



*Dedicated to the protection
of our property values and
quality of neighborhood living*

Homeowners' Association

www.countryclubestateshoa.org

MINUTES of the COUNTRY CLUB HOA BOARD MEETING – 14 Nov 2017

President Steve Paradis called the meeting of the CCHOA Board to order at 6:05pm on 14 Nov 2017 at the Ascension Lutheran Church, 2505 North Circle Drive, Colorado Springs, CO 80909.

Present: Randy Chappell, John Cunning, Sandy Gallof, Janice Marie-Gallof, Hayden Gregory, Marty Henderson, Anne Hudnall, Dave May. Steve Paradis

The agenda for this meeting is provided in Attachment 1.

MINUTES of the PREVIOUS MEETING:

- a. The minutes of the previous regular Board meeting held on 10 Oct 2017 were corrected. Dave motioned that the corrected minutes be approved. Vicki seconded the motion. The corrected minutes were approved, as distributed, unanimously.
- b. The minutes of the special planning meeting held on 26 Oct 2017 were approved as submitted.

OLD BUSINESS

- a. Steve asked each member to state his or her position and years in the neighborhood.
 - 1) Steve Paradis, President, 11 years;
 - 2) Vicki Tostanoski, At Large Director - Chief Information Officer – Communications, 27 years;
 - 3) Anne Hudnall, At Large Director, 2 years;
 - 4) John Cunning, At Large Director - CONO Representative, 57 years;
 - 5) Marty Henderson, Treasurer, 4 years;
 - 6) Randy Chappell, Ex-Treasurer, 38 years;
 - 7) Dave May, At Large Director – Covenants, 16 years;
 - 8) Hayden Gregory, At Large Director - Assistant Treasurer, 4.5 years;
 - 9) Janice Marie-Gallof, Vice president, 15 years;
 - 10) Sandy Gallof, Secretary, 15 years.
- b. John reiterated he would like a second member for CONO support.
- c. Sandy motioned that Anne be formally added to the Board. Vicki seconded the motion. All agreed and the motion was passed.

FINANCIAL REPORT (Randy Chappell):

- a. The Treasurer's Financial Statements for the period ending 31 October 2017 are provided in Attachments 2, 3 and 4.
- b. Randy reported that the Annual Meeting cost \$1880. Steve asked for a breakout of these costs since it appeared high.
- c. Steve pointed out that marketing materials should not be included in the Annual Meeting costs. He wanted to see comparables to the 2016 Annual Meeting held at the Country Club.
- d. Steve motioned to reclassify non Annual Meeting costs. Dave seconded the motion. All approved. Marty and Randy will provide the updated report for Board approval. Revised charts provided in Attachments 5 and 6.

CONO REPORT (John Cunning):

- a. The summary of the CONO Meeting held on 11 Nov 2017 is provided in Attachment 7.

HISTORY & WELCOME COMMITTEES (Deb Berwick):

- a. No report.

COVENANTS COMMITTEE (Dave May)

- a. No report.

SAFETY COMMITTEE (Open)

- a. No report

SOCIAL COMMITTEE (Open)

- a. No report

NEW BUSINESS

- a. Steve stated our neighborhood is not a transient area. Three properties sold, in the last 30 days, for over \$500,000. By 2030, Colorado Springs will be the largest city in Colorado. There is a lot of infill areas still in the city. All of this creates lots of issues, such as what is the Master Plan for Palmer Park. This specific issue should be an issue for the HOA. Steve reiterated that the Board needs to focus on building community.
- b. Steve stated the Board needs to develop three documents
 - 1) Business Plan – What we need to do.
 - 2) Communications Plan – How we communicate what we are doing.
 - 3) Strategic Plan – How we will accomplish what we need to do.
- c. Steve stated one of our goals should be Community-wide garbage service. We have received one proposal from Springs Waste Systems (less than \$9 a month) and Waste Management has expressed an interest in bidding for community-wide collection.
- d. Randy brought up the possibility of sponsorships as a way to generated additional funds. Steve stated this should be part of the proposed Communications Plan.
- e. Steve stated we may need a separate requirement for funds for Covenant legal support.
- f. Randy stated the Treasurer needs Board inputs so he can develop next year's budget plan.
- g. Stave asked for the status of budget software and hardware. Randy replied it made sense for the HOA to purchase a laptop. Steve concurred. Dave questioned if a desktop computer would be more cost effective. Steve replied the system needs to be mobile so a laptop is a better solution. Steve and Randy both believe the Cloud may not be secure enough for our system data. There is sensitive/personal information in our databases. Steve stated he has an extra laptop at his office with Windows 10 and Office Professional. Dave made a motion to purchase the Dell laptop from Steve for \$250 and budgeting software for \$213. Vicki seconded the motion. All agreed and the motion was approved.
- h. Marty announced he had created an online account today.
- i. Dave and John reported on the CONO Law Day.
 - 1) CONO offered a Law Day meeting with four attorneys. Dave, John, and Pete Ashby attended for \$75, based upon Steve's approval. Sandy motioned and Marty seconded that these funds be approved. All agreed and the motion was approved.
 - 2) About 20 HOAs had representatives at the Law Day.
 - 3) Dave discussed issues with the Pinecliff HOA president. The Pinecliff HOA is a voluntary HOA with 19 filings and sets of covenants for more than 400 homes. They have many similar issues as we do.

Their best meeting attendance, in the past, was about 140 people. However, once they started offering community-wide garbage service, they got 400 people interested in the HOA since they were now saving money. The President volunteered to send Trash collection service details to Dave.

- 4) Dave will meet with the Pinecliff HOA President and get further details on the community-wide garbage service by Jan 2018. Steve asked Dave to get more details on what was included in the Pinecliff garbage service (e.g., yard waste, recycle, critter-proof containers, number of containers, etc.).
- 5) John stated there were four breakout sessions, each being 20 minutes in duration. Attachments 8-11 are the Handouts provided
 - a) Virginia Koultschitzka addressed meetings, covenants, and enforcement. She handed out applicable revised Colorado statutes. She stated sensitive issues should be addressed in Executive sessions where everything must be documented. If three or more Board members meet, formal minutes are required.
 - b) Leonard Rieth addressed group homes and vacation rentals. He stated the City Attorney is currently working on vacation rental issues
 - i. Squatters are becoming an issue. They find unoccupied homes, change the locks, and move in. The Owners then have to go to Court, as a civil action, to try to get them out.
 - ii. Steve stated we need to develop a method to disseminate information to neighbors so we can minimize squatter issues in our neighborhood.
 - c) Jerry Orten addressed reserves and budgets
 - d) Dustin Sparks addressed nuisances, drones, and marijuana.
 - i. Nuisance rules must be uniformly enforced.
 - ii. Drones legally can fly as low as 83 feet above the ground. HOAs currently do not have a clear legal path to regulate airspace. Therefore HOA rules addressing drones will probably have legal challenges. It may be another year before Federal guidance/rules on drones will be available.
 - iii. Regarding marijuana, the Colorado Clean Air Act prohibits smoking in closed areas. However, the Courts are unwilling to restrict what individuals can do within their own homes based upon nuisance arguments or rules adopted by the Board of Directors. Courts are generally more willing to enforce covenants approved by the owners in a self-governing community. Grow houses are increasing in El Paso County. Steve stated that community activities could mitigate these issues. Vicki added we all need to be diligent about what is going on in our neighborhood. Dave stated Colorado is now the pot problem state in the entire country. Steve stated any issues with marijuana should go back to the City/State/Federal laws.
- 6) Steve reiterated we need to have an attorney to go forward with the consolidated covenants. We need professional counsel. There are only about six offices in that state that solely work HOA issues.
- 7) The Colorado Common Interest Ownership Act (CCIOA) defines three neighborhood organizations
- 8) Neighborhood Group – Loosest organization
- 9) Voluntary HOA –Have commonality, covenants and similar houses
- 10) Mandatory HOA – Usually formed by developers
- 11) CCIOA rule are mandatory for mandatory HOAs and specify the covenants may not be overly restrictive. Steve will send Sandy the CCIOA rules for distribution to all Board members.
- 12) Dave summarized what he learned at the Law Day.
 - a) It is easy to set up covenants but hard to amend them.
 - b) Be good neighbors, be responsible, and talk to each other.
 - c) Be transparent in all Board actions.

