOWNERS ASSOCIATION</b>						
<b>Operating Budget Report</b>						
<b>January thru December, 2022</b>				<b>Projected</b>		<b>Proposed</b>
				<b>2022</b>	<b>2022</b>	<b>2023</b>
				<b>Actual</b>	<b>Budget</b>	<b>Budget</b>
<b>INCOME,</b>						
	<b>Assessments/Dues</b>			<b>43,112.93</b>	<b>43,100.00</b>	<b>47,410.00</b>
	<b>Transfer Fees</b>			<b>90.00</b>	<b>-</b>	<b>-</b>
	<b>Special Assesment</b>			<b>-</b>	<b>-</b>	<b>-</b>
	<b>Annual Rental Fee</b>			<b>700.00</b>	<b>-</b>	<b>600.00</b>
	<b>Other Fees,</b>			<b>569.76</b>	<b>-</b>	<b>-</b>
	<b>Total Income</b>			<b>44,472.69</b>	<b>43,100.00</b>	<b>48,010.00</b>
<b>EXPENSES,</b>						
	<b>Insurance Liability</b>			<b>8,745.40</b>	<b>9,100.00</b>	<b>9,600.00</b>
	<b>Licenses and Fees</b>			<b>294.00</b>	<b>200.00</b>	<b>350.00</b>
	<b>Web Hosting</b>			<b>350.00</b>	<b>350.00</b>	<b>350.00</b>
	<b>Office Supplies Expense</b>			<b>19.99</b>	<b>100.00</b>	<b>50.00</b>
	<b>Bank Service Fees</b>			<b>12.00</b>	<b>100.00</b>	<b>50.00</b>
	<b>Misc Expense</b>			<b>-</b>	<b>-</b>	<b>-</b>
	<b>Professional fees</b>					
	<b>Legal/Consulting Expenses</b>			<b>130.00</b>	<b>2,000.00</b>	<b>2,000.00</b>
	<b>Accounting/Admin</b>			<b>2,368.00</b>	<b>2,800.00</b>	<b>2,800.00</b>
	<b>Management Fee</b>			<b>2,400.00</b>	<b>2,400.00</b>	<b>1,310.00</b>
	<b>Total Professional Fees</b>			<b>4,898.00</b>	<b>7,200.00</b>	<b>6,110.00</b>
	<b>Taxes</b>					
	<b>Building &amp; Ground Expenses</b>					
	<b>Landscaping/Spring Weeds</b>			<b>9,719.78</b>	<b>7,500.00</b>	<b>10,700.00</b>
	<b>Tree Removal</b>			<b>-</b>	<b>-</b>	<b>-</b>
	<b>Winterizing</b>			<b>750.00</b>	<b>550.00</b>	<b>800.00</b>
	<b>Snow removal,</b>			<b>500.00</b>	<b>3,000.00</b>	<b>3,500.00</b>
	<b>Gas/Propane</b>			<b>-</b>	<b>200.00</b>	<b>100.00</b>
	<b>Street Expense,</b>			<b>-</b>	<b>-</b>	<b>-</b>
	<b>Repair &amp; Maintenance Exp</b>			<b>3,851.31</b>	<b>1,500.00</b>	<b>4,800.00</b>
	<b>Total Building &amp; Ground</b>			<b>14,821.09</b>	<b>12,750.00</b>	<b>19,900.00</b>
	<b>Utilities Expense</b>					
	<b>Electric (Sewer Pump Lift)</b>			<b>298.93</b>	<b>500.00</b>	<b>350.00</b>
	<b>Water</b>			<b>6,312.51</b>	<b>9,500.00</b>	<b>6,950.00</b>
	<b>Total Utilities Expense</b>			<b>6,611.44</b>	<b>10,000.00</b>	<b>7,300.00</b>
	<b>Contingency</b>			<b>-</b>	<b>4,000.00</b>	<b>4,300.00</b>
	<b>TOTAL EXPENSES</b>			<b>35,751.92</b>	<b>43,800.00</b>	<b>48,010.00</b>
<b>Summary:</b>						
	<b>Operating Budget</b>			<b>43,800.00</b>	<b>43,500.00</b>	<b>48,010.00</b>
	<b>Capital Reserve Budget</b>			<b>-</b>	<b>-</b>	<b>-</b>
	<b>Expected Total Dues Income</b>			<b>43,800.00</b>	<b>43,500.00</b>	<b>48,010.00</b>

# **Cobblestone Townhomes Homeowners Association**

## **Assessment and Reserve Funding Disclosure Summary (Data is valid as of November 2022)**

1. The 2023 assessment per ownership ranges from \$4,515.54 to \$5,975.20/year. This will allow the association to add \$37,950 to the reserve fund in 2023.
2. At this time, there are no special assessments forecasted. There are several projects in discussion which may warrant a special assessment, but specifics are undetermined at this time. Please see the cover letter for additional details.
3. Based on the most recent reserve study and other information available to the Board of Directors, there will be balances sufficient at the end of each year to meet the Association's obligation for repair and/or replacement components during the next 30 years.
5. All major components are included in the adjusted reserve study and are included in its calculations.

Note: The financial representations set forth in this summary are based on the best estimates of the preparer at this time. The estimates are subject to change. This disclosure was produced based on data available at 11/8/22.