

Buffalo Creek HOA - Annual Newsletter

January 2019

Dear Buffalo Creek Homeowner,

On behalf of the Buffalo Creek Homeowners Associations' Board of Directors, this letter is to notify you of the Upcoming Annual Meeting of the Buffalo Creek HOA Homeowners (AHM) which will be held on Thursday January 10, 2019. The meeting will be held at our regular meeting spot, The Leeper Center, 3800 Wilson Ave in Wellington, CO. Sign in will begin at 6:00 pm and the meeting starts at 6:30 pm. Buffalo Creek HOA is a Common Interest Community; the Declarations were recorded 5/20/2003, under Reception Number 2003-0061450.

Presidents Note:

Hello Buffalo Creek Homeowners,

It's been another good year for us here in our little subdivision. Our board has worked hard to be frugal with your money and this has resulted in us coming in under budget again this year.

I must say that it has truly been a pleasure serving you as your President. I've enjoyed working with this board and with Tim our property manager. That being said, my time has come to an end as President. The January 10th meeting will be my last. Thank you for allowing me to serve you these past 7 years.

I look forward to seeing all of you at our annual meeting to discuss what we've done and what we are planning to do in 2019.

With Warm Regards,

Dan Sattler, President Buffalo Creek HOA

Your Board of Directors: Dan Sattler - President, Sally Weisser – Vice President, Leah Selvage – Secretary, Karen Johnson - ARC Chairman, Bryan Lamoreaux – Webmaster, Jesse Riesterer and Kim Holbrook – members at large.

Board Openings: The Buffalo Creek Homeowners Association allows up to 9 Board Members, however for the ability to meet the Quorum requirement it works best to operate as a 7 member Board. Dan Sattler has turned in his resignation and will be leaving the Board after this Annual Homeowners Meeting. We've been working on him to try and get him to stay as he's been doing such a great job, but as Mayor Pro Tem of the Town we understand how much time he donates for us. If you are interested in becoming a Board Member, please contact the Management Company or a Board Member ASAP so we can get a short bio from you to include in our Annual Meeting reminder (January 7th) to introduce you to the Homeowners. The election will take place at the Annual Meeting January 11th.

Annual Disclosure:

- 1) The fiscal year for the Buffalo Creek HOA is January through December.
- 2) During the 2018 fiscal year all homes were assessed \$40.00 monthly dues and the same will be assessed in 2019. The mailing address of Buffalo Creek HOA is PO Box 1182, Wellington, CO 80549. The approved Budget for 2018 was \$240,630.00 and the Board came in below Budget once again.
- 3) Buffalo Creek Insurance Coverage (Business Owners, Directors and Officers, and Fidelity) is through American Family Insurance Company. Keith Montey is our Agent, address: 3011 W 10th St #112 Greeley, CO 80634 (970) 353-1533.
- 4) The address of Buffalo Creek Management is PO Box 1182, Wellington, CO 80549 and the telephone number is (970) 568-3170. Buffalo Creek Management is managed by Tim Singewald who is Licensed by the State of Colorado as a Community Association Manager, License # RM 00002909. Email: singewald@aol.com
Buffalo Creek Management is also insured through American Family Ins. Co.
- 5) All HOA documents can be found on our Website: www.buffalocreekhoa.com

2019 Annual Meeting: The Board of Directors will adhere to the Procedures for Conducting Meetings. Any homeowner wishing to address the Board of Directors will need to register at the sign in desk with; name, property address and topic. Upon the start of the meeting the list will be delivered to the HOA President/Chair and during the "Address the Board on Non-Agenda Items", the Chair will call the homeowner to the podium for the comment. Comments need to be kept to a three minute limit. Each Homeowner has the right to talk without interruption. If several homeowners wish to talk on the same

subject, the Chair may either request that they choose a few to represent the group and/or the Chair may adjust the time allotment. The Board may elect to reply or take the information for later consideration.

2018 Year in Review:

Dry Land Mowing: At last year's AHM several homeowners requested that more effort be taken on maintenance of the dryland designated areas. The Board negotiated the maintenance contract with Greening Up to increase the dry land mowing and weed mitigation. It looked a lot better this year. We have talked with Greening Up about better weed mitigation.

Common Area Maintenance: One of our Common area projects this year was the repair and cleaning of all of our drain pans. Many of the drain pans had grown over and no longer flowed properly. This was an item negotiated in our Greening Up contract, however the project was much more than any of us had anticipated. Greening Up completed this without complaint. The Board authorized \$2,000.00 additional for this effort. Our irrigation system was installed in 2003 and it is showing its age. In 2018 we continued to replace rotors and pop up spray heads that have just worn out. We have three different clocks, operating 30 zones each; with a total of 3,200 spray heads. It seems like we have broken heads every week, but with the help of multiple homeowners who report breaks to management and with the fast repair, the common areas are looking as good as the Board can remember.

