

Windsboro Homes Association

Annual Meeting

HOA Survey, Long-Term Plans,
Ponds and Dues

February 3, 2015



Agenda

- Sign-in and contact information – Steve Johnson
- Welcome – Jim Jennings
- Survey results – Jim Jennings
- Pool – Kathy Johnson
- Architectural Review – Brian Franciskato
- Board Elections – Jim Jennings
- Pond Maintenance – Hulen Jenkins & Jim Jennings
- Dues Comparison and History
- 2015 Budget and 5-Year Forecast
- Next Steps

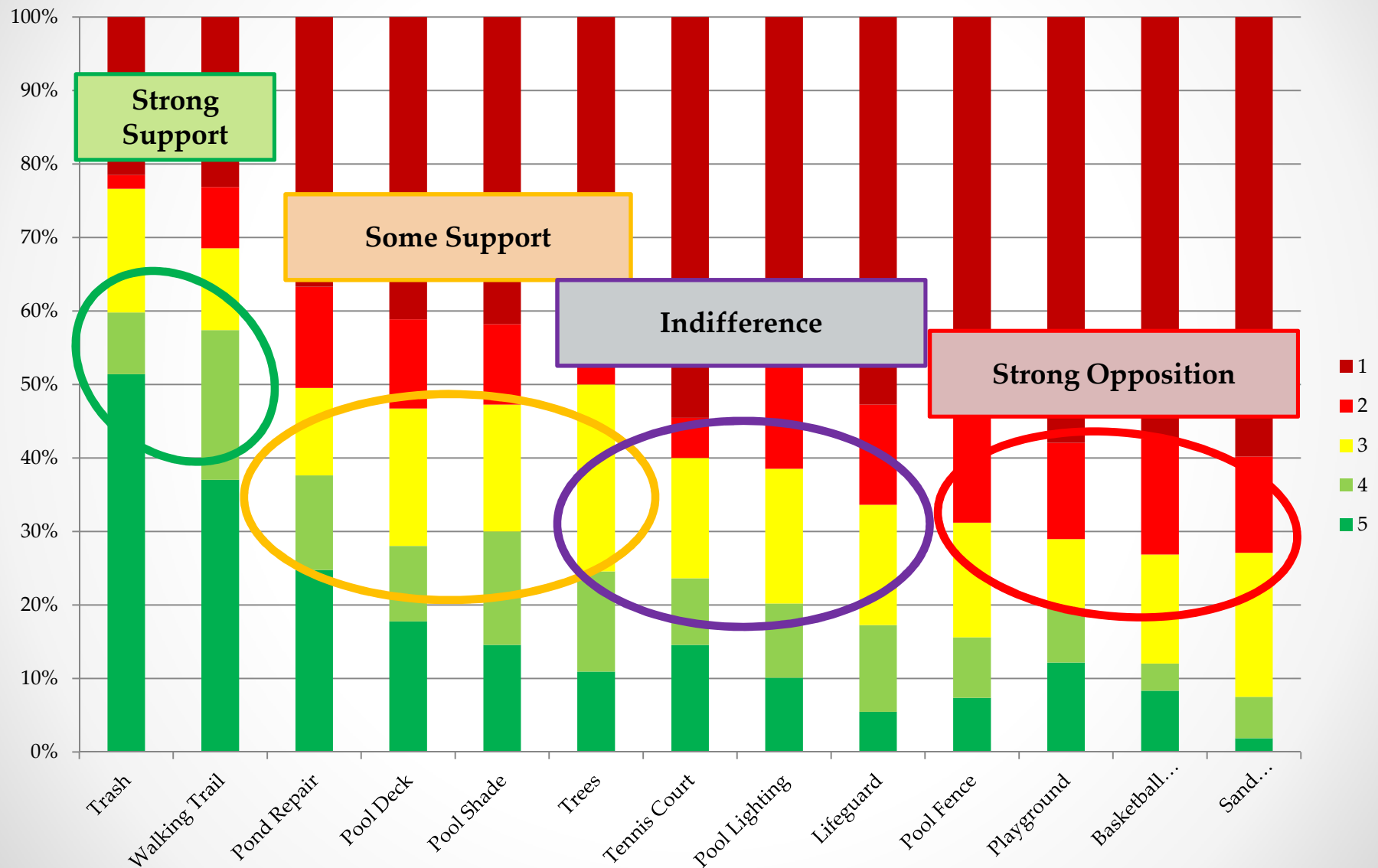
2014 Officers, Committees and Volunteers

