

**NOTICE OF Garage Town Del Camino
2019 Annual Member's Meeting
Thursday February 20, 2020 7PM
3656 Stagecoach Rd North Unit 101 (Club)
Longmont (Del Camino) Colorado**

Agenda

- **Welcome - Dennis**
- **2019 Review**
 - Accomplishments - Dennis
 - Budget vs Actual Expenditures - Robert
- **2020 Budget Submeeting**
 - 2020 Budget – Robert
 - Insurance History
 - Insurance Impacts
 - 2020 Unit Assessments
- **2019 Planning**
 - Reserve Accounts Status - Garrett
 - Projects - Garrett
- **Election of Directors - Bob**
 - Existing 5 Directors volunteered to stay on – re-election not required – group may wish to replace or remove Directors
 - Motions from floor to add additional Director(s), if desired
 - Motions from the floor to remove any existing Director(s), if desired
- **Voting - Bob**
 - Vote on the Resolution to accommodate IRS Revenue Ruling 70-604 et. al.
 - Advisory votes may be requested as issues arise in discussions
- **Adjourn**

Note: A copy of this Agenda, Proxy, Supporting detail covering 2019 expenditures, 2020 Budget, Reserve analysis, 2019 Accomplishments, 2020 Projects and Policies & Procedures will be available on GT-DC web site by February 15th.

2019 Accomplishments

- **Banking**
 - Changed from Independent Bank (was Guaranty Bank) – Now TBK Bank
- **Unit 101 (Club) Heating / Cooling**
 - Unit replaced – equipment warranty by manufacturer
 - Original installation deemed improper – attempting to deal with installer
- **Landscaping**
 - Cleanup
- **Asphalt paved areas**
 - Crack sealing completed
- **Budgeting**
 - Updated Reserve Study
 - Funded reserves for 2020
 - Established 2020 budget
- **Security system**
 - Fiber optic cables installed linking all riser rooms
 - Conduit to support new cameras installed on all buildings
 - Cat 6 cables installed in building 3
 - Cameras installed and tested in building 3
 - Internet access linkage installed and tested
- **Insurance**
 - Investigated numerous sources for insurance policy – 2019 rate \$14,115 was (\$10,383)
- **Rebates**
 - United Power \$126.08

2019 Accomplishments (continued)

- **Bookkeeping / Tax filing**

- All tax filings up to date

- **Policies**

- No new policies

- **Backflow Testing**

- Completed by Left Hand Water District contractor

- **Fire Suppression System**

- Fire extinguishers certified / recharged / replaced as required
- Annual inspection completed
- All gauges replaced in all riser rooms – periodic requirement to test or replace

- **Signage**

- no new activity

- **Mail box**

- Agreement reached with USPS regarding mail delivery
- Additional USPS box clusters purchased

- **Office**

- New (to us) laser printer – donated

- **Building Repairs /**

- Inspected roof fasteners - ok
- Roof condition – ok
- Water heater element replaced in south rest room
- Replaced rug in Club
- Replaced yellow barrier “chains” east side of Buildings 1 and 4 – sun deterioration
- Gutter dripping – especially building 5 – installed fiber mesh and sealer

2019 Accomplishments (continued)

- **Trees**

- Spider Mites in Honey Locust trees – sprayed

- **Web Site**

- www.GarageTownDelCamino.com

- **Documentation**

- Operations Manual development continuing – to contain process and procedures for operation of the project from the Board of Directors perspective – scheduled and unscheduled maintenance, inspections, contractors, billing, etc.

ACTUAL vs BUDGET 2019

Table 1

		2019	2019		
		BUDGET	Actual		
INCOME					
	LATE FEES	\$150	\$530		
	OPERATING ASSESTMENTS	\$58,800	\$59,075		
	WATER FEES	\$250	\$264		
	TRANSFER FEES	\$500	\$1,200		
	MISC OTHER	\$252	\$375		
		\$50	\$274		
TOTAL INCOME		\$60,002	\$61,718		
EXPENSES					
	INTERNET	\$1,300	\$1,524		
	TAX	\$15	\$0		
	MAINT OTHER	\$3,000	\$507		
	CLUB HOUSE CONSUMABLES	\$500	\$317		
	COMMON, PROPERTY	\$10,000	\$8,072		
	SECURITY REPAIRS	\$1,000	\$450		
	OFFICE	\$350	\$995		
	SNOW REMOVAL	\$3,000	\$5,435		
	TRASH	\$3,000	\$3,191		
	JANITORAL	\$2,800	\$4,147		
	FIRE	\$1,200	\$446		
	ELECTRICITY LIGHTS	\$4,200	\$4,179		
	WATER	\$800	\$1,087		
	SEWER	\$600	\$240		