- d) Do not need professional management if less than 250 homes.
- e) Budget options
 - i. Low as possible (hold costs down)
 - ii. Rising to meet expenses
 - iii. Raising dues a little over time
- f) Do forward planning with a 3-5 year budget.
- j. **Steve and Vicki will get together on the Communications Strategy.** Steve suggested using the Old North End as a model. They send out 6-7 items per month to keep the neighborhood informed.
- k. **We need a Communications Committee.** Hayden volunteered his wife to work on such a committee.
- l. **We need a timeline for covenants way ahead.**
- m. **Steve would like a brochure on what the Board is doing.**
- n. Committee Management
 - 1) History – Janice
 - 2) Social – Still open
 - 3) Welcome – Anne
 - 4) Safety – Still open
 - 5) Membership – Under Treasurer (Marty Henderson)
 - 6) CONO – Start looking at Board member attendance. **Steve stated our CONO representatives must stay out of any CONO political agenda.**
- o. Janice stated that Susan Bancroft is talking to Michelle Secor about interest in working the proposed June 2018 Social event. **Steve will talk to Susan. Janice will forward her email to Susan to Steve regarding the Social Committee.**
- p. **Steve suggested a Board Christmas party at his house, date to be determined.**
- q. **Vicki and Randy will get together since the communications account is currently under Randy's name.**
- r. Steve stated maybe the Board needs to focus on one topic a week. Randy suggested meeting every two weeks to concentrate on covenants and communications. Dave stated the Covenants effort currently does not require the entire Board.
- s. **Steve, Dave and Sandy will meet 21 Nov to discuss Covenants.**
- t. **Steve and Marty will meet to discuss Finances, date to be determined.**
- u. **Steve and Vicki will meet to discuss Communications Strategy, date to be determined.**
- v. **We will start having Board meetings every other week, if required, in Jan 2018.**
- w. Steve reiterated that Committees need to come to the Board with status reports and issues.

The meeting was adjourned at 8:00 pm. No Committee meetings were scheduled to follow.

The next regularly scheduled meeting will be: **Tues, 14 December 2017 at 6:00 pm at a location to be determined. Unless noted otherwise, committees will meet at 7:00pm after the Board meeting.**

Respectfully submitted,
 Sanford Gallof, Secretary
 CCHOA Board

Board Positions as of Nov 2017:

President Steve Paradis
Vice President . Janice Marie-Gallof
Treasurer Marty Henderson
Secretary Sandy Gallof

Chairman Architectural Control Committee (open) (Committee presently merged with Covenants for time being)

At-Large..... Hayden Gregory.....Assistant Treasurer
At-Large..... John Cunning CONO Representative
At-Large..... Dave May Covenants

At-Large..... (open) Safety Committee

At-Large..... Vicki Tostanoski..... Chief Information Officer - Communications

At-Large..... (open) Social Committee

At-LargeAnne Hudnall.....Welcome Committee

COMMITTEES:

- **COVENANTS/ARCHITECTURE:** BOARD COORDINATOR - Dave May
MEMBERS: Peter Ashby, David Corrow, Ivan Davidson, Sandy Gallof, Eugenia Nelson, Vonney Northrop, Curt Torrence, Bob Werschky
- **SAFETY: BOARD COORDINATOR - OPEN**
MEMBERS: Butch Bancroft, Sandy Gallof, Marty Henderson, Joe Adducci
- **WELCOME:** BOARD COORDINATOR – Anne Hudnall
MEMBERS: Deb Berwick, Janice Marie-Gallof, Mary Corrow, Grace Yenne
- **HISTORY:** BOARD COORDINATOR- Janice Marie-Gallof
MEMBERS: Mary Corrow, Eugenia Nelson, John Potterat, Judie Werschkey
- **SOCIAL: CHAIRPERSON - OPEN**
SOCIAL MEMBERS: Patty Pettus, Michelle Secor, Eugenia Nelson
- **MEMBERSHIP:** BOARD COORDINATOR – Marty Henderson
MEMBERS: Bruce Hanson, Susan Henderson, Dorothy Hornby, Kim Lieder, Mary Masters
- **COMMUNICATIONS:** BOARD COORDINATOR - Vicki Tostanoski
MEMBERS: Susan Bancroft
- **CONO:** BOARD COORDINATOR - John Cunning
MEMBERS: **It was suggested Board members should rotate attendance**

ATTACHMENT 1 – AGENDA FOR THE MEETING

Country Club Home Owners Association

Board of Directors Meeting

Agenda

November 14, 2017 6:00pm

Call to Order

Approval of October 2017 Special Meeting Minutes

Financial Report

Business Items

1. Goals for New Board
 - a. Covenants
 - b. Communications
 - c. Membership
 - d. Committees
 - e. Guest Speakers, Fire Dept, Utilities, Parks etc.....
 - f. Town Hall Meetings
 - g. One Garbage Service
 - h. Support but not cross lien for Neighborhood Watch
 - i. Fun
 - i. Picnic
 - ii. Holiday Events
 - iii. Social Ideas
2. Communications
 - a. Web Site
 - b. Newsletter
 - c. Dues Ask
 - d. Strategic Plan
 - e. Meetings
3. Calendar for 2018
4. Committee Management
5. Membership

ATTACHMENT 2 TREASURER'S REPORT: BALANCE SHEET

4:32 PM
11/08/17
Accrual Basis

Country Club Homeowners Association
Balance Sheet Prev Year Comparison-2017
As of October 31, 2017

	Oct 31, 17	Oct 31, 16	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
USBank-CCHOA			
Reserve Funding 10%D...	-428.00	0.00	-428.00
USBank-CCHOA - Other	4,600.83	2,777.12	1,823.71
Total USBank-CCHOA	4,172.83	2,777.12	1,395.71
Total Checking/Savings	4,172.83	2,777.12	1,395.71
Total Current Assets	4,172.83	2,777.12	1,395.71
TOTAL ASSETS	<u>4,172.83</u>	<u>2,777.12</u>	<u>1,395.71</u>
LIABILITIES & EQUITY			
Equity			
Opening Bal Equity	8,538.30	8,538.30	0.00
Retained Earnings	-5,021.18	-4,604.01	-417.17
Net Income	655.71	-1,157.17	1,812.88
Total Equity	4,172.83	2,777.12	1,395.71
TOTAL LIABILITIES & EQUITY	<u>4,172.83</u>	<u>2,777.12</u>	<u>1,395.71</u>

ATTACHMENT 3

TREASURER'S REPORT: PROFIT-LOSS BUDGET vs. ACTUAL

4:26 PM

11/08/17

Accrual Basis

Country Club Homeowners Association Profit & Loss Budget vs. Actual January through October 2017

	Jan - Oct 17	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
HOA Dues Income				
Dues 2016-12/31	120.00	360.00	-240.00	33.3%
Dues 2017-12/31	3,980.00	8,280.00	-4,300.00	48.1%
Dues 2018-12/31	180.00			
Total HOA Dues Income	4,280.00	8,640.00	-4,360.00	49.5%
WebSite Ads Income				
Sponsor-Non-Res	0.00	1,000.00	-1,000.00	0.0%
Sponsor-Res	0.00	1,000.00	-1,000.00	0.0%
Total WebSite Ads Income	0.00	2,000.00	-2,000.00	0.0%
Total Income	4,280.00	10,640.00	-6,360.00	40.2%
Expense				
B-O-D & Annual Mtg				
B-o-D Meetings	53.65			
Home Welcome Packets	0.00	694.00	-694.00	0.0%
Mailing Supplies	184.25	40.00	144.25	460.6%
Marketing Materials	924.09	768.27	155.82	120.3%
Member Meetings	136.70	850.00	-713.30	16.1%
Newsletter	333.72	1,500.00	-1,166.28	22.2%
Special Events	250.00	250.00	0.00	100.0%
Total B-O-D & Annual Mtg	1,882.41	4,102.27	-2,219.86	45.9%
Insurance-Bus Key-317, D&O-11	886.00	950.00	-64.00	93.3%
Office Supplies	0.00	25.00	-25.00	0.0%
Postage & Mail	3.47	249.00	-245.53	1.4%
Printing & Copying	4.00	325.00	-321.00	1.2%
Professional Fees				
Annual Corp Report	10.00	10.00	0.00	100.0%
Bank Fees	15.00			
C O N O Dues	50.00	50.00	0.00	100.0%
Covenants Compilation	0.00	450.00	-450.00	0.0%
Gov't Reports	201.53	250.00	-48.47	80.6%
Legal Services-Covenants	0.00	50.00	-50.00	0.0%
Total Professional Fees	276.53	810.00	-533.47	34.1%
Website				
Domain & Site Info	0.00	119.88	-119.88	0.0%
Web-stie Access	143.88	170.85	-26.97	84.2%
Total Website	143.88	290.73	-146.85	49.5%
Total Expense	3,196.29	6,752.00	-3,555.71	47.3%
Net Ordinary Income	1,083.71	3,888.00	-2,804.29	27.9%
Other Income/Expense				
Other Income				
Special Legal Donations	0.00	7,500.00	-7,500.00	0.0%
Total Other Income	0.00	7,500.00	-7,500.00	0.0%
Other Expense				
Reserve Funding-10 % Dues	428.00	864.00	-436.00	49.5%
Special Legal Expenses	0.00	7,500.00	-7,500.00	0.0%
Total Other Expense	428.00	8,364.00	-7,936.00	5.1%
Net Other Income	-428.00	-864.00	436.00	49.5%
Net Income	655.71	3,024.00	-2,368.29	21.7%