Garden Club: Several homeowners have requested that we create a Garden Club for the flower beds at the large sign and to maybe create some flower pots around the smaller sign. This past year our flowers at the sign were a bit dismal however Greening Up only spent \$915.00 of the \$4,000.00 flower bed budget. The hail this year sure didn't help. The Garden Club is hopeful of creating a wonderful splash of color at the signs like we used to have. If you have an interest in helping out please contact Sally Weisser who will be spear heading this project for the Board.

Gallegos Trash Removal Contract: We have not had a price increase in our trash service contract in over three years. A new three year contract was negotiated at an increase of \$97.69 per week (which is 0.23 per house), resulting in an annual contracted amount of \$57,288.00. We will also keep our "Middle of May Clean-up Day".

Greening Up Landscaping: We are entering into our third year of the three year contract with Greening Up. There are no changes to costs this coming year.

Mail Boxes: Jorge with Greening Up will be handling the snow removal this winter. He is aware of the need for plowing around the mail boxes and trying to deal with the ice buildup that comes from cars idling and dripping water while homeowners pick up mail. Jorge put salt buckets at each location so homeowners can throw out some snow melt as needed. If these get emptied please report to the Management Company and we'll get them refilled.

Pump House: We budgeted \$40,000.00 to rebuild the Pump House irrigation pump system this year. The Board awarded the bid to and contracted with Canfield pump again, who had completed the work on our wells along the north side. We found a few things that were wearing out once the pump was pulled and the Board moved to have those replaced while under construction. This caused us to go \$5,612.00 over budget on this project, however we had \$20,000.00 budgeted in Capital Improvements the Board felt would be best used here. The new system worked great this past year. We had a couple of initial adjustments we needed to make in the spring but we are very pleased with the redesigned system

Tree Maintenance: We have decided to enter into a three year tree maintenance program with Tree Top to care for all the trees in our common areas. They will trim, spray, supplement feed and make reports to the Board on a quarterly basis as to the state of the trees and shrubs. The Board sees the HOA trees as one of our largest investments and has now budgeted to keep up with this critical care. All of the HOA trees have been inventoried and Tree Top will be making suggestions on proper replacements on all future tree needs. The Board monitored the work they did this past year and felt they did a great job and unanimously supported the three year contract. We have contracted with Just Trees again for tree replacements.

Hail Damage: This year, 2018, will be known for the record number of roofs being damaged by hail. We experienced multiple hail storms and more than half of the roofs in the HOA were replaced due to damage. The number of ARC requests coming through kept the volunteer group of ARC members swamped all summer and fall. We all thank them for their wonderful service. Thank you. Karen Johnson, Jilda Senatore, Kim Holbrook

Fence Staining: Due to all the commercial painters being swamped with the hail damage repairs, it was difficult to get the 20% perimeter fence of the HOA stained this year. The Board will consider staining two sections next year, or they may decide to just back the process up one year.

Note on Property Values: The average sales price of a home in the HOA was \$348,000.00 this year, as compared to \$317,000.00 in 2017. This represents a 10% increase in value in one year. Top sales prices were \$387,000 & \$390,000. Home sales in 2019 will start exceeding \$400,000.00. Homes available for sale dropped by 33% in 2018 as people enjoy the amenities we have in the area. (2016 & 2017 average summer sales were 30 homes vs. this year's 20 sales) It is assumed that when the High School starts construction, just that alone will increase our values 10% to 15%. As soon as they start breaking ground we should see huge increases in our values. (The High School was promised to open by 2023 – keep pressure on them to make sure it happens) Consider the reasons our community is so desirable and let's keep working together to make sure we keep those assets working for us.