ACTUAL vs BUDGET 2019

	ACCOUNTING	\$3,000	\$3,507		
	BANKING				
	INSURANCE				
	LICENSE	\$0	\$11		
	WEB SITE	\$0	\$0		
	TOTAL USUAL	\$34,765	\$34,108		
	TOTAL EXPENSES	\$34,765			
	NET ABOVE EXPENSES	\$25,237	\$27,610		
	CAPITAL EXPENSES		\$14,644		
	INSURANCE		\$14,115		
	NET		-\$1,149		

Budget and Insurance Discussion

● Overview

- The Association general reserves has been funding the insurance increases since the last assessment increase (Jan 1, 2012).
- The Board has determined that this is having a detrimental impact on reserves allocated for future facilities maintenance / replacement.
- The Bylaws and Declarations require special reserve for insurance
- The Board has determined that an increase, dedicated to insurance reserve, is required.
- This change becomes effective unless a veto by the majority in attendance at the Budget Meeting.

● Insurance Costs History

- The Treasurer has graphed the history of the Insurance Costs from 2010 to 2019, (attached)
- The Insurance Cost per unit has increased from \$64. per unit per year in 2012 to \$168 per unit per year despite the Board's attempt to control using yearly bidding and other cost savings measures.

● Bylaws and Declarations Requirements

- **The Bylaws state in Article VI 1** : “The association shall maintain separate accounts for current operations, reserves and a special insurance reserve account for payment of insurance and Bond premiums, if any. . . . the Treasurer shall first deposit to the insurance reserve account . . . “
- **The Bylaws state in Article V 9** : “The proposed budget does not require approval from the Unit Owners and it will be deemed to be approved by the Unit Owners in the absence of a veto at the noticed meeting by a majority of each class of voting Membership, whether or not a quorum is present . . . “
- **The Declaration states in Article XII E** : “The association shall maintain separate accounts for current operations, reserves and a special insurance reserve account for payment of insurance and Bond premiums, if any. . . . the Treasurer shall first deposit to the insurance reserve account . . . “
- **The Declaration states in Article XII B** : “The proposed budget does not require approval from the Unit Owners and it will be deemed to be approved by the Unit Owners

Budget and Insurance Discussion (Continued)

in the absence of a veto at the noticed meeting by a majority of each class of voting Membership, whether or not a quorum is present . . . “

● Assessment Revision

- The Board has therefore determined and voted to increase the unit assessment from the current \$700. per year to \$840 per year.
- Beginning the second quarter billing in 2020 the quarterly payment will be \$210. instead of the current \$175.
- The Board has further determined that in order to keep the insurance account current the assessment will be adjusted each January, up or down in \$5. increments, based on the last actual insurance bill (the insurance rolls over in July).

● Examples

- **Example 1:** The July bill for insurance changes from \$14,112 per year to \$16,000. a difference of \$1,888. or \$22.50 per unit. Round to the nearest \$5 to \$25 per unit per year. The new assessment starting on January 1st would be \$865. per unit per year.
- **Example 2:** The July bill for insurance changes from \$14,112 per year to \$13,240. a difference of \$872. or \$10.38 per unit. Round to the nearest \$5 to \$10 per unit per year. The new assessment starting on January 1st would be \$830. per unit per year.