ATTACHMENT 4

TREASURER'S REPORT: PROFIT-LOSS STATEMENT

4:29 PM
11/08/17
Accrual Basis

Country Club Homeowners Association
Profit & Loss Prev Year Comparison-2017
January through October 2017

	Jan - Oct 17	Jan - Oct 16	\$ Change
Ordinary Income/Expense			
Income			
HOA Dues Income			
Dues 2014-9/30	0.00	40.00	-40.00
Dues 2015-12/31	0.00	110.00	-110.00
Dues 2016-12/31	120.00	1,230.00	-1,110.00
Dues 2017-12/31	3,980.00	30.00	3,950.00
Dues 2018-12/31	180.00	0.00	180.00
Total HOA Dues Income	4,280.00	1,410.00	2,870.00
Total Income	4,280.00	1,410.00	2,870.00
Expense			
B-O-D & Annual Mtg			
B-o-D Meetings	53.65	0.00	53.65
Mailing Supplies	184.25	0.00	184.25
Marketing Materials	924.09	0.00	924.09
Member Meetings	136.70	1,058.12	-921.42
Newsletter	333.72	0.00	333.72
Special Events	250.00	0.00	250.00
Total B-O-D & Annual Mtg	1,882.41	1,058.12	824.29
Insurance-Bus Key-317, D&O-11	886.00	899.00	-13.00
Postage & Mail	3.47	1.69	1.78
Printing & Copying	4.00	61.15	-57.15
Professional Fees			
Annual Corp Report	10.00	10.00	0.00
Bank Fees	15.00	-5.00	20.00
C O N O Dues	50.00	50.00	0.00
Gov't Reports	201.53	201.48	0.05
Total Professional Fees	276.53	256.48	20.05
Website			
Domain & Site Info	0.00	170.85	-170.85
Web-stie Access	143.88	119.88	24.00
Total Website	143.88	290.73	-146.85
Total Expense	3,196.29	2,567.17	629.12
Net Ordinary Income	1,083.71	-1,157.17	2,240.88
Other Income/Expense			
Other Expense			
Reserve Funding-10 % Dues	428.00	0.00	428.00
Total Other Expense	428.00	0.00	428.00
Net Other Income	-428.00	0.00	-428.00
Net Income	655.71	-1,157.17	1,812.88

ATTACHMENT 5– REVISED PROFIT & LOSS PREV YEAR COMPARISON- 2017

9:53 AM

11/16/17

Accrual Basis

Country Club Homeowners Association

Profit & Loss Prev Year Comparison-2017

January through October 2017

	Jan - Oct 17	Jan - Oct 16	\$ Change
Ordinary Income/Expense			
Income			
HOA Dues Income			
Dues 2014-9/30	0.00	40.00	-40.00
Dues 2015-12/31	0.00	110.00	-110.00
Dues 2016-12/31	120.00	1,230.00	-1,110.00
Dues 2017-12/31	3,980.00	30.00	3,950.00
Dues 2018-12/31	180.00	0.00	180.00
Total HOA Dues Income	4,280.00	1,410.00	2,870.00
Total Income	4,280.00	1,410.00	2,870.00
Expense			
B-O-D & Annual Mtg			
Board Activity			
Marketing Materials	768.27	0.00	768.27
Meetings	53.65	0.00	53.65
Special Events	250.00	0.00	250.00
Total Board Activity	1,071.92	0.00	1,071.92
Resident Activity			
Meeting Mailers	184.25	1,058.12	-873.87
Refreshments	136.70	0.00	136.70
Signage	155.82	0.00	155.82
Total Resident Activity	476.77	1,058.12	-581.35
Total B-O-D & Annual Mtg	1,548.69	1,058.12	490.57
Communications			
Newsletter	333.72	0.00	333.72
Website			
Domain & Site Info	0.00	170.85	-170.85
Web-stie Access	143.88	119.88	24.00
Total Website	143.88	290.73	-146.85
Total Communications	477.60	290.73	186.87
Insurance-Bus Key-317, D&O-11	886.00	899.00	-13.00
Postage & Mail	3.47	1.69	1.78
Printing & Copying	4.00	61.15	-57.15
Professional Fees			
Annual Corp Report	10.00	10.00	0.00
Bank Fees	15.00	-5.00	20.00
C O N O Dues	50.00	50.00	0.00
Gov't Reports	201.53	201.48	0.05
Total Professional Fees	276.53	256.48	20.05
Total Expense	3,196.29	2,567.17	629.12
Net Ordinary Income	1,083.71	-1,157.17	2,240.88
Other Income/Expense			
Other Expense			
Reserve Funding-10 % Dues	428.00	0.00	428.00
Total Other Expense	428.00	0.00	428.00
Net Other Income	-428.00	0.00	-428.00

	Jan - Oct 17	Jan - Oct 16	\$ Change
Net Income	655.71	-1,157.17	1,812.88

ATTACHMENT 6– REVISED PROFIT AND LOSS BUDGET VS ACTUAL

9:57 AM
11/16/17
Accrual Basis

Country Club Homeowners Association Profit & Loss Budget vs. Actual January through October 2017

	Jan - Oct 17	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
HOA Dues Income				
Dues 2016-12/31	120.00	360.00	-240.00	33.3%
Dues 2017-12/31	3,980.00	8,280.00	-4,300.00	48.1%
Dues 2018-12/31	180.00			
Total HOA Dues Income	4,280.00	8,640.00	-4,360.00	49.5%
WebSite Ads Income				
Sponsor-Non-Res	0.00	1,000.00	-1,000.00	0.0%
Sponsor-Res	0.00	1,000.00	-1,000.00	0.0%
Total WebSite Ads Income	0.00	2,000.00	-2,000.00	0.0%
Total Income	4,280.00	10,640.00	-6,360.00	40.2%
Expense				
B-O-D & Annual Mtg				
Board Activity				
Home Welcome Packets	0.00	694.00	-694.00	0.0%
Marketing Materials	768.27	768.27	0.00	100.0%
Meetings	53.65			
Special Events	250.00	250.00	0.00	100.0%
Total Board Activity	1,071.92	1,712.27	-640.35	62.6%
Mailing Supplies	0.00	40.00	-40.00	0.0%
Resident Activity				
Meeting Mailers	184.25	850.00	-665.75	21.7%
Refreshments	136.70			
Signage	155.82			
Total Resident Activity	476.77	850.00	-373.23	56.1%
Total B-O-D & Annual Mtg	1,548.69	2,602.27	-1,053.58	59.5%
Communications				
Newsletter	333.72	1,500.00	-1,166.28	22.2%
Website				
Domain & Site Info	0.00	119.88	-119.88	0.0%
Web-site Access	143.88	170.85	-26.97	84.2%
Total Website	143.88	290.73	-146.85	49.5%
Total Communications	477.60	1,790.73	-1,313.13	26.7%
Insurance-Bus Key-317, D&O-11	886.00	950.00	-64.00	93.3%
Office Supplies	0.00	25.00	-25.00	0.0%
Postage & Mail	3.47	249.00	-245.53	1.4%
Printing & Copying	4.00	325.00	-321.00	1.2%
Professional Fees				
Annual Corp Report	10.00	10.00	0.00	100.0%
Bank Fees	15.00			
C O N O Dues	50.00	50.00	0.00	100.0%
Covenants Compilation	0.00	450.00	-450.00	0.0%
Gov't Reports	201.53	250.00	-48.47	80.6%
Legal Services-Covenants	0.00	50.00	-50.00	0.0%
Total Professional Fees	276.53	810.00	-533.47	34.1%
Total Expense	3,196.29	6,752.00	-3,555.71	47.3%
Net Ordinary Income	1,083.71	3,888.00	-2,804.29	27.9%
Other Income/Expense				
Other Income				
Special Legal Donations	0.00	7,500.00	-7,500.00	0.0%
Total Other Income	0.00	7,500.00	-7,500.00	0.0%
Other Expense				
Reserve Funding-10 % Dues	428.00	864.00	-436.00	49.5%
Special Legal Expenses	0.00	7,500.00	-7,500.00	0.0%
Total Other Expense	428.00	8,364.00	-7,936.00	5.1%
Net Other Income	-428.00	-864.00	436.00	49.5%
Net Income	655.71	3,024.00	-2,368.29	21.7%

ATTACHMENT 7– CONO REPORT

CONO Meeting 11/8/2017----Summary
309 S. Cascade Ave, Colorado Springs, CO 80903
5:00—6:30pm

