



To: Ponderosa Homeowners  
From: Beverly Ross, for the Board of Ponderosa Condominiums Association  
Date: December 22, 2018  
Re: Monthly Assessments, Special Assessment, Late Fees

Your Board met yesterday to formulate the Association's budget for 2019. Please note the following important information:

- **Monthly assessments increase to \$525 per month beginning January 1, 2019.**
- **A special capital assessment of \$1,800 per unit will be assessed in April or May 2019.**
- **Late fee increased to \$25 or 1.5%, whichever is greater, for past due accounts.**

***If you pay your monthly assessment through your bank's bill pay system, please change the amount now to avoid the new late fee!***

Your monthly assessment consists of two parts: operating expenses (\$485) and a contribution to the capital reserve fund (\$40). As noted in the minutes, the operating expense budget contains virtually no discretionary spending. Operating expenses for 2017 and 2018 exceeded operating assessments. The Association used excess revenue from prior years to make up the difference. Please know that your Board and Donna strive to maintain Ponderosa Condos as prudently as possible!

Capital projects for 2019 are:

- Repave parking lots and walkways (\$75,600)
- Stain exterior natural wood (\$11,100)
- Rebuild Building 3 front steps (\$2,500)
- Stone veneer Building 3 foundation (\$2,400)

The special assessment of \$1,800 per unit (\$32,400 total) is needed to defray part of the cost of these projects. The remainder will be drawn from the capital reserve fund.

**Please see these attachments:** 2019 Approved Budget, 20181221 Board Minutes, Capital Reserve Study.

If you want more information or have questions, please don't hesitate to ask!

**Ponderosa Condominiums Association, Inc.**  
**2019 Approved Budget**  
**January through December 2019**

Accrual Basis

	Jan - Dec 19
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
4005 · Regular Residential Assessments	104,760.00
4025 · Late Fees	600.00
<b>Total Income</b>	105,360.00
<b>Gross Profit</b>	105,360.00
<b>Expense</b>	
5010 · Audit & Tax Preparation	3,850.00
5025 · Board/HOA Meeting Expense	50.00
5035 · Chimney Cleaning	800.00
5040 · Contract Labor General	3,500.00
5060 · Fire Protection	1,440.00
5070 · Grounds	1,150.00
5075 · Hot Tub Supplies And Repair	1,400.00
5080 · Insurance	15,816.00
5090 · Legal Fees	50.00
5100 · Maintenance Supplies	450.00
5105 · Management Fees	34,800.00
5110 · Miscellaneous Expense	60.00
5120 · Painting Projects	100.00
5135 · Snow Plowing	3,500.00
5145 · Snow Removal-Roof	1,000.00
5148 · Utilities	
Cable Television	5,736.00
Electricity	3,650.00
Internet	5,415.00
Trash Removal	1,840.00
Water & Sanitation	19,587.00
<b>Total 5148 · Utilities</b>	36,228.00
<b>Total Expense</b>	104,194.00
<b>Net Ordinary Income</b>	1,166.00
<b>Other Income/Expense</b>	
<b>Other Income</b>	
6500 · Capital Reserve Assessments	17,640.00
6505 · Capital Special Assessments	32,400.00
6530 · Cap Reserve Interest Income	60.00
<b>Total Other Income</b>	50,100.00
<b>Other Expense</b>	
7500 · Capital Repairs	
Rebuild Building 3 Front Stairway	2,500.00
Repave Parking Lots and Walkways	75,600.00
Cultured Stone Veneer Bldg 3 Deck Foundation	2,400.00
Stain Exterior Natural Wood	11,106.00
<b>Total 7500 · Capital Repairs</b>	91,606.00
<b>Total Other Expense</b>	91,606.00
<b>Net Other Income</b>	-41,506.00
<b>Net Income</b>	-40,340.00

**Ponderosa Condominiums Association**  
**Board of Directors Meeting**  
December 21, 2018 1:00 p.m. MST  
Skype Conference Call

**Call to Order**

President Beverly Ross called the meeting to order at 1:06 p.m.