● 2020 Budget

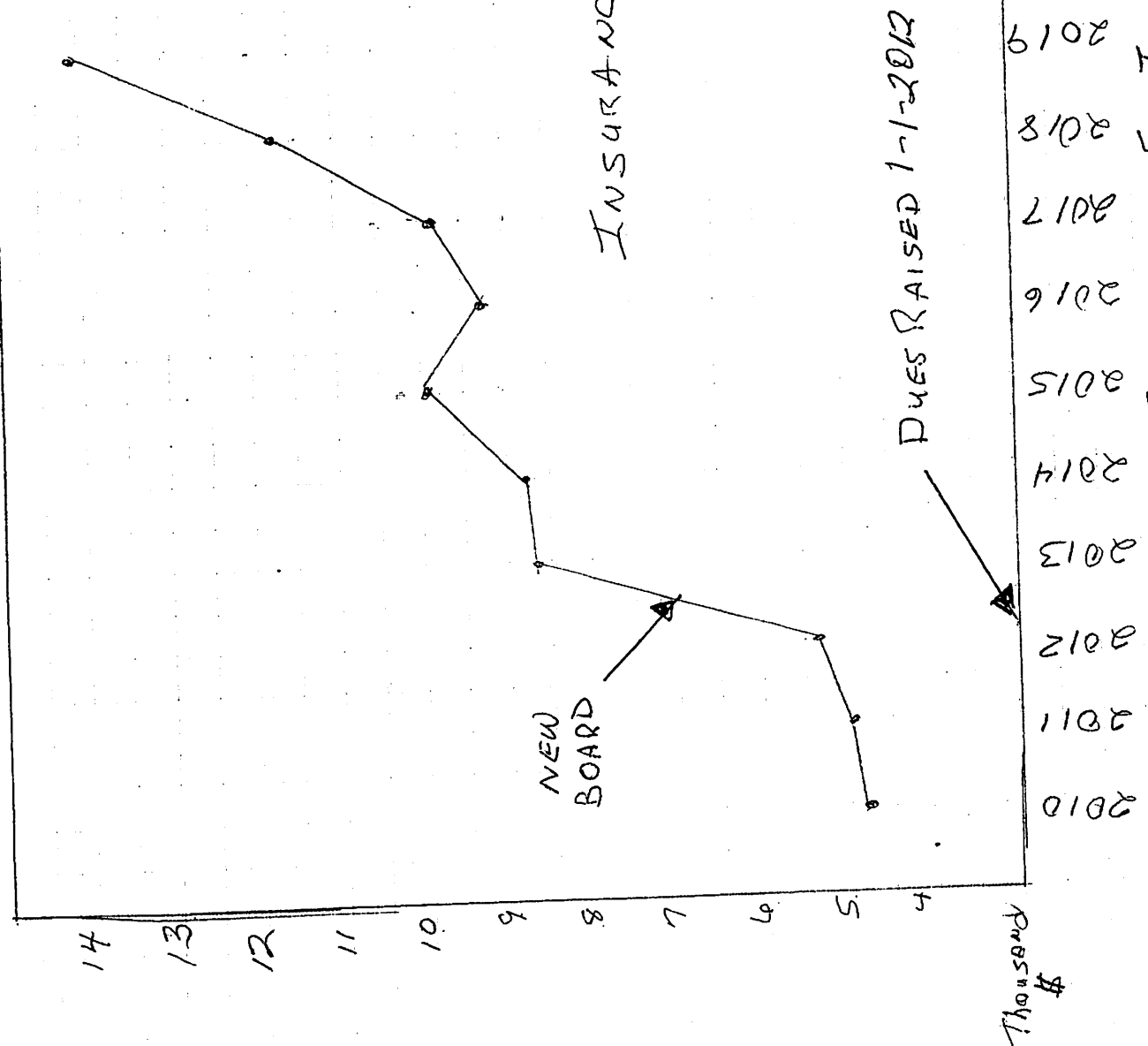
Attached

Cost per Unit

2010	\$56 ea
11	\$59
12	\$64
13	\$103
14	\$105
15	\$119
16	\$111
17	\$118
18	\$140
19	\$168

IN 10 years
it has
tripled

INSURANCE COSTS BY YEARS



NEW BOARD

DUES RAISED 1-1-2012

ANNUAL EXPENDITURE FOR INSURANCE

Thousand \$

2020 GTDC BUDGET / CASH FLOW ANALYSIS

INCOME

WATER FEES	\$250
INSURANCE ASSESSMENTS (1,2)	\$15,120
OPER, AND RESERVES ASSES. (2)	\$52,500
MISC	\$100
TRANSFER FEES	\$300
LATE FEES	\$200
OTHER	\$15

TOTAL INCOME

\$68,485

EXPENSE

SECURITY	\$500
WRITE-OFFS	\$0
OFFICE EXPENSE	\$500
PRINTING	
POSTAGE	
SUPPLIES	
UNIT MAINTENANCE	\$3,000
MISC	
LOCKSMITH	
CLUB HOUSE	\$500
CONSUMABLES	
COMMONS AREA	\$10,000
EQUIP MAINT	
MATERIALS	
BUILDING	
CONSUMABLES	
PEST CONTROL	
SNOW REMOVAL	\$3,000
TRASH	\$3,000
JANITORIAL	\$3,780
FIRE PROTECTION	\$1,200
SPRINKLER INSPECTION	
FIRE EXTINGUISHERS	
TELEPHONE WARNING SYST.	
ELECTRICITY	\$4,200
LIGHTING & HEATING	
OFFICE	
WATER	\$800
SEWER	\$600
TAX	\$15
ACCOUNTING	\$3,000
BANKING	\$0
INSURANCE	SEE INSURANCE RESERVE BELOW
INTERNET	\$1,300
WEB SITE	\$0