Brief Summary: Attendance was low again about 12 to 15 people including speaker and staff. Weather was chilly, and foggy. **Dave Munger** conducted the meeting and will remain the director of CONO until April or May. **Sara Poe** was at another meeting. **Rachel Guizowski-Travis** and **Max Cupp** were present and capable of answering questions about CONO and HOAs should they answer the phone. CONO's phone # is **719-471-3105** or info@csono.org

Agenda

5:00—5:30 Social
5:30—6:00 CSFD, CSPD, CONO update
6:00—6:10 Round Table
6:10—6:30 Snow Angel Program by **CS Neighborhood Services Manager/Code enforcement**
Mitchel A. Hammes—Director 719-444-7891

Announcements:

CONO Monthly Meeting (All meetings at 309 South Cascade)

November 8, 5—6:30

December 13, 5—6:30

HOA Roundtable***

November 9, 5:30—6:30pm

HOA Law Day*3 of our members attended**

November 11, 2017 9am—1pm

RSVP \$75 per couple

Next-door Lunch & Learn

December 5, 12pm—1pm

CONO's Holiday Party

December 13, 5pm—7:30pm

Captain Jeff Loveless of the CSFD spoke on the passage of 2A which will allow funding for more CSFD employees, a new class of fire fighters and public Safety. Public safety is the big item for the CSFD. Last year they had 35,000 alarms, this year they have had 76,000 alarms. This includes fire alarms, medical calls and other safety calls... The new addition to the fire station on Webber is completed. They are proud of their medical response and ranks high in the state and the Nation. Captain Loveless was quite knowledgeable about the CSFD and has served CS for over 20 years.

Rene Hinshaw represented the CSPD. Rene is the director of 911 calls and dispatch center. The newest item is that the dispatch operators are to stay on the phone until the problem is completed. There has been criticisms, problems, and attrition of dispatch operators at 911. The operators require intensive training for 6 weeks and additional training for 9 months. The nature of the work is emotionally difficult and dispatchers do not last long. She spoke at some length about **Reverse 911** calls which work for land lines but not cell phones. The problem lies with the 911 authority for cell phones which must also be taxed for the service. Because of the complications, Rene will attempt to get printed instructions for Reverse 911 process for CONO to hand out to the HOAs.

Nancy Day: Nancy is a middle aged and energetic woman who represents Erindale on Cottonwood Creek. She manages the HOA almost single handedly by knowing needs and getting volunteers. No covenants, no dues, if problems occur she gets neighbors to talk to one another. For the **Snow Angel Program** and snow removal she purchased a snow blower at her own expense for the neighborhood to use. She is active in wildfire mitigation, getting things done, and has something to say about HOA issues. She is a model volunteer herself.

Featured Speaker: Mitchel A. Hammes, [719-444-7891](tel:719-444-7891) The Neighborhood Services Manager (Code Enforcement) spoke at length about the SNOW ANGEL PROGRAM.

The City Code requires that sidewalks be cleared within 24 hours after the snow has fallen.

The **Snow Angels Program** is a partnership between CONO, local schools, participating neighborhoods, city agencies to encourage snow removal. It is designed for those who are unable to shovel their sidewalks.

Please see the Snow Angel program Attachments to this report of 11/8/2017. Sometimes Code enforcement is necessary for snow removal. This is an interesting way for our HOA to serve the neighborhood. We can discuss this at a board meeting. Mitchel A Hammes is an outstanding city representative for this project but especially Code enforcement along with our covenants.

Meeting adjourned at 6:30pm John E Cuning, CONO rep.

p.s. 1 Please see attachments to this report

2. We need another CONO rep to become interested in how city programs can work with our HOA.



Snow Angels Program

What is it?

Originally, this program was a pilot awareness campaign launched through a partnership among CONO, local schools, participating neighborhoods, City agencies, and Bike Colorado Springs to encourage residents to remove snow from sidewalks so pedestrians, especially school children, can walk safely in winter.

Today, this program is designed to encourage neighbors to help neighbors shovel their sidewalks and driveways so everyone can walk safely in winter.

Who is it for?

Anyone who is unable to shovel their driveway or sidewalk especially if they are elderly, disabled, on vacation or simply unable to perform this task.

How can I get involved?

As an HOA or Neighborhood Assoc.- find out who needs this service and have them sign up and put a sticker in their window. Recruit volunteers and neighbors to commit to shoveling. Per City ordinance, snow must be cleared within 24 hours of a heavy snowfall.

Volunteers should be paired with neighbors who have physical limitations, and their work in clearing a sidewalk can mean more than safety and mobility to a resident. It can mean maintaining the delivery of Meals on Wheels or prescription drugs. It can offer peace of mind to fragile residents who won't have to risk injury to shovel their walkway for the mail carrier.

Perhaps most important, it builds community. Neighbors meet their neighbors; the young help the old. Next thing you know, they're calling each other by first name and sharing a pot of coffee.



Neighborhood Services Division

Planning & Community Development Department

PO Box 2169 MC 1525

Colorado Springs, CO 80901

(719) 444-7891 phone

Sidewalk Snow Removal

Courtesy Notice

The City of Colorado Springs would like to make you aware of sidewalk snow removal guidelines for the public sidewalk adjacent to your property.

- Colorado Springs requires property owners to clear their walkways so that **EVERYONE** has safe access throughout the City.

Senior citizens, people with disabilities, parents with strollers, school children, and mail carriers (just to name a few) struggle to negotiate hazardous walkways. Doing your part makes our community safe and accessible for all.

- Once snow has stopped falling, residents have twenty-four (24) hours and businesses have until 5 p.m. the following day, to remove snow and ice from public sidewalks adjacent to their property. Removing snow quickly is easier and less time consuming. If melted snow freezes overnight, it is exponentially harder to remove the next day.
- We encourage residents to work together to keep sidewalks clear for safe passage. To report a problem, please call us at (719) 444-7891 or online at www.coloradosprings.gov with the address of your concern.
- Helping neighbors who have difficulty doing it themselves isn't just good for them...It gives you a great feeling too!

Sidewalk snow removal requirements are found in Colorado Springs City Code Chapter 3, Article 4, Section 202 (3.4.202)

We appreciate your cooperation!

Working together to keep Colorado Springs a great place to live, work, and play!

Jan 2017

1.

ATTACHMENT 8 – ALPERN MYERS STUART LLC HANDOUT

ALPERN MYERS STUART LLC ATTORNEYS AT LAW

Howard J. Alpern
Kenneth P. Myers
Dan D. Stuart

14 NORTH SIERRA MADRE STREET, SUITE A
COLORADO SPRINGS, COLORADO 80903-3311

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John L. Cyboron
Gregory M. O'Boyle
Associate Attorney
Miles W. Cottom

Notices - written
Executive Session
noted on agenda

HOA Law Day 2017 organized by CONO
Saturday, November 11, 2017

MEETINGS/COVENANTS/ENFORCEMENT

I. Colorado Revised Nonprofit Corporation Act, C.R.S. § 7-121-101. Short title: a set of statutes that govern a Colorado nonprofit corporation with regard to its formation, operation and dissolution. The Act governs hand-in-hand with the corporation's governing documents.

1. C.R.S. § 7-121-402. **Notice.** Notice given shall be in writing unless otherwise provided in the bylaws. Notice may be given in person; by telephone, telegraph, teletype, electronically transmitted, or other form of wire or wireless communication; or by mail or private carrier. The bylaws may provide that if these forms of personal notice are impracticable, notice may be communicated by a newspaper of general circulation in the area where published.

2. C.R.S. § 7-127-101. **Annual and regular meetings.** Unless the bylaws eliminate the requirement for holding an annual meeting, a nonprofit corporation that has voting members shall hold a meeting of the voting members annually at a time stated in or fixed in accordance with the bylaws, or, if not so fixed, at a time and date stated in or fixed in accordance with a resolution of the board of directors. A nonprofit corporation with members may hold regular membership meetings at a time and date stated in or fixed in accordance with the bylaws, or, if not so fixed, at a time and date stated in or fixed in accordance with a resolution of the board of directors.

3. C.R.S. § 7-127-102. **Special meetings.** A nonprofit corporation shall hold a special meeting of its members: (a) On call of its board of directors or the person or persons authorized by the bylaws or resolution of the board of directors to call such a meeting; or (b) Unless otherwise provided by the bylaws, if the nonprofit corporation receives one or more written demands for the meeting, stating the purpose or purposes for which it is to be held, signed and dated by members holding at least 10% of all the votes entitled pursuant to the bylaws to be cast on any issue proposed to be considered at the meeting.

4. C.R.S. § 7-127-104. **Notice of meeting.** No fewer than 10 days, or if notice is mailed by other than first class or registered mail, no fewer than 30 days, nor more than 60 days before the meeting date, and if notice is given by newspaper, the notice must be published 5 separate times with the first such publication no more than 60 days, and the last such publication no fewer than 10 days, before the meeting date.