- President – Jim Jennings
- Vice President & Chair of Architectural Review Committee - Brian Franciskato
 - Committee members - Kelly O'Brien
- Secretary - Steve Johnson
- Treasurer - Chuck Davis
- Member at Large & Chair of Pond Committee - Hulen Jenkins
 - Committee members – Pete Zanoni, Ron Baker, Craig Ham, Stan Chandler, Steve Johnson, Jim Jennings
- Pool Chair - Kathy Johnson
- Social Chair - _____
- Grounds – Ron Baker
- Sprinklers – Paul Herrmann
- Pool and Grounds Volunteers – Dee and Dave Gromes, Roger Davenport
- Web site – _____

Survey Questions

- Scale:
 - 1 = Not Important
 - 5 = Highly valued improvement
- New amenities
 - mile-long **walking trail** (\$5,000 - \$15,000)
 - **playground** in Windsboro (\$35,000 - \$40,000)
 - sand **volleyball** court (\$15,000)
 - **tennis** court (\$20,000 - \$65,000)
 - **basketball** court (\$7,000 - \$15,000)
 - **lifeguard** (\$10,000 per year)
 - one **trash service** for all of Windsboro
- Improvements and major repairs
 - expand **pool deck** (\$5,000 - \$7,000)
 - new / upgraded **pool fence** (\$11,000)
 - additional **lighting** on the pool deck (\$5,000)
 - **canopies or pergolas** on the pool deck (\$3,500 - \$7,000)
 - **ponds** brought back to their condition 20 years ago (\$350,000 - \$450,000)
 - Windsboro drive to be **tree-lined** (\$15,000 - \$20,000)

Survey Results 111 Respondents



Survey Results – Volunteer Interest

- Ponds Committee
 - Stan Chandler
 - Pete Zanoni
 - Stephen or Kiki Boinski
 - Mark or Jennifer Shapely
 - Brian or Gina Gunsallus
- Grounds
 - Ron Baker
 - Stephen or Kiki Boinski
 - Jim Jennings
 - Mark or Becky Socha
- Bylaws & Covenants
 - Stephen or Kiki Boinski
 - Jim Jennings
- Pool
 - Stephen and Kiki Boinski
 - Robert and Robbin Craddock
- Capital Improvements (walking trail, pool deck, shade)
 - Ken Glenn
 - Tom and Jill Benassi
 - Stephen and Kiki Boinski
 - Megan and Jeremy Coonts
 - Brendon Collier
 - Jim Jennings
 - Mark and Becky Socha
 - Craig Leslie

Survey Results – Board Interest

- President
 - Jim Jennings
- Treasurer
 - Tom or Jill Benassi
 - Brendon or Jennifer Collier
 - Jim Jennings
 - Kevin or Kathy Cairnes
- VP - Architectural Review Chair
 - Luke Guittar
 - Brian Franciskato
 - Stephen or Kiki Boinski
- Secretary
 - Steve Johnson
- Member At Large
 - Hulen Jenkins
 - Chuck Davis
 - Rex Devilbiss
 - Shawn or Lisa Apking
 - Stephen or Kiki Boinski
 - Brendon or Jennifer Collier
 - Robert or Robbin Craddock
 - Doria Staats

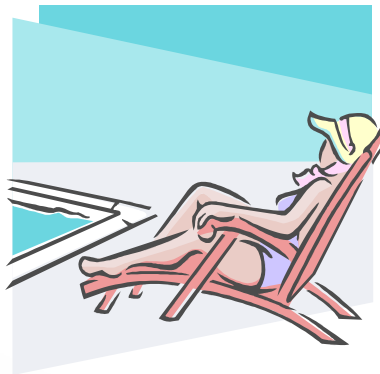
Pool Summary 2014

Kathy Johnson

- Coping Stone repair – \$13,700
- Umbrella repair and replacement - \$140
- Recycle trash bin added
- Flowers added to pool entrance
- Non resident pool access – netted \$2,600

Future Pool Expenses

- Pool motor replacement- \$5,000
- Lounge chair replacement - \$500
- Deck expansion - \$3,000
- Security camera installation - \$3,000
- Pool House repair and paint - \$3,500



