

Executive Summary – Elk Ridge Board of Directors Work Session

October 16, 2025, 9:30am

On October 16, 2025, the Elk Ridge Board of Directors met to discuss several issues. The meeting was called by John Baney, President, to go over upcoming issues, including the upcoming Winter Meeting. The meeting was held at the Charley Griffin residence. Present were John Baney, president; Charley Griffin, Vice President; Charlie DeJoseph, Secretary; Joy Bryant, at large Board Member and HOA Bookkeeper; and Pete Pereze, Treasurer. John Baney called the meeting to order at 9:30am.

Issue 1 – Confirming a date and location for the Winter Meeting. The suggested locations were either the Library (first choice) or the Community Center. After travel plans were discussed, three possible dates were chosen: December 16, 18 or 19. Meeting time would be determined by availability of the Library Meeting room, but usually, 10:00am is the first choice. Charlie DeJoseph was tasked with arranging the meeting location and time, after contacting the library. Before the meeting is held, an agenda must be formulated and documents sent out 10 days in advance of the meeting.

Issue 2 – Pete Pereze presented the Treasurer’s Report. Pete was elected treasurer in August of 2025, so he has been busy getting up to speed on the job. Pete’s report was quite detailed, and key points will be summarized here:

1. Some Initial Findings by Pete:
 - a. Revenue in the CPA reports does not match bank statements. Pete is working closely with the CPA to resolve this issue.
 - b. Pete is working with the CPA to develop a new set of monthly reports. His plan includes one set of reports for the Operating budget and another set for the Reserve budget. This should allow for a clearer picture of our budgeting operations.
 - c. He has obtained access to Estes Park Utility Billing. This will allow us to see bills, such as water bills, earlier and easier access to 12-month history. Seeing the upcoming bills and past bills will assist in budget forecasting.
 - d. He has contacted a firm which does reserve studies for HOAs. In the past, Richard Klapper put together a reserve study; however, a firm which specializes in this work could be very helpful. One potential problem is that the cost might be prohibitive. Pete is investigating this. Charley Griffin reminded board members that the Colorado Common Interest Ownership Act (CCIOA) does not **require** a reserve study to be performed.
 - e. Pete has developed a draft proposal of a simple project tracking system to help insure we stay on budget and can create budget projections easier and with more accuracy.
 - f. Pete plans to contact Thompson Sanitation to understand sewer billing. Some board members commented that in other places where they’ve lived, sewer fees were typically related to water usage. That does not appear to be the case in Estes. So how is billing determined?
2. Pete then presented some recommendations:

- a. Need system to track spending, preferably in near real time. John indicated that he maintains a spreadsheet listing all projects. This sheet contains estimates. It was agreed that we could use John's sheet to track projects. He will add two columns: Dated Completed & Invoiced amount. He will share this with board members. Pete will investigate putting it on OneDrive so that all can see and update as needed. This will reduce the likelihood of error inherent in having multiple copies of the spreadsheet.
- b. We do not take money out of reserves if the expense is not in the reserve study.
- c. Move an extra \$6,000 from reserve to operating to address 2025 deficit. See Issue 3 - item 4 below.
- d. Budget for a professional reserve study.
- e. Note that moving the painting up one year on 4 middle row and Brodie increases cost by approximately 10%. Should we not paint Brodie ahead of schedule? Especially since we just paid almost \$5,000 to fix siding and paint on some of these units. **This was discussed by the board, and it was decided we should move up the painting on the Brodie row to next year (2026).**
- f. We should agree on what projects can be funded next year and do not add to those projects until we see how the budget is going (Aug/Sep), unless there is an emergency.
- g. We end 2026 with a surplus to make up for our deficit this year to ensure we have a sustainable minimum balance in the operating fund.

Issue 3 – Budget for 2025 and 2026. Pete then presented the 2025 Operating Budget vs. Actuals to Date with year-end estimates. A key issue is that the operating budget showed a \$7,328 deficit in the year-end estimates. While our operating fund can survive this deficit for 2025, it obviously can't forever. Pete then presented a draft of the 2026 Operating Budget. This budget also showed a year-end deficit. **Furthermore, there was no funding for fire mitigation in this draft.** A discussion then proceeded of how to attack this deficit. Some ideas were:

1. Raise dues \$20/month (\$25/month with funding for fire mitigation)
 - a. Dues were raised \$30/month in 2025 and some board members felt we should not raise dues this soon.
 - b. Pete Perez also had done a survey of HOA dues in our area, which showed our dues were about average. After some discussion, this option was ruled out.
2. Reduce water usage (a significant expenditure)
 - a. Two board members strongly objected to cutting water usage. There were some counter arguments, but these did not survive.
3. Cut some of the proposed projects
 - a. Two board members strongly objected to cutting projects. This idea was also ultimately rejected.
4. Look at reserve fund growth rate for 2026.
 - a. One board member suggested we look at how much money we are putting into our reserve fund. In Richard Klapper's reserve study, he had proposed putting \$71,000/year into reserve. This was later increased to \$84,000/year (\$7,000/month) when our operating budget was running a surplus. Going back to (approximately) Richard's proposed amount (\$72,000/year or \$6,000/month) would put us back inline with the reserve study number and put our operating budget back in the black. After discussions,

it was decided to change the November and December 2025 transfers from Operating to Reserve to \$6,000 and make a one-time transfer from operating to reserves of \$2,800 in 2025. The \$6,000 per month transfer would be continued in 2026. This will maintain the amount transferred to reserves at the originally budgeted amount from the Reserve Study. This would be a 1-year change until the results of the professional reserve study could be completed. At that time, we would reassess the reserve fund growth rate. **This was ultimately adopted as the way to address the 2025 and 2026 deficits. This change would take place starting November 1, 2025.**

Issue 4 – Fire Mitigation review. On September 16, 2025, John Baney escorted a representative of the Estes Valley Fire district for the purpose of a “Home Ignition Zone Assessment” for the HOA. In general, the inspector indicated that we looked good; however, there were cases of shrubs being located near or beneath windows and shrubs located too close to wooden structures. The general “rule of thumb” is that there should be a minimum of 5 feet between a shrub and a structure. This included shrubs near wooden decks. The inspector also found areas, especially below fireplace chases on the Golf Course row, where debris tends to build up and he suggested some methods for reducing this. These issues will be addressed in 2026 as funding permits.

Issue 5 – Future projects. John Baney discussed future projects, with cost estimates and schedules. These projects included some drainage issues, sidewalk/gutter drains, and landscape projects.

Issue 6 – Miscellaneous.

1. Insurance. This is an ongoing issue for every homeowner in Colorado. Charley Griffin stated that our insurance representative does not know, at this time, what to expect, but indicated a 15%-25% increase in rates is a ballpark number to expect.
2. Grill guidelines. Guidelines for operation of grills have been issued by the Estes Valley Fire district. John has a copy, and he suggested we send this out before the Winter Meeting for discussion. It will be included with the packet that goes out before the meeting.
3. John then discussed letters that went out to some homeowners. These letters fall under the Executive Session guidelines and are not included in these minutes.

The meeting adjourned at 12:30pm.

Respectfully submitted,
Charlie DeJoseph
Secretary, Elk Ridge Homeowners' Association