

*Firelight at Highlands Ranch
Homeowners Association*

BUDGET RATIFICATION MEETING

October 25, 2018

AGENDA

- I. **CALL TO ORDER**
- II. **ROLL CALL**
- III. **PROOF OF NOTICE**
- IV. **2018 FINANCIAL RECAP:**
- V. **APPROVAL OF 2018 BUDGET RATIFICATION MINUTES**
- VI. **2019 BUDGET REVIEW**
- VII. **BUDGET RATIFICATION.**
- VIII. **ADJOURNMENT**

Firelight at Highlands Ranch Homeowner's Association

BUDGET RATIFICATION MEETING

Thursday, October 26, 2017

CALL TO ORDER: The Budget Ratification Meeting of the Membership was held on Thursday, October 26, 2017 at the Southridge Recreation Center. The meeting was called to order at 6:06 P.M.

ROLL CALL: Board Members Brett Godwin, Bill Feely, John Egan, Vince Voletu and Patrick Green introduced themselves to the homeowners. There were seven homeowners in attendance in addition to the Board Members. Diana Behrent CMCA®, Licensed Colorado CAM, Community Association Manager, represented Hammersmith®, AAMC®

DISTRICT DELEGATE REPORT: Mike Woodland, the Association's District Delegate provided a report on the Delegate meeting.

PROOF OF NOTICE: The Community Association Manager reported that the Notice of the Budget Ratification Meeting had been mailed out to all owners of record on October 7, 2017.

ESTABLISHMENT OF A QUORUM: A quorum is not required for a Budget Ratification meeting.

APPROVAL OF THE MINUTES: The Minutes from the October 2016 Budget Ratification Meeting were presented. Upon a motion duly made, seconded and unanimously carried the October 25, 2016 Minutes were approved as presented.

2018 BUDGET REVIEW: John Egan presented a financial overview of the Association. The 2018 budget draft, which was adopted by the Board of Directors, was reviewed and discussed. The semi-annual assessments will not increase in 2018 and will remain at \$164. due semi-annually on January 1, 2018 and July 1, 2018. Questions regarding specific line items in the budget were asked and answered. The Board Members informed the homeowners the Reserve Study that had been completed earlier in the year noted the Association to be 112% funded; however they did not feel the study met with their satisfaction and was not very accurate. A new study will be completed in 2018. The Board noted they did not want to consider raising assessments until they feel the increase is justified. It was also noted the 2018 Reserve Contribution would be set at \$50,000. John Egan informed that the homeowners that the Association would be making repairs to some of the monuments in the spring of 2018, noting the best bid received was approximately \$11,000.00.

BUDGET RATIFICATION: It was explained that the adopted budget is ratified unless 67% of the homeowners vote against the adopted budget. Based on the twenty-seven proxies received and seven homeowners in attendance, there was not sufficient opposition to the adopted budget. The budget for 2018 was ratified as presented.

ADJOURNMENT: There being no other business to discuss at this time and upon motion made and duly seconded, the Meeting adjourned at 7:05 P.M.

**FIRELIGHT AT HIGHLANDS RANCH HOMEOWNERS ASSOCIATION
BUDGET RATIFICATION NOTICE
WESTRIDGE RECREATION CENTER
9650 FOOTHILLS CANYON BLVD., HIGHLANDS RANCH, CO**

**BARN OWL MEETING ROOM
OCTOBER 25, 2018
6:30 P.M.**

The Firelight Association will hold the Budget Ratification Meeting to present and ratify the 2019 Budget October 25, 2018 at 6:30 p.m.

The meeting will be held at the Westridge Recreation Center located at 9650 Foothills Canyon Blvd., Highlands Ranch, CO 80129.

The Annual Budget reflects the expenses associated with the activities of the Association and the income needed to meet those expenses.

Effective January 1, 2019, the 2019 assessments for Firelight at Highlands Ranch HOA will **increase** from \$162 semi-annually to \$174 semi-annually and are due January 1, 2019 and July 1, 2019.

In accordance with the Declaration for Firelight at Highlands Ranch Homeowners Association, unless at the meeting the owners casting at least sixty-seven percent of the Homeowner Associations vote to reject the budget, the budget is ratified, whether or not a quorum is present.

