

SBHOA Board Report for 2021

Officers: Greg Felsen, President; Karen Sheek, VP; Sally Planalp, Secretary; Bill Marty, Treasurer; Roger Fulks, Member-at-Large; Steve Eberhart, ARC Liaison

MANY THANKS: ...to Robert Stump and Pat Rule for serving on the Board and to Robert for his continuing work on the website and the Reserve Study....to Eric Torfin for volunteering to keep the flag at the gatehouse properly displayed....to Tanya Wilhelm for the flowers....to Mariana Stump for taking responsibility for the Clubhouse in the interim between managers.... to Rodney Case for receiving and offering to install the new cluster mailboxes.... to those who contributed to holiday lighting, and *especially... to Steve Eberhart and Buford Greenfield who spent many hours performing prep work for the streets* to keep the cost down.

Meetings and Gatherings: Membership meetings were held on June 12 and October 2. The Board also met on August 16, October 29, and November. 28. Minutes for all meetings are posted on southernbluffshoa.com In addition, a very well attended and enjoyable social gathering was held on July 16 at the clubhouse. Thanks to Judy Barlow and Pat Norton for initiating and organizing this event. A holiday activity is being considered. If interested in helping with this event, please contact Sally Planalp, secretarysbhoa@gmail.com

Clubhouse: Naomie Molina was recently hired to manage the Clubhouse. Fees and contracts have been revamped (see SBHOA website) to make the Clubhouse more self-sustaining. The Clubhouse refrigerator and dishwasher were replaced as the old ones were original (2002) and failing. We are seeking a volunteer to oversee Clubhouse operations and as a back-up for Naomie. Contact karensheek@gmail.com if interested.

Architectural Control Committee: The ARC reports that we currently have 76 homes and 55 undeveloped lots in the part of the subdivision with utilities. One additional house has been approved, but construction has not yet started. This means a total of 131 total lots in the developed portion of the subdivision. The ARC invites additional members to the committee. If interested, contact Steve Eberhart.

Mailboxes: SBHOA is about to outgrow its mailbox clusters, so two more were bought and delivered. At some point the Post Office will reorganize mailboxes to make their delivery more organized for the mail carrier. Boxes will be reassigned and keys re-issued, but the timing of this change is uncertain.

Deferred Maintenance: A number of maintenance items have been deferred over the years and need to be addressed to maintain the quality of our community. Estimates for paying for these needed repairs follow, **assuming volunteers will do some of the work.**

- **Clubhouse:** Tile and carpet replacement (\$4K); paint rear door (\$150); repair wall damage and paint interior of Clubhouse (\$3500)
- **Guard House and Southern Bluffs Sign:** Guardhouse roof repair; stucco guardhouse for easy long-term maintenance; repair stucco on monument sign (\$1900)
- **Landscaping:** Replace sprinkler caps (\$800); remove invasive trees damaging fences (\$300); weed spraying and other cleanup work by volunteers (\$400).
- **Miscellaneous:** Fence rail, caps, and post (\$125); decorative rock damage (\$150); flagpole rope assembly (\$80)
- **Streets:** Concrete sidewalk/gutter replacement (\$15,315); fill asphalt cracks in parking lot (\$2K); repair street and parking lot lights (\$800); add 4 street signs (\$700).
- **Total Deferred Maintenance = \$30,220**

Recent large expenditures: Crack filling all streets in subdivision (\$ 7,000); mailboxes (\$3,657).
Total = \$10,657

Budget: Our current budget year runs from June 2021 to May 2022. Under the current fee rate, projections for next year are about \$40K in revenues with projected expenses of \$65+K. This is about the same as the previous year, but without carry-over funds: The major expenses are: Landscaping (\$10K), Utilities (\$15K), and Streets (\$20K).

In previous years, little or no revenue was kept in a Reserve Fund. The Responsible Governance Policy approved by the membership in 2020 (see Documents on the HOA website) requires that a reserve be built up to 120% of the yearly budget, at a minimum 10% per year (~\$6500) until that level is reached. Note that the HOA is now 2 years in arrears in contributing to the Reserve Fund (2020 & 2021). Robert Stump is working on an official Reserve Study to determine what reserve funds are needed to put us on firmer financial footing.

HOA fees have not been increased since Southern Bluffs was founded, and we are reaching a critical point where it is difficult to pay for annual routine expenses, let alone deferred maintenance. With our current budget deficit and need to create a Reserve Fund, the Board voted in two changes in HOA fees for 2022.

- Beginning in 2022, HOA dues will be increased by 50%: Residential properties will be assessed @\$45.00/month; Lots @ \$15.00/month.
- Additionally, a late fee of 18% per year (1.5% per month, prorated) plus a \$20 administrative fee will be charged for late payment of HOA dues beginning in 2002. Dues will be considered in arrears effective June 30 of the year in which they are assessed, retroactive to January 1.

Many thanks to those who paid their 2021 HOA fees on time. Written notices have been sent to owners who are in arrears, and Treasurer Bill Marty is willing to meet with anyone who needs to set up a payment plan.

Streets: Street maintenance continues to be an ongoing major expense. While we were able to get all of the cracks sealed throughout the subdivision at a reasonable cost because the city was willing to do the work, roads will continue to be a major expense. The Board has done extensive research and has met with city officials to discuss options (see next page).

*An informational meeting with the Cortez City Manager and the Fire Chief has been scheduled for Saturday, **December 4, starting promptly at 9:00am** in the Clubhouse.* Please read the enclosed information sheet carefully and come prepared with your questions. Encourage your neighbors to attend too.

If you have received this letter by USPS mail but would prefer to receive notifications only by email, please contact secretarysbhoa@gmail.com If you have received this by email, you've saved the HOA some postage. Thanks!