**Roll Call**

Board members present by Skype:

Bart Boatright  
Kay Hutchings  
Dan Key  
Jim Peay  
Beverly Ross

Management present by Skype:

Donna Oros

A quorum was established with 5 of 5 Board members present.

**Proof of Notice**

Official notice was provided via email on December 12, 2018.

**Reading and Approval of Minutes**

Kay Hutchings made the following:

**Motion:** To waive the reading of the June 23, 2018 Board of Directors meeting minutes and to approve them as submitted.

**Second:** Jim Peay

**Vote:** Unanimous approval

**Unfinished Business**

None

**New Business**

2019 Operating Expense and Income Budget

The 2019 Operating Budget was presented with a proposed \$50 per unit per month increase in operating assessments to meet the 2019 projected expenses of \$104,194. Discussion took place on the increased costs of the annual audit and of water and sanitation service. The board concluded that the operating budget has essentially no discretionary expenses. The pros and cons of a special assessment for operating expenses versus increasing monthly dues were discussed.

Jim Peay made the following:

**Motion:** To assess an additional \$600 per unit for operating expenses on February 1, 2019.

**Second:** Kay Hutchings

**Vote:** Yes: Kay Hutchings, Jim Peay  
No: Bart Boatright, Dan Key, Beverly Ross

**Motion Failed**

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Bart Boatright made the following:

**Motion:** To increase monthly assessments to a total of \$525 per month (\$485 for operating expenses and \$40 for capital fund) beginning January 1, 2019.

**Second:** Kay Hutchings

**Vote:** Yes: Bart Boatright, Kay Hutchings, Dan Key, Beverly Ross

No: Jim Peay

**Motion Approved**

Beverly Ross made the following:

**Motion:** To approve the 2019 Operating Budget as submitted.

**Second:** Bart Boatright

**Vote:** Unanimous approval

#### 2019 Capital Projects

The four proposed capital projects for 2019 with a total cost of \$91,606 are:

1. Seal exterior wood (\$11,106).
2. Repave the parking lots and asphalt walkways (\$75,600).
3. Rebuild the front stairs of building 3 (\$2,500).
4. Add cultured stone veneer to the foundation on the southeast corner of building 3 (\$2,400).

The Proposed Capital Budget includes a special capital assessment of \$1,800 per unit (\$32,400 total), which will be due in April or May of 2019. The remainder needed to complete these projects will be drawn from the capital reserve fund.

Kay Hutching made the following:

**Motion:** To approve the 2019 Capital Budget as submitted.

**Second:** Beverly Ross

**Vote:** Unanimous approval

#### Proposed Change to Late Fees on Unpaid Assessments

Beverly Ross made the following:

**Motion:** Assessments not received by the last day of the month in which they are billed shall be charged a late fee of \$25 or 1.5% whichever is greater.

**Second:** Bart Boatright

**Vote:** Unanimous approval

#### 2C Delinquency and Consideration of Association Foreclosure on Lien

Ponderosa 2C is severely delinquent in payment of the 2018 special assessments and monthly assessments. A lien has been filed on the unit, and Colorado Law requires a recorded vote of the Board to proceed with foreclosure. The unit is under contract to sell on January 31, 2019. If the sale does not close as expected, the Board may consider foreclosure on the lien.

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**Unscheduled Business**

None

**Adjournment**

Bart Boatright the following:

**Motion:** To adjourn the meeting.

**Second:** Kay Hutchings

**Vote:** Unanimous approval

The meeting adjourned at 1:59 p.m.