TOTAL EXPENSE

\$35,395

FACILITY RESERVE ALLOCATION

\$17,970

INSURANCE RESERVE

\$15,120 Note (1)

(1) GTDC Governing documents require insurance to be a reserve item

At \$45 per quarter per unit

(2) Based on \$175 first quarter and \$210 for Q2, Q3, Q4

2020 Garage Town DC Reserve Study pg 1 of 2

Project	2020		2021		2022		2023		2024		2025		2026	
	Qtr	Budget	Qtr	Budget	Qtr	Budget	Qtr	Budget	Qtr	Budget	Qtr	Budget	Qtr	Budget
Seal asphalt areas (note 1)		\$1,500		\$3,330		\$5,197		\$7,101		\$9,043		\$11,023		\$13,044
Crack sealing (note 2)		\$1,800		\$3,240		\$4,392		\$5,314		\$6,051		\$6,641		\$7,113
Landscape - zero scape completion		\$800		\$700		\$700		\$2,100		\$700		\$700		\$1,000
Landscape - refurbish		\$1,000		\$500		\$1,000		\$1,500		\$2,000		\$500		\$1,000
Fire system inspection		\$15,000		\$1,500		\$2,000		\$3,000		\$3,000		\$3,000		\$5,000
Security system - replace & upgrade		\$1,000		\$2,000		\$3,000		\$4,000		\$5,000		\$5,000		\$5,000
Concrete		\$1,500		\$2,000		\$2,400		\$2,800		\$3,200		\$3,600		\$3,600
Gates & Fencing - replacements		\$15,120		\$15,574		\$16,041		\$16,522		\$17,018		\$17,528		\$18,054
Insurance required this year (note 5)		\$16,000		\$16,480		\$16,974		\$17,484		\$18,008		\$18,548		\$19,105
Insurance reserve next year (note 5)		\$200		\$500		\$1,000		\$1,500		\$2,000		\$1,000		\$1,000
Lighting Upgrade		\$500		\$250		\$1,000		\$2,000		\$3,000		\$4,000		\$5,000
Exterior Painting (man doors, bollards) (note 4)		\$7,500		\$9,000		\$10,500		\$12,000		\$13,500		\$15,000		\$16,500
Building exterior (note 3)		\$500		\$50		\$150		\$200		\$250		\$300		\$350
Mailbox Upgrade / Maintenance		\$500		\$1,000		\$1,500		\$2,000		\$2,500		\$3,000		\$3,500
Drainage		\$10,000		\$15,000		\$20,000		\$25,000		\$30,000		\$35,000		\$40,000
Major building repair / replacement		\$72,920		\$71,124		\$85,854		\$102,520		\$112,769		\$121,841		\$135,765
[1] Totals needed for year {total all items in column}		\$30,120		\$15,624		\$16,041		\$16,522		\$19,018		\$17,528		\$18,054
[2] Expenditures this year {total of shaded items}		\$42,800		\$55,500		\$69,813		\$85,998		\$93,752		\$104,312		\$117,711
[3] End of year balance required {=[1]-[2]}		\$73,306		\$76,276		\$85,998		\$102,520		\$112,769		\$121,841		\$135,765
[4] Starting Balance (Note 6)														
[5] Added funds required to make this year {=[1]-[4]}														
[6] Added funds available from budget (note 5)		\$33,090												
[7] Projected end of year status {=[6]-[5]}		\$33,476												
[8] Available funds to next year {=[3]+[7]}		\$76,276												

NOTES:

- Estimates are scaled up by 2% per year for inflation
- Crack sealing = repair of asphalt cracks and interfaces between asphalt and concrete
- Unit owners are responsible for the overhead doors, man doors and bollards
- Association to control painting of man doors and bollards to maintain appearance
- Includes insurance for current year and next year - CC&Rs require insurance reserve
- Starting Balance = Savings Acct \$60,102.06 + \$13,203.92 from checking

background indicates the year of actual expenditure
background indicates accumulated balance in non-expenditure years