5. C.R.S. § 7-127-106. **Record date – determining members entitled to notice and vote**
A record date fixed under this section may not be more than 70 days before the meeting or action requiring a determination of members occurs.

6. C.R.S. § 7-127-107. **Action without meeting.** Unless otherwise provided by the bylaws any action required or permitted by articles 121 to 137 of title 7 to be taken at a members' meeting may be taken without a meeting if members entitled to vote thereon unanimously agree and consent to such action in writing.

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7. C.R.S. § 7-127-108. **Meetings by telecommunications.**

8. C.R.S. § 7-127-109. **Action by written ballot.** Unless otherwise provided by the bylaws, any action that may be taken at any annual, regular, or special meeting of members may be taken without a meeting if the nonprofit corporation delivers a written ballot to every member entitled to vote on the matter. A written ballot shall state each proposed action, and provide an opportunity to vote for or against each proposed action. Approval by written ballot shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

9. C.R.S. § 7-128-201 **Board meetings.** Unless otherwise provided in the bylaws, the board of directors may permit any director to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

10. C.R.S. § 7-128-202. **Board action without a meeting.** Action is taken under this section only if, at the end of the time stated in the notice transmitted: (a) The affirmative votes in writing for such action received by the nonprofit corporation and not revoked equal or exceed the minimum number of votes that would be necessary to take such action at a meeting at which all of the directors then in office were present and voted; and (b) The nonprofit corporation has not received a written demand by a director that such action not be taken without a meeting other than a demand that has been revoked.

11. C.R.S. § 7-128-203. **Notice of meeting – rights of residential members.** Regular meetings of the board of directors may be held without notice of the date, time, place, or purpose of the meeting. Unless the bylaws provide for a longer or shorter period, special meetings of the board of directors shall be preceded by at least 2 days' notice of the date, time, and place of the meeting. All regular and special meetings of the residential nonprofit corporation's board of directors or executive committee, or any committee of the board that is authorized to take final action on the board's behalf, must be open to attendance by all residential members or their representatives. The board of directors or any committee of the board may hold an executive or closed-door session and may restrict attendance to board members and such other persons requested by the board during a regular or specially announced meeting or a part thereof. Before the board of directors or any committee of the board convenes in executive session, the chair of the body shall announce the general matter of discussion. The board of directors shall not adopt any change to the residential nonprofit corporation's articles of incorporation or bylaws during an executive session. The minutes of all meetings at which an executive session was held must indicate that an executive session was held and the general subject matter of the executive session.

12. C.R.S. § 7-128-205. **Quorum and voting.** Unless a greater or lesser number is required by the bylaws, a quorum of a board of directors consists of a majority of the number of directors in office immediately before the meeting begins. The bylaws may authorize a quorum of a board of directors to consist of: (a) No fewer than 1/3 of the number of directors fixed if the corporation has a fixed board size; or (b) No fewer than 1/3 of the number of directors fixed or, if no number is fixed, of the number in office immediately before the meeting begins, if a range for the size of the board is established. If a

quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the board of directors unless the vote of a greater number of directors is required.

13. C.R.S. § 7-136-101 through 109. **Records, Information, and Reports.**

II. Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-101. Short title: a set of statutes that govern the creation and operation of common interest communities. The Act governs hand-in-hand with the corporation's governing documents.

What is a common interest community? It is real estate described in a declaration with respect to which a person, by virtue of such person's ownership of a unit, is obligated to pay for real estate taxes, insurance premiums, maintenance, or improvement of other real estate described in a declaration. Ownership of a unit does not include holding a leasehold interest in a unit of less than forty years, including renewal options. The period of the leasehold interest, including renewal options, is measured from the date the initial term commences.

What is a condominium? It is a common interest community in which portions of the real estate are designated for separate ownership and the remainder of which is designated for common ownership solely by the owners of the separate ownership portions. A common interest community is not a condominium unless the undivided interests in the common elements are vested in the unit owners.

1. C.R.S. § 38-33.3-303. **Executive board members and officers - powers and duties - reserve funds - reserve study – audit.** All members of the executive board shall have available to them all information related to the responsibilities and operation of the association obtained by any other member of the executive board.

2. C.R.S. § 38-33.3-303.5. **Construction defect actions - disclosure - approval by unit owners - definitions – exemptions.** Before the executive board institutes a construction defect action, the executive board shall comply with this section. The executive board shall mail or deliver written notice of the anticipated commencement of the construction defect action to each unit owner at the owner's last-known address described in the association's records and to the last-known address of each construction professional against whom a construction defect action is proposed subject to certain exceptions. The notice must call a meeting of the unit owners, which must be held no less than 10 days and no more than 15 days after the mailing date of the notice, to consider whether to bring a construction defect action. A failure to hold the meeting within this time period voids the subsequent vote. A quorum is not required at the meeting. In no event shall the time period for providing the notice, holding the meeting, and voting exceed 90 days. The executive board may initiate the construction defect action only if authorized within the voting period by owners of units to which a majority of votes in the association are allocated. Such approval is not required for an association to proceed with a construction defect action if the alleged construction defect pertains to a facility that is intended and used for nonresidential purposes and if the cost to repair the alleged defect does not exceed \$50,000. Such approval is not required for an association to proceed with a construction defect action when the association is the contracting party for the performance of labor or purchase of services or materials.

*Executive Session
procedure
records*

3. C.R.S. § 38-33.3-308. **Meetings.** Meetings of the unit owners, as the members of the association, shall be held at least once each year. Special meetings of the unit owners may be called by the president, by a majority of the executive board, or by unit owners having 20%, or any lower percentage specified in the bylaws, of the votes in the association. Not less than 10 nor more than 50

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days in advance of any meeting of the unit owners, the secretary or other officer specified in the bylaws shall cause notice to be hand delivered or sent prepaid by US mail to the mailing address of each unit or to any other mailing address designated in writing by the unit owner. The notice of any meeting of the unit owners shall be physically posted in a conspicuous place, to the extent that such posting is feasible and practicable, in addition to any electronic posting or electronic mail notices. The notice shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the declaration or bylaws, any budget changes, and any proposal to remove an officer or member of the executive board. All regular and special meetings of the association's executive board, or any committee thereof, shall be open to attendance by all members of the association or their representatives.

4. C.R.S. § 38-33.3-309. **Quorums.** Unless the bylaws provide otherwise, a quorum is deemed present throughout any meeting of the association if persons entitled to cast 20%, or, in the case of an association with over 1,000 unit owners, 10% percent, of the votes which may be cast for election of the executive board are present, in person or by proxy at the beginning of the meeting. Unless the bylaws specify a larger percentage, a quorum is deemed present throughout any meeting of the executive board if persons entitled to cast 50% of the votes on that board are present at the beginning of the meeting or grant their proxy.

5. C.R.S. § 38-33.3-310. **Voting – proxies.** Ballots shall be counted by a neutral third party or by a committee of volunteers. Such volunteers shall be unit owners who are selected or appointed at an open meeting, in a fair manner, by the chair of the board or another person presiding during that portion of the meeting. The volunteers shall not be board members and, in the case of a contested election for a board position, shall not be candidates.

6. C.R.S. § 38-33.3-203. **Construction and validity of declaration and bylaws.** In the event of a conflict between the provisions of the declaration and the bylaws, the declaration prevails, except to the extent the declaration is inconsistent with this article.

7. C.R.S. § 38-33.3-205. **Contents of declaration.**

8. C.R.S. § 38-33.3-209.5. **Responsible governance policies - due process for imposition of fines - procedure for collection of delinquent accounts – definition.** To promote responsible governance, associations shall: (a) Maintain accurate and complete accounting records; and (b) Adopt policies, procedures, and rules and regulations concerning: (i) Collection of unpaid assessments; (ii) Handling of conflicts of interest involving board members; (iii) Conduct of meetings; (iv) Enforcement of covenants and rules, including notice and hearing procedures and the schedule of fines; (v) Inspection and copying of association records by unit owners; (vi) Investment of reserve funds; (vii) Procedures for the adoption and amendment of policies, procedures, and rules; (viii) Procedures for addressing disputes arising between the association and unit owners; and (ix) When the association has a reserve study prepared for the portions of the community maintained, repaired, replaced, and improved by the association; whether there is a funding plan for any work recommended by the reserve study and, if so the projected sources of funding for the work; and whether the reserve study is based on a physical analysis and financial analysis. For the purposes of this subparagraph, an internally conducted reserve study shall be sufficient. Notwithstanding any provision of the declaration, bylaws, articles, or rules and regulations to the contrary, the association may not fine any unit owner for an alleged violation unless: (a) The association has adopted, and follows, a written policy governing the imposition of fines and (b) The policy includes a fair and impartial fact-finding process concerning whether the alleged

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violation actually occurred and whether the unit owner is the one who should be held responsible for the violation. Notwithstanding any provision of the declaration, bylaws, articles, or rules and regulations to the contrary or the absence of a relevant provision in the declaration, bylaws, articles, or rules or regulations, the association may not use a collection agency or take legal action to collect unpaid assessments unless the association has adopted, and follows, a written policy governing the collection of unpaid assessments.