Leveraged Position: Consider you bought your house a year ago (2017) at \$317,000.00 with \$20,000.00 down, an investment of \$20,000.00. Today (2018) your value would be up 10% to \$348,700.00. Let's say Poudre School District puts up a sign across the road and starts the High School next spring causing a 10% boost in the home pricing due to our proximity to the High School. Home value hits \$383,570.00 but you stay another year and consider selling in 2019 with another 10% property value increase from the average amount of annual increase – now your house is at \$421,927.00. Of course you've paid your mortgage every month and covered your tax and interest, but you also paid down on the amount you owed. Your payment would be about the same as the average rental rate today of \$1,650.00 a month – but when you own the house you get tax write off benefits and you get the benefits from your investment in your house. If in 2019 you sell your house for \$421,927.00 you'd have a gain of \$104,927.00. (Original cost was \$317,000.00) Your investment of \$20,000.00 in 2017 just gave you \$104,927.00 in return, or 524%. (This is a leveraged investment.) If you paid in full for your house you would have had a 33% increase. Leverage only seems to work if there is buy in, a vested interest in a property. It's the physics of the lever and fulcrum where you need a bit of the lever beyond the fulcrum if you expect to lift the load. A few years back when a lot of people bought homes without a buy in amount (0% down and easy to qualify), they could more easily walk away from their mortgage because they did not have a buy in. This collapsed the whole mortgage balloon which drastically dropped property values as banks tried to sell foreclosed homes for whatever they could get. Homes were soon less in value than the amount of the mortgage on them (an upside down mortgage). This dropped home values drastically and it also pulled a lot of people down with it. Home values in Buffalo Creek have rebounded and are strong. All the upside down mortgages should now be corrected and our neighborhood is one of the most sought after to move into. The Board tries to keep the HOA a clean, attractive, desirable place to move to, protecting your investment.

HOA Monthly Payments: The Board has been requesting homeowners to sign up for ACH payments. This is an automatic payment system from bank to bank. A majority of our homeowners are now using this service. Please contact us today if you wish to consider ACH. It really does save everyone time and money. You won't need to worry about remembering to send in a payment, stamps and mailing on time. We can switch you over at any time.

Reserve Requirements: HOA's are required by law to have a Reserve Study completed and set up. (The formula is based on the dollar amount of HOA assets and the replacement value) It appears there are not many HOA's who comply with this and are not meeting their requirement, however, Buffalo Creek HOA has attained and maintains the Reserve Requirement. Our goal by 2018 was \$270,000.00 (which we've met) and at the end of 2019 it's \$300,000.00. The Board elected this year to show the required annual reserve contribution amount as an expense on the budget, even though it is not an expense. Through this distinction it helps guarantee the vision and the planning to be able to achieve the goals of the Reserve Study annually, but, these funds are not spent, they are being deposited into CD's satisfying the HOA's state Reserve Requirement. Please remember this is not an expense, just a way to make sure we account for it.

2019 Possible Projects: Middle of May is Clean Up Day. We are planning this for May 11, 2019 to help again with Spring Clean Up. At our current level of HOA dues (\$40.00 per month) and due to the fact we've now completed a lot of our major projects, the increase of services like: the increase for trash removal and tree maintenance, can be absorbed in our operating budget without any increase in dues over the foreseeable future. We are budgeting for the anticipated continued repairs needed to the irrigation system, tree program, and common area maintenance.

Buffalo Creek HOA

Annual Meeting of Homeowners January 10, 2019

Registration begins at 6:00 pm Meeting 6:30 pm to 7:30 pm - Leeper Center

- I. Call Meeting to Order
- II. Establish Quorum Board Members - Introduce the Board
- III. Establish Quorum of Homeowners
- IV. Presidents Report
- V. Management Reports
 - a. Minutes of Previous Meetings - discussion - approval
 - b. Review Annual Financial Statements
 - c. 2019 Budget - discussions
- VI. Election of Board Member
- VII. Homeowners Addressing the Board on Non Agenda Items (3 minute limit)
- VIII. Next Annual Homeowner Meeting - January 9, 2020 - 6:30 pm - Leeper Center
- IX. Adjournment

PROXY

KNOWN ALL PERSONS that the undersigned, being the owner(s) of a lot in the Buffalo Creek Homeowners Association, hereby constitute(s) and appoint(s) Dan Sattler, President, Buffalo Creek Homeowners Association, or

(_____)

(The insertion of name above shall constitute a designation of the person named as Proxy)

The undersigned's true and lawful attorney, for the undersigned and in the undersigned's name, place and stead to vote as the undersigned's Proxy at the January 10, 2019 Annual Meeting of the Buffalo Creek Homeowners Association to be held at the Leeper Community Center, 3800 Wilson Ave., Wellington, Colorado 80549 at 6:30 pm or at such other day and time as the meeting may thereafter be held by adjournment or otherwise, according to the number of votes the undersigned now or then is entitled to cast: hereby grants the attorney full power and authority to act for the undersigned and in the undersigned's name at the meeting or meetings in the transaction of such business as may come before the meeting as fully as the undersigned could do if personally present, with full power of substitution and revocation; and hereby ratifies and confirms all that the attorney or substitute may do in the undersigned's name, place and stead.

IN WITNESS WHEREOF, the undersigned has (have) hereunto set the undersigned's hand this

_____ day of _____ 2018/2019.

(Signature of homeowner)

(Address)

(Print Name)