2019 Garage Town DC Reserve Study - END OF YEAR contribution pending pg 2 of 2

More Notes

1. Security system replacement pushed out to 2019 / 2020
2. Concrete reserve was \$5,000 in 2017 – reduced to \$2,000
3. Insurance reserve was \$12,000 in 2019 but turned out to be \$14,115
4. Man door painting in 2016 was less than projected and completed – reduce 2017 - 2018 to \$1,000 – 2019 to \$500

2020 Projects

- **Security System**
 - Complete installation / test of of RioLink equipment
 - Establish procedure for owners to have access to video
- **Asphalt**
 - Continue maintenance as required
 - Crack sealing – as required
- **Drainage**
 - Continue to monitor
- **Reserve funding for future repairs / upgrades**
 - Maintain
- **Mailboxes**
 - Install and coordinate with USPS
 - Establish procedure such that each unit can have mail delivery
- **Policies and Procedures**
 - Monitor for compatibility with Colorado statutes and regulations
- **Administration**
 - Author Operations Manual – document details of operation of GT-DC - continues
- **Landscaping**
 - Maintain
- **Bird Issues**
 - Maintain
- **Building Maintenance**
 - Monitor roofing screw issue
 - Replace selected deteriorated overhead door seals

**RESOLUTION OF THE
Garage Town Del Camino Storage Condominium Owners, Inc.**

RE: ANNUAL OPERATING FUND SURPLUS TO BE REBATED TO UNIT OWNERS AND SPECIAL ASSESSED AS A CAPITAL CONTRIBUTION TO THE REPLACEMENT FUND

WHEREAS, the Garage Town Del Camino Storage Condominium Owners, Inc. is a Colorado corporation duly organized and existing under the laws of the State of Colorado;

and

WHEREAS, the members desire that the corporation shall act in full accordance with the rulings and regulations of the Internal Revenue Service concerning the proper treatment of annual operating surpluses if any as provided by the guidelines established by Revenue Rulings 70-604, 75-370, and 75-371.

NOW, THEREFORE, the members hereby adopt the following resolution by and on behalf of the Garage Town Del Camino Storage Condominium Owners, Inc.

RESOLVED, that any operating assessment amounts collected by or paid to the Association in excess of operating expenses for the year ended *December 31, 2019* shall be returned to the Unit Owners in the form of a rebate in the following fiscal year. Such rebate shall be prorated based on the same proration method used to compute the assessment from which the surplus in question arose. Be it further resolved that this operating surplus rebate shall be special assessed in a like amount as a capital contribution to the Replacement Reserve Fund and be used for common area capital improvement debt retirement or set aside for future common area major repairs and replacements and allocated to capital components. Such amounts shall be deposited into insured, interest-bearing accounts. Any amounts so added to replacement funds shall be allocated to the various components at the discretion of the Board of Directors.

This resolution is adopted and made a part of the minutes of the Annual Meeting of the Owners held on *February 20, 2020*.

By: _____ *President* Dated: _____

By: _____ *Secretary* Dated: _____

PROXY for February 20, 2020 ANNUAL MEETING
of
GARAGE TOWN DEL CAMINO STORAGE CONDOMINIUM
OWNERS, INC.

INSTRUCTIONS

1. Proxies are to be returned if you will not be attending the Annual Meeting.
2. Complete one Proxy per legal owner and indicate unit numbers owned.
3. You may designate any Garage Town Del Camino owner or Board member (list below) to vote your proxy specifically.

I /We _____, the current owner(s) (or designated representative) of Unit No(s). _____, Garage Town Del Camino, do hereby appoint _____ as my true and lawful Attorney-in-fact to vote my interest in the Garage Town Del Camino Storage Condominium Owners, Inc. at its Annual Meeting to be held at 7:00 p.m. on February 20, 2020 at 3656 stagecoach Rd, Del Camino, Colorado or any adjournments thereof, with the power to vote and act for me to the same extent I might were I personally present.

(signed) _____
owner(s) or designated representative

PROXIES MUST BE PROPERLY EXECUTED AND RECEIVED BY 12:00 Noon on February 20, 2020.

Limited Proxy - expires upon the adjournment of the February 20, 2020 Annual Meeting and supersedes any past proxies.

Please mail the completed original to:
GARAGE TOWN DEL CAMINO STORAGE CONDOMINIUM OWNERS, INC.
PO Box 452
Mead, Colorado 80542

Current Board members:

President / Director: Dennis Mutcher
Vice President / Director: Steve Meyer
Secretary / Director: Garrett Quackenbush
Treasurer / Director: Robert Thiessen