9. C.R.S. § 38-33.3-217. **Amendment of declaration.** The declaration, including the plats and maps, may be amended only by the affirmative vote or agreement of unit owners of units to which more than 50% of the votes in the association are allocated or any larger percentage, not to exceed 67% that the declaration specifies. Any provision in the declaration that purports to specify a percentage larger than 67% is hereby declared void as contrary to public policy, and until amended, such provision shall be deemed to specify a percentage of 67%. The declaration may specify a smaller percentage than a simple majority only if all of the units are restricted exclusively to nonresidential use.

10. C.R.S. § 38-33.3-315. **Assessments for common expenses.** Until the association makes a common expense assessment, the declarant shall pay all common expenses. After any assessment has been made by the association, assessments shall be made no less frequently than annually and shall be based on a budget adopted no less frequently than annually by the association. Any past-due common expense assessment or installment thereof shall bear interest at the rate established by the association not exceeding 21% per year.

11. C.R.S. § 38-33.3-316. **Lien for assessments.** The association, if such association is incorporated or organized as a limited liability company, has a statutory lien on a unit for any assessment levied against that unit or fines imposed against its unit owner. If an assessment is payable in installments, each installment is a lien from the time it becomes due, including the due date set by any valid association's acceleration of installment obligations. A lien under this section is prior to all other liens and encumbrances on a unit except: (i) Liens and encumbrances recorded before the recordation of the declaration and, in a cooperative, liens and encumbrances which the association creates, assumes, or takes subject to; (ii) A security interest on the unit which has priority over all other security interests on the unit and which was recorded before the date on which the assessment sought to be enforced became delinquent; and (iii) Liens for real estate taxes and other governmental assessments or charges against the unit or cooperative.

12. C.R.S. § 38-33.3-316.3. **Collections – limitations.** A payment plan negotiated between the association or a holder or assignee of the association's debt, whether the holder or assignee of the association's debt is an entity or a natural person, and the unit owner must permit the unit owner to pay off the deficiency in equal installments over a period of at least 6 months. Nothing in this section prohibits an association or a holder or assignee of the association's debt from pursuing legal action against a unit owner if the unit owner fails to comply with the terms of his or her payment plan. A unit owner's failure to remit payment of an agreed-upon installment, or to remain current with regular assessments as they come due during the 6-month period, constitutes a failure to comply with the terms of his or her payment plan.

13. C.R.S. § 38-33.3-123. **Enforcement – limitation.** If any unit owner fails to timely pay assessments or any money or sums due to the association, the association may require reimbursement for collection costs and reasonable attorney fees and costs incurred as a result of such failure without the necessity of commencing a legal proceeding. For any failure to comply with the provisions of this

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article or any provision of the declaration, bylaws, articles, or rules and regulations, other than the payment of assessments or any money or sums due to the association, the association, any unit owner, or any class of unit owners adversely affected by the failure to comply may seek reimbursement for collection costs and reasonable attorney fees and costs incurred as a result of such failure to comply, without the necessity of commencing a legal proceeding. Notwithstanding any law to the contrary, no action shall be commenced or maintained to enforce the terms of any building restriction contained in the provisions of the declaration, bylaws, articles, or rules and regulations or to compel the removal of any building or improvement because of the violation of the terms of any such building restriction unless the action is commenced within 1 year from the date from which the person commencing the action knew or in the exercise of reasonable diligence should have known of the violation for which the action is sought to be brought or maintained.

14. C.R.S. § 38-33.3-317. **Association records.**

For access to Colorado Revised Statutes (C.R.S.), go to (<http://www.lexisnexis.com/hottopics/Colorado/>), select "Colorado Revised Statutes, and then scroll down to either: (i) Title 7, Corporations, Article 121, Article 127, Article 128, or (ii) Title 38, Property – Real and Personal, Real Property, Article 33.3, to locate the applicable statutory section(s) referenced above and their full text. The above-referenced statutory provisions have been abbreviated or have not been fully cited.

Title 38

Case law

DISCLAIMER:

Information and/or advice given at this free program is/are intended as a pro bono public service as specified by the Colorado Supreme Court. The attorney(s) is/are not liable for the information and/or advice provided at this event. Attendees/Recipients should consult with their own counsel for legal advice as to, including, but not limited to any specific association, association related matter(s), obligation(s), facts, documents, etc.

Budgeting For Colorado Owner Associations

Initial Budgeting Considerations

Determine if parts of CCI/OA Apply:

- **Post-CCI/OA non-exempt Communities**
Communities created on or after July 1, 1992 and not exempt are subject to all of CCI/OA's budget process. See our separate article on topic.
- **CCI/OA exempt Communities**
Whether formed after CCI/OA became effective July 1, 1992 and formed to be exempt or formed prior to the effective date of CCI/OA, the budget process is set forth in the community's governing documents. CCI/OA's budget process does not apply. See our separate article on this topic.
- **Pre-CCI/OA non-exempt Communities**
Communities created before July 1, 1992 that are not exempt are subject to a part of CCI/OA's budget process. See our separate article on this topic.

Set goals:

Begin budgeting with the community's goals. Review, revise and update goals each year. Involve the community and owners through meetings, opportunities to serve on committees and questionnaires.

The object: Complete Budgeting for Operations and Reserves.

- The budget should cover all the costs for services to be performed and overhead or operating costs of the association
- The budget should reflect annual operations and funding of reserves for future repair replacement and improvement of such facilities and equipment that are the responsibility of the association
- The budget should be sufficient
- Do not under budget or over budget

Get Professional Assistance.

Utilize the services of an independent or professional community association manager¹ to

¹ For advice on how and whether the Colorado Common Interest Ownership Act applies, contact one of the attorneys at Orten Cavanaugh & Holmes, LLC.

Set budget Policies

Keep community relevant how to do it? successfull

do a reserve study

Create community

prepare the budget or, as a minimum, to review and offer recommendations.

Services of the Association and budgeting.

Establish a planning process for each service offered to assist with the budgeting process. The planning process can be used for existing as well as new proposed services.

Phases of Association Services. Services provided by the association have five phases:

- Establishment
- Maintenance
- Restoration
- Improvement
- Cancellation

Budgeting Components of Each Phase of Service.

Each phase can have four "budget planning" parts:

- **Initial Planning** – Does the association need it or want it? How much will it cost?
- **Implementation** – Contracts, Financing, Construction
- **Evaluation** – How is it working? Is it meeting the association's goals? Is the association getting its money's worth?
- **Community Feedback** – Does the community like it? Use it? Want it? Are owners and residents satisfied with the cost?

Service Plans / the annual budget / 3-5 year budget.

Use Service Plans to develop the annual budget and a 3-5 year budget.

Owner Input.

Provide opportunities for owner comment and involvement at all phases of the budgeting process.

Once in Place, Change the Budget When Necessary.

The budget and resultant assessment fee levels should be subsequently adjusted or amended when necessary to cover unanticipated expenses. The budget is an estimate, not a limitation on how funds are to be expended. If a new budget is to be implemented before year end, restart the applicable budget process.

Disclaimer.

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Budgeting For Colorado Owner Associations

Post CCIOA and Non Exempt

Communities created on or after July 1, 1992 that are not exempt from the Colorado Common Interest Ownership Act are subject to all of CCIOA's budgeting process.

Application of the Budgeting Provisions of CCIOA.

CCIOA budget requirements will also apply if the community has elected to be treated as if it were formed under CCIOA. All of the CCIOA budget process will also apply if a community has amended its governing documents to include CCIOA's budgeting process.

Two Budgeting Requirements of CCIOA

- Assessments must be based on an approved budget
- A budget must be adopted at least annually

The CCIOA Budget Process

CCIOA empowers the board with the duty and authority to act on behalf of the association to create a proposed budget. The proposed budget is then ratified by the members – if not vetoed.

- A proposed budget must be prepared and approved at least annually (after withholding a veto opportunity of the owners).
- Within 90 days after the board's adoption of the proposed budget, the board is required to mail or deliver a summary of the budget to all owners and set a date for a special meeting of the owners to consider ratification of the budget. This budget meeting is sometimes combined with the annual meeting. The association is not required to send the budget, just a summary. However, if the proposed budget is particularly controversial, it is recommended that a summary and the actual budget be distributed.
- Notice for the meeting at which the proposed budget is to be considered by owners must be provided as allowed by state law.
- At the meeting, unless a majority 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.
- CCIOA does not require that a quorum of owners be present at the meeting if the meeting is just a budget meeting. CCIOA does require a quorum if the meeting is also an annual meeting.
- In the event the proposed budget is vetoed by a majority (or higher percentage) of owners, the budget last approved is continued until such time as the owners approve a subsequent

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budget proposed by the board.