Ponderosa Condominiums Association Reserve Study															
2019 - 2028															
		Life	Life	Last	Estimate										
	Project Title	(Years)	Left	Cost	as of 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
1	Repave Parking Lots/Walks	20	-2	46,685	73,649	75,600									
2	Rebuild Bldg 3 Front Stairs	20	-3	Unknown	2,500	2,500									
3	Unit Entry Doors	40	-1	Unknown	7,442		8,395								
4	Seal Exterior Natural Wood	3	0	10,260	10,783	11,106			12,136			13,262			14,491
5	Cultured Stone Veneer Bldg 3 Foundation				2,400	2,400									
6	Bear-Resistant Dumpster	13	1	1,832	2,600		2,758								
7	Seal Coat/ Re-Stripe Parking Lot	2	1	4,500	6,450		6,843		7,260		7,702		8,171		8,668
8	Alarm System	20	2	3,400	4,830			6,118							
9	Paint Exterior Stucco & Painted Wood Trim	20	3	16,650	23,405				26,343						
10	Paint Interior Hallways/ Doors/Trim	15	4	3,690	4,265					4,944					
11	Carpet Hallways	15	4	6,164	7,124					8,259					
12	Electrical Equipment (per bldg)	>30	5	Unknown	8,000					9,274	9,552	9,839			
13	Patio Furniture	20	5	538	800						955				
14	Hot Tub	20	5	Incl in 31	10,000					11,941					
15	Garage Man Doors (2)	20	6	1,613	2,086							2,566			
16	Crawl Space Vapor Barrier	10	7	1,320	1,387								1,757		
17	Overhead Doors-Bldg 2	30	11	4,600	6,466										
18	Front Entry Doors (3)	30	12	Incl in 29	2,118										
19	Deck Railings	30	12	Incl in 29											
20	Patio - Level Pavers	20	12	2,993	3,553										
21	Water Heaters-Sauna Showers (3)	15	12	2,079	2,181										
22	Seal Chimney Chases & Natural Wood Trim	15	12	5,000	5,246										
23	Backflow Preventers	15	12	4,588	4,814										
24	Overhead Doors-Bldg 1	30	13	4,600	6,466										
25	Rear Entry Doors (4)	30	14	2,064	2,841										
26	Garage Roof Snow Brakes	30	19	7,000	8,090										
27	Retaining Walls - North	30	22	44,393	49,735										
28	Metal Trim - Chimney Chases	30	25	1,200	1,273										
29	Decks/Roof Extension	>30		251,085	356,717										
30	Concrete Floor Bldg 1	>30		18,905	26,025										
31	Hot Tub Renovation, Shed, Stairs	>30		111,164	148,056										
32	Roofs	>30		107,340	133,784										
33	Bldg 3 Porch Supports & Retaining Wall	>30		26,078	31,652										
34	Windows & Patio Doors	>30		154,894	179,011										
35	Attic Insulation	>30		2,565	3,007										
36	Crawl Space & Exterior Drainage Repairs	>30		76,598	86,307										
37	Main Water Shutoff	>30		750	840										
38	Retaining Walls - Front Parking Lot	>30		66,250	72,875										
	Annual Totals:			990,798	1,298,778	91,606	17,996	6,118	45,738	22,477	30,150	25,666	9,928	-	23,160

Ponderosa Condominiums Association Reserve Study														
2019 - 2028														
Cash Flow					2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Beginning Balance - Operating Account					9,500	10,666	10,666	10,666	10,666	10,666	10,666	10,666	10,666	10,666
Net Operating Expenses					1,166	0	0	0	0	0	0	0	0	0
Operating Account - Ending Balance, Dec 31					10,666	10,666	10,666	10,666	10,666	10,666	10,666	10,666	10,666	10,666
Beginning Balance - Capital Account					59,950	18,444	18,272	29,976	27,115	28,099	29,113	30,155	38,169	56,191
Regular Capital Assessments					17,640	17,640	17,640	17,640	17,640	17,640	17,640	17,640	17,640	17,640
Special Assessment					32,400			24,938	5,550	13,242	8,778		0	0
Interest					60	184	183	300	271	281	291	302	382	562
Capital Expenses					(91,606)	(17,996)	(6,118)	(45,738)	(22,477)	(30,150)	(25,666)	(9,928)	0	(23,160)
Capital Account - Ending Balance, Dec 31					18,444	18,272	29,976	27,115	28,099	29,113	30,155	38,169	56,191	51,233
Ending Balance, Operating + Capital					29,110	28,938	40,642	37,781	38,765	39,779	40,821	48,835	66,857	61,899
<b>Special Assessment Per Unit</b>					<b>1,800</b>	<b>0</b>	<b>0</b>	<b>1,385</b>	<b>308</b>	<b>736</b>	<b>488</b>	<b>0</b>	<b>0</b>	<b>0</b>