If you are unable to attend the Budget Ratification Meeting, you may give your proxy to a Board Member or a representative who will be attending the meeting. Proxies may also be mailed to: Firelight at Highlands Ranch Homeowners Association, c/o Hammersmith Management, Inc., 23 Inverness Parkway East, Suite 200, Englewood, CO 80112 or you may fax them to 303-980-0576.

Please arrive early to register as the meeting will begin promptly at 6:30 pm.

We look forward to seeing you at the meeting.

Board of Directors
Firelight at Highlands Ranch HOA

Table 1

	2018	2018 YTD -	2018 year end	2019 Budget	2019
	Budget	August	Projection	W/Raise	% Change
REVENUE					
ASSESSMENTS	\$ 604,908	\$ 604,260	\$ 604,908	\$ 649,668	7%
WORKING CAPITAL	\$ 0	\$ 100	\$ 100	\$ 0	0%
LATE FEE INCOME	\$ 12,208	\$ 9,870	\$ 14,991	\$ 6,100	-50%
LATE FEE INTEREST INCOME	\$ 1,327	\$ 2,153	\$ 3,202	\$ 750	-43%
LEGAL FEES-COLLECTION INCOME	\$ 21,000	\$ 16,581	\$ 21,000	\$ 11,000	-48%
ATTORNEY PACKET INCOME	\$ 850	\$ 2,500	\$ 3,000	\$ 450	-47%
NSF CHECK FEES	\$ 0	\$ 200	\$ 200	\$ 0	0%
LIEN FILING FEES	\$ 600	\$ 5,350	\$ 6,000	\$ 300	-50%
CHECK PROCESSING FEE INCOME	\$ 140	\$ 34	\$ 50	\$ 140	0%
CLUBHOUSE RENTAL	\$ 0	\$ 50	\$ 50	\$ 0	0%
OTHER INCOME	\$ 100	\$ 125	\$ 150	\$ 100	0%
TOTAL REVENUE	\$ 641,133	\$ 641,223	\$ 653,651	\$ 668,508	4%
EXPENSES					
ADMINISTRATIVE EXPENSES					
MANAGEMENT	\$ 77,364	\$ 51,576	\$ 77,364	\$ 78,900	2%
LEGAL-GENERAL	\$ 400	\$ 335	\$ 335	\$ 400	0%
LEGAL-COLLECTION	\$ 21,000	\$ 16,581	\$ 21,000	\$ 15,000	-29%
LEGAL-COLLECTION PRIOR YR	\$ 0	\$ (2,993)	\$ (2,993)	\$ 0	0%
LIEN FILING EXPENSE	\$ 850	\$ 3,850	\$ 4,000	\$ 1,500	76%
LIEN FILING - PRIOR YEAR	\$ 0	\$ 300	\$ 300	\$ 0	0%
LATE FEE EXPENSE	\$ 12,208	\$ 7,535	\$ 10,500	\$ 12,208	0%
ATTORNEY PACKET EXPENSE	\$ 650	\$ 3,000	\$ 3,500	\$ 1,500	131%
NSF & SHORT CHECK FEES	\$ 0	\$ 100	\$ 100	\$ 0	0%
INSURANCE	\$ 36,220	\$ 1,073	\$ 29,830	\$ 36,200	-0%
AUDIT & TAX PREPARATION FEES	\$ 2,850	\$ 0	\$ 2,850	\$ 3,000	5%
ADMINISTRATIVE EXPENSE	\$ 22,450	\$ 19,701	\$ 25,000	\$ 22,450	0%
CHECK PROCESSING FEE EXPENSE	\$ 140	\$ 22	\$ 50	\$ 75	-46%
SOCIAL	\$ 35,500	\$ 27,253	\$ 35,500	\$ 35,000	-1%
DECORATIONS - ADMIN	\$ 7,100	\$ 0	\$ 7,100	\$ 8,000	13%
BAD DEBT EXPENSE	\$ 250	\$ 20	\$ 100	\$ 250	0%
WEB SITE EXPENSE	\$ 1,500	\$ 1,025	\$ 1,538	\$ 1,536	2%
RESERVE STUDY	\$ 2,500	\$ 0	\$ 0	\$ 0	-100%
MISCELLANEOUS EXPENSE	\$ 300	\$ 0	\$ 150	\$ 150	-50%
TOTAL ADMINISTRATIVE EXPENSES	\$ 221,282	\$ 129,378	\$ 216,224	\$ 216,169	-2%
GROUNDS MAINTENANCE					
GROUNDS / COMMON AREA MAINTENANCE	\$ 12,200	\$ 6,024	\$ 9,000	\$ 9,000	-26%
LANDSCAPE CONTRACT	\$ 26,290	\$ 17,528	\$ 26,290	\$ 27,084	3%
SPRINKLER REPAIRS	\$ 6,500	\$ 9,656	\$ 11,000	\$ 10,000	54%