- For the members to be able to veto a budget proposed by the board, the minimum number of owners must be present (in person or by proxy) at the member meeting at which the proposed budget is considered. The minimum number of owners (in a community subject to all of CCIOA) is a majority of all owners or a higher percentage of owners (as specified in the declaration). If that minimum number of owners are present, then, they may vote on whether to veto the proposed budget. Without the minimum number of owners present (as set in the declaration), there is not a 'special quorum' present sufficient to vote on a veto motion.

- In addition to the above requirements of CCIOA check the governing documents for any affirmative voting requirements of owners on the board's proposed budget. Some declarations add a vote requirement of the owners (for increases over and above a CPI index or a given percentage (i.e., 10%).

- Consult with the association's attorney on any questions on the above, whether as a part of CCIOA budget process or the requirements of the declaration.

Owner Input and other aspects of the CCIOA budget process

CCIOA provides a means for owner input on proposed budgets, because a summary of the proposed budget must be distributed to owners and a member meeting must be convened to consider whether the budget should be vetoed.

In the presentation of the budget required to the owners, owners are more aware of budget/fiscal/financial issues in a community, and so will be better informed, able to make informed decisions when voting and otherwise participate in the governance of the association.

Because of CCIOA's budget process, association leaders receive input from interested owners on proposed budgets. With input from interested owners, better budgets result and this aids association governance and operations.

The CCIOA budget process also encourages boards to increase assessments to meet needs of the community versus deferral.

The CCIOA budget process also aids associations in achieving long term goals, encouraging adequate funding for maintenance, repair, replacement and improvement of the community with association funds.

Communities that are not required to follow the CCIOA budget process should consider it, after review of that process.

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Budgeting For Colorado Owner Associations

Pre CCIOA Non-Exempt Communities

Communities created before the Colorado Common Interest Ownership Act became effective (July 1, 1992), that have mandatory membership for owners and where the community is not exempt from CCIOA are reviewed in this article.¹

Document Specific Budgeting and application of part of the CCIOA budget process.

Pre-CCIOA, non-exempt communities were exempt from all of CCIOA's budget process (other than 2 requirements reviewed below) until July 1, of 2018, when a part of that process became applicable. Prior to that assessments and budgeting were specified only in the documents. With legislation approved in 2016 a part of CCIOA's budget process applies to budgets adopted in pre-CCIOA communities after July 1, 2018.

Prior and Ongoing Budgeting Requirements of CCIOA.

- Assessments must be based on an approved budget
- A budget must be adopted at least annually

These 2 requirements extend to pre-CCIOA communities (those created before July 1, 1992), if the Association desires to take advantage of the limited priority or super lien in CCIOA.

The Budget Process in pre-CCIOA non-exempt communities

The association must distribute a proposed budget to the owners and the owners must consider the proposed budget at a meeting. A vote is not required by statute and a veto right is not required by statute. Consideration is required, with what constitutes consideration is best to be determined by the community, ideally by an amendment to its governing documents.

Associations in pre-CCIOA nonexempt communities should first review the statute - the distribution requirements of a proposed budget and determine what consideration of the budget will be at a member meeting.

Second, review the declaration's assessment and budgeting provisions. Many declarations require assessments to be based on an annual budget of the estimated expenses of the association for the upcoming year. Specifically, review declaration provisions on:

- Assessments and budgeting
- The board of directors' authority to budget with or without the vote, approval or input of owners
- Powers and duties of the association, board of directors and officers

¹ For information on whether your community's was created before the Colorado Common Interest Ownership Act became effective and the resulting requirements to budgeting and assessments contact an HOA attorney at Oren Cavanagh & Holmes.

Third, review provisions of the association's bylaws and articles of incorporation. These documents may have further details on the budget process. These documents may delegate the duty to prepare the initial proposed budget to an officer. In many associations, the treasurer is given this responsibility. Many communities delegate this responsibility to their management company, bookkeeper or accounting firm. Specifically, review articles of incorporation and bylaw provisions on:

- Powers and duties of the board of directors and officers
- Power to delegate to agents

"Caps" and Other Limitations.

The power of the board to budget may be checked or limited by approval requirements, approval practices and/or caps on the increase in assessments permitted each year without owner consent. For example, a Consumer Price Index (CPI) limitation may apply.

When the Proposed Budget Does Not Exceed any "Cap" for Increases.

The board of directors may approve and implement the budget without obtaining owner consent unless consent is required as a part of the members considering a proposed budget – check the state statute and the documents carefully for details. The board must present the budget at the annual or a special meeting of the members and receive comments from the community inclusion of the members in the budget process is required.

Owner Consent to increases or budgeting and budgeting reality.

The reality of owner consent provisions contained in a declaration is that the board of directors is limited in pursuing increased assessments without the approval or consent of a percentage of the owners. Declarations with these limitations also frequently contain procedural barriers that must be overcome, such as quorum requirements and/or high approval requirements (by vote) from owners. The Association must comply with provisions for owner consent to budget increases or other owner participation.

Practical and Political Recommendations.

Whether or not the documents have budget limitations, the owners have limits to the assessments they are willing to pay. Assessment increases should be preceded with outreach to and involvement of the owners and the community, so that adverse reactions and political upheaval may best be avoided. Generally, the more controversial the budget, the more conservative the approval process should be to protect the board and budget from challenges by owners.

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Budgeting For Colorado Owner Associations

CCIOA Exempt Communities

Communities exempt from CCIOA, with or without assessment authority, may have been created before CCIOA became effective (July 1, 1992) or afterwards.¹ These communities are exempt from CCIOA's budget process.

Document Specific Budgeting.

Communities exempt from CCIOA are subject to assessments and budgeting specified in the documents.

To budget in these communities, first, review the declaration's assessment provisions. Many declarations have provisions that require assessments to be based on an annual budget of the estimated expenses of the association for the upcoming year. Specifically, review declaration provisions on:

- Assessments and budgeting
- The board of directors' authority to budget with or without the vote, approval or input of owners
- Powers and duties of the association, board and officers

Second, review provisions of the association's bylaws and articles of incorporation. These documents may have further details on the budget process. These documents may delegate the duty to prepare an initial budget to an officer. In many associations, the treasurer is given this responsibility. Many communities delegate this responsibility to their management company, bookkeeper or accounting firm. Specifically, review provisions of the articles of incorporation and bylaws on:

- Powers and duties of the board of directors and officers
- Power to delegate to agents

If a declaration does not have express assessment authority, evaluate whether there is implied authority.

Budget Authority is Typically in the Board.

In CCIOA exempt communities, the board of directors is usually provided with the sole and exclusive authority to approve and implement the budget.

"Caps" and Other Limitations.

¹ For more information on the laws that applies to your community, whether the community is exempt from CCIOA and the consequences for budgeting and assessments, contact an HOA attorney at Otten Cavanagh & Holmes.

The power of the board to budget may can be checked or limited by approval requirements, approval practices and/or caps on increases in assessments without owner consent. For example, a consumer price index (CPI) limitation may apply.

When the Proposed Budget Does Not Exceed "Cap" for Increases.

The board of directors may approve and implement the budget without obtaining owner consent – check the documents carefully. The board may choose to present the budget at the annual meeting, a board meeting or an informal member meeting or seek and receive comments from owners. While the board may be under no obligation to present a budget to the members, other than political accountability, inclusion of the members in the budget process is recommended

Owner Consent to increases or budgeting and budgeting reality.

The reality of owner consent provisions contained in a declaration is that the board of directors is limited in pursuing increased assessments without the approval or consent of a percentage of the owners. Declarations with these limitations frequently contain procedural barriers that must be overcome, such as quorum requirements and/or high approval requirements (by vote) from owners.

Comparison to CCIOA.

CCIOA has a specified budgeting process, which if adopted by amendment, may eliminate some budget inflexibility caused by member approval requirements, while retaining member participation in the budget process and permitting members to reject a budget. (See our separate articles on CCIOA's budget process.)

Practical and Political Considerations.

Whether or not the documents have budget limitations, owners have limits to the assessments they are willing to pay. Assessment increases should be preceded with outreach to and involvement of the owners and the community, so that adverse reactions and political upheaval may best be avoided.

To the extent that the documents do not specify a budgeting process or establish budget authority for assessments and also if they do, the board of directors may choose a means of approval consistent with the documents and either a conservative, liberal or other approach to the approval process. Generally, the more controversial the budget, the more conservative the approval process should be to protect the association, board and budget from challenges by owners or political upset.

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ATTACHMENT 10 – ALPERN MYERS STUART LLC HANDOUT

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SPECIAL COUNSEL:
JOHN R. STANEK

LAWRENCE HECOX (*Retired*)
GREGORY L. JOHNSON (*Retired*)
C.B. HORN (1963)
ROBERT E. ANDERSON (1993)

LENARD RIOTH

HOME BUSINESSES, GROUP HOMES AND SHORT TERM RENTALS CONO LAW DAY November 11, 2017

- A. Examine Covenants and Governing Documents for allowance, prohibition or restriction of Home Businesses, Group Homes and Short Term Rentals. Colorado cases on residential vs. commercial.
- B. Review the City of Colorado Springs Home Occupation Permit requirements (see attached).
- C. Require an application form including details of the proposed home business, evidence of compliance with the Regional Building Department and Colorado Springs Fire Department, Sales Tax Division and Planning Department (Home Occupation Permit).
- D. Greater restrictions on Home Business than City requirements.
 1. No employees other than owner and family members.
 2. No delivery of parcels and goods.
 3. No signage and storage of goods.
 4. No use in excess of a small percentage of the home's floor area.
 5. No sales.
 6. No parking except for driveway.
 7. No client visits beyond specific times.
 8. Expand list of prohibited uses to include: any use related to marijuana, daycare, VRBO, Airbnb, group homes, drug and alcohol treatment centers.
- E. Rule, Amend Bylaws, or Amend Covenants (Wilson Mesa Ranch case)

THIS SUMMARY IS NOT INTENDED TO PROVIDE ANY LEGAL ADVICE AS TO ANY LEGAL MATTER OR LEGAL ISSUE AND DOES NOT CONSTITUTE ANY ATTORNEY-CLIENT LEGAL ADVICE. RECIPIENTS SHOULD DISCUSS PARTICULAR LEGAL MATTERS OR LEGAL ISSUES WITH THEIR OWN ATTORNEYS.

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Home Occupation Permit

DAB

Permits and Licensing
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Development Assistance Bulletin

Certain uses are allowed in residential zones as Home Occupations. The Home Occupation must be subordinate to the residential use and must meet all of the criteria below. Home Occupations must be permitted by the Development Review Enterprise.

Nuisance or Hazard

A Home Occupation cannot disturb or interfere with the quiet enjoyment of another's property. The Occupation cannot create dust, noise, vibration, smell, smoke, glare, electrical interference, fire hazard, congestion to traffic flow, parking problems, or any other nuisance or hazard that disturbs the peace and quiet of a residential zone.

Employees and Delivery

No outside employees, those who do not reside on the premises, are permitted to work at the Home Occupation.

Delivery of merchandise, goods, or supplies in a Home Occupation is limited to the U.S. Mail or similar parcel delivery service, or to private vehicles with a gross vehicle weight rating (GVWR) of 10,000 pounds or less.

Signage and Storage

Similar to the Daycare Home Permit regulations, a sign no greater than two (2) square feet is permitted and must be attached to the home. The sign shall only identify the Home Occupation. Signs cannot be illuminated in any way.

The storage or display of any materials, goods, supplies, or equipment related to the operation of the Home Occupation may be stored outside.

Conduct Location and Area Limitations

Home Occupations may only be conducted in an enclosed accessory structure, an attached or detached garage, or a dwelling, excluding porches. Plants, however, may be grown anywhere on the property.

The total area used to conduct the Home Occupation cannot exceed an area equivalent to one-half (1/2) the total first floor area of the user's home, excluding porches.

Limits to Alterations

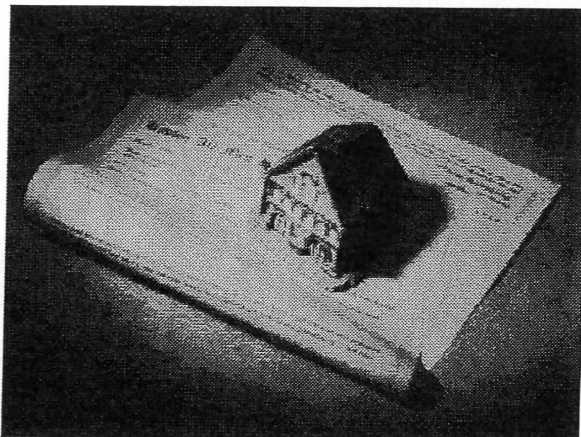
No exterior alterations or additions that are commercial in appearance are permitted. Interior alterations are allowed as long as the alterations do not result in elimination of either the kitchen, dining area, bathrooms, living room, or all of the bedrooms in the unit.

Sales

Sales on the property may only be conducted by the residents and may only be conducted in the area designated for use of the Home Occupation. Sales are limited to tangible personal property manufactured in the designated location or plants grown anywhere on the premises. Plants and other tangible personal property may be sold off-premises.

Off-Street Parking Requirements

Required off-street parking for the home must not be reduced or made unusable by the Home Occupation.



City of Colorado Springs
Planning & Community Development
Development Review Enterprise

2880 International Circle, Suite 200-7
P.O. Box 1575, MC 1378
Colorado Springs, CO 80901-1575
(719) 385-5982



Massage Establishments

When conducting a massage therapy occupation, client visits must be on an appointment basis with a minimum of fifteen (15) minutes of space between appointments. Only one client vehicle should be present on-site at anytime. Massage therapists must also be licensed by the proper authority.

Prohibited Uses

The following uses by their nature have the tendency to rapidly increase beyond the limits permitted for Home Occupations once they are started. This expansion results in a substantially impaired use of the residentially zoned area. Therefore, the following uses are prohibited as Home Occupations:

- Motor vehicle repair and/or service;
- Barbershops designed to serve more than one customer at a time;
- Instruction to more than three (3) persons at a time; and
- Paint shops using spray painting equipment.

Application Process

To apply for a Home Occupation Permit, visit the Permits and Letters section of the Land Use Review website, or click [here](#). A non-refundable application fee of \$60 is due upon submittal but once approved, the Home Occupation does not require renewal. A new application is required if the Home Occupation is moved to new premises.

Additional Information

- Before applying for a Home Occupation Permit, contact the Regional Building Department at (719) 327-2830 and the Colorado Springs Fire Department at (719) 385-5959 to determine if the Home Occupation complies with all building and fire codes.
- Contact the Sales Tax Division at (719) 385-5903 to determine whether a Sales Tax License will be required for the Home Occupation.

Updated December 5, 2011

ATTACHMENT 11 – SPARKS LLC HANDOUT



This information is provided as general guidance only and should not be construed as legal advice. Please consult legal counsel for advice regarding particular situations.

General Guidance

1. The two most important things to remember when managing an home owners association are: be a good neighbor and be reasonable. Problems can often get resolved if people will just talk to each other.
2. The most difficult time to impose new rules or covenant changes is when you are addressing an active problem.
3. You cannot make rules for every situation.

Nuisance

1. Typical areas of nuisance are: noise, trash, vehicles, business, activities/residential use, animals, antennas, smoke, and signs.
2. Not all annoyances are a considered a nuisance. It is important to have a clear definition of a nuisance in your association's governing documents and to apply the association's rules uniformly.
3. The following criteria should be used when developing or reviewing association rules:
 - a. Rules must not violate a fundamental constitutional right (e.g., freedom of association).
 - b. Rules must be consistent with the association's governing documents.
 - c. Rules must be consistent with applicable federal, state, and local statutes.
 - d. Rules must be reasonable. A reasonable rule is one that is just, sensible, and not excessive.
 - e. Rules must be fair. It cannot create different classes of people and treat them differently.
 - f. Rules must be clear and unambiguous.
 - g. Rules must reasonably relate to the operation and purpose of the association (i.e., a rule must protect, preserve, or enhance the properties within the community).
 - h. Rules must be uniformly enforced.

Drones

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1. Associations do not have clear legal authority to regulate drone usage in the airspace above the community. Until a court or the legislature creates a clear private property right in the airspace above private property, associations cannot regulate airspace without the threat of litigation.
 2. Associations should avoid creating rules that are overly restrictive, and which have a high risk of challenge.
 3. The focus of the rules should be on use on the common elements (e.g., restrictions on take-off and landing on property owned by the association, distance between drones and people, drones and structures, hours of drone operation, nuisance, invasion of privacy issues (i.e. camera drones), and any unsafe or unlawful use of a drone.
 4. Because of the uncertainty in this area of law, rules addressing drones may be challenged.

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Marijuana

1. The Colorado Clean Air Act prohibits any smoking in indoor hallways, stair cases, and elevators.
2. Association boards generally have the authority to regulate the use of the common elements, including, to some extent, the limited common elements. This means associations can adopt uniform rules regulating the smoking of marijuana in parking lots and other areas owned by the association. Associations may also be able to regulate smoking marijuana on limited common elements such as decks.
3. Courts are generally unwilling to restrict what individuals can do within their own homes based on nuisance arguments or rules adopted by the board of directors. Courts are generally more willing to enforce covenants approved by the owners in a self-governing community.