		2018	2018 YTD -	2018 year end	2019 Budget	2019
		Budget	August	Projection	W/Raise	% Change
	PLANTS TREES & SHRUBS	\$ 22,525	\$ 27,784	\$ 27,784	\$ 25,000	11%
	TRASH REMOVAL	\$ 256,078	\$ 178,077	\$ 267,116	\$ 277,296	8%
	SNOW REMOVAL	\$ 15,000	\$ 9,789	\$ 14,000	\$ 15,000	0%
	LIGHTING	\$ 5,248	\$ 3,846	\$ 4,500	\$ 5,000	-5%
	TOTAL GROUNDS MAINTENANCE	\$ 343,841	\$ 252,704	\$ 359,690	\$ 368,380	7%
	UTILITIES					
	GAS & ELECTRICITY	\$ 5,910	\$ 3,354	\$ 5,290	\$ 5,455	-8%
	WATER	\$ 20,100	\$ 16,170	\$ 23,000	\$ 23,000	14%
	TOTAL UTILITIES	\$ 26,010	\$ 19,524	\$ 28,290	\$ 28,455	9%
	RESERVE ADDITIONS					
	TRANSFERS TO RESERVES	\$ 50,000	\$ 50,000	\$ 50,000	\$ 55,504	11%

	TOTAL RESERVE ADDITIONS	\$ 50,000	\$ 50,000	\$ 50,000	\$ 55,504	11%
	TOTAL EXPENSES	\$ 641,133	\$ 451,606	\$ 654,204	\$ 668,508	4%
	NET OPERATING INCOME	\$ 0	\$ 192,051	\$ 382	\$ 0	0%
	RESERVE					
	OTHER REVENUE / EXPENSES	\$ 0	\$ 2,659	\$ 2,659	\$ 0	\$ 0
	INSURANCE PROCEEDS					
	TOTAL OTHER REVENUE / EXPENSES	\$ 0	\$ 2,659	\$ 2,659	\$ 0	\$ 0
	RESERVE REVENUE					
	INTEREST INCOME	\$ 0	\$ 5,218	\$ 7,827	\$ 8,000	
	TRANSFERS FROM OPERATING	\$ 50,000	\$ 50,000	\$ 50,000	\$ 55,504	11%
	TOTAL RESERVE REVENUE	\$ 50,000	\$ 55,218	\$ 57,827	\$ 63,504	27%
	RESERVE EXPENSES					
	GROUNDS MAINTENANCE	\$ 0	\$ 7,611	\$ 7,611	\$ 15,000	
	BUILDING MAINTENANCE	\$ 0	\$ 13,885	\$ 13,885	\$ 20,000	
	LIGHT FIXTURES	\$ 0	\$ 15,698	\$ 15,698	\$ 0	
	TOTAL RESERVE EXPENSES	\$ 0	\$ 37,194	\$ 37,194	\$ 35,000	
	NET RESERVE INCOME	\$ 0	\$ 18,024	\$ 20,633	\$ 28,504	

**FIRELIGHT AT HIGHLANDS RANCH
HOMEOWNERS ASSOCIATION
Budget Ratification Meeting
October 25, 2018**

PROXY

(Select one option)

_____ I hereby appoint the following individual:
_____ as my proxy to represent me and vote on my behalf at the Budget Ratification Meeting for The Firelight at Highlands Ranch Homeowners Association Homeowners to be held on October 25, 2018 or any adjournments thereof. This proxy is automatically revoked for the meeting in the event I personally attend and may otherwise be revoked by me in writing at any time prior to the meeting. This proxy shall be null and void if and when the home is sold.

_____ I do not wish to vote but would like my proxy counted toward the quorum requirements according to the guidelines above.

**Please note if you are assigning a proxy to vote for you, this person must be in attendance at the meeting.

(PRINTED NAME OF OWNER)

(SIGNATURE OF OWNER)

(PRINTED NAME OF CO-OWNER)

(SIGNATURE OF CO-OWNER)

UNIT ADDRESS:_____

DATE:_____