Architectural Review Committee

Brian Franciskato



Officer Nominations & Elections

Committee Volunteers

- Officers / HOA Board of Directors
 - President – Coordinate and lead regular meetings, oversee HOA initiatives
 - Treasurer – Dues billing, pay HOA bills, prepare budget
 - VP - Architectural Review Chair – review architectural requests
 - Secretary - communications and web site
 - Member At Large – lead project as needed (e.g. pond repairs committee)
- Committee Members or Leaders:
 - Ponds committee – planning and oversight of pond repairs and maint.
 - Grounds committee – oversight of mowing, sprinklers, trees & shrubs
 - Architectural Review committee - review architectural requests
 - Bylaws & Covenants - update bylaws and covenants & restrictions
 - Pool committee – oversight of pool and maintenance needs
 - Capital Improvements committee – planning and vendor selection
 - Social committee – plan and communicate social events
 - Webmaster – Update information on windsboro.org

Pond Maintenance Recommendation

Hulen Jenkins, Jim Jennings

Pond Problems

- Root causes:
 - Age: 20+ years old
 - Bank erosion
 - Sediment accumulation from run-off & mowing
- Resulting Problems:
 - Shallow lakes (depth < 3ft)
 - Algae
 - Weeds
 - Geese and feces
 - Unpleasant odor
- Consequences:
 - Poor aesthetics for Windsboro community
 - Lower property Values
 - Unhealthy aquatic life

Pond Locations

(Pond 5 is between 5th Ter, Asheville & Canterbury)



Pond photo as of early May. Algae already forming on north edge of ponds 1, 3 & 4.

Summer Pond Conditions



Algae-covered pond #2



Algae-covered pond #4



Dam between #3 & 4



Dam between #2 & 3 not functioning

Objectives

- Improve appearance
 - Repair bank erosion
 - Reduce algae
 - Reduce goose feces
- Reduce cost by delaying subsequent dredging
- Return ponds to a state that makes them a source of neighborhood activity and pride
- Maintain or improve real estate value

Planning Phase

- 2012 - Professional assessment
 - Performed a detailed assessment of all ponds and recommend maintenance solutions
 - Water and sediment depth
 - Lab analysis of sediment samples
 - Observation and documentation of other lake conditions
 - Recommendations included:
 - Remediation of existing problems
 - Methods to delay or reduce cost of future maintenance
- 2013 / 14 – Plan revisions, approval and estimates
 - Meetings with and approvals from City of Lees Summit & Corp of Engineers
 - Dredging vendors difficult to find for a job this small
 - Revised plans to meet what contractors believe they can execute
 - NO perimeter shaping to reestablish banks via backhoe
 - Identified opportunities to reduce cost

Lake Statistics (2012)

	#1 (near pool)	#2	#3	#4 (large lake)	#5 (Ashville)	Total
Max depth (water + sediment)	6.0	8.0	6.0	8.0	11.0	
Average depth (water + sediment)	4.4	5.1	3.6	3.7	4.3	
Average water depth	2.8	3.7	2.3	1.6	2.7	
Water depth better / (worse) that 3ft min.	(0.2)	0.7	(0.7)	(1.4)	(0.3)	
Total Sediment(cuyd)	1,115	1,094	749	8,132	2,328	13,814
Recommended "additional" removal	2,000	600	1,000	13,000	4,500	
Planned removal	1,115	1,094	749	8,132	-	11,090

- Water less than 3 ft.. deep results in excessive algae, weeds and mosquitoes.
- Ponds 1, 3 & 4 have nearly as much sediment as water
- Recommended "additional" sediment removal will bring lakes to a healthy state for fish and long-term sediment capacity, but will cost an additional \$370,000.

Revised Pond Maintenance Plan

Action	Benefit
Implement over 5 Years	Spread the cost over time
Build sediment basins (ponds 4 & 5)	Collection and maintenance of future sediment; defer the next major dredging by up to 40 years
Dredge and seed (ponds 1-4)	Lake depths to 4ft; eliminate algae; most effective option to remove the majority of sediment
Seed banks with native grasses	Deter geese from congregating & long roots to stabilize banks
Stop mowing banks	Reduce sediment and bank erosion; deter goose congregation
Turn pond 3 into a creek	Might save \$ (no dredging pond 3, less seeding & spreading if pond 1&2 sediment fills pond 3)
DO NOT Dredge Pond 5	Save cost. Pond is in better condition than the others
DO NOT Remove Additional sediment	Save cost. Would cost an additional \$370,000

2015 Budget and 5-Year Forecast

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Jim Jennings & Chuck Davis

Dues History

- Windsboro dues have not changed for 12 years (\$340 since 2003)
- During the last pond assessment (to re-build dams) Windsboro homeowners agreed to **pay at the time pond work is performed** rather than save a little every year
- A vote to increase dues in 2010 received support but was set aside until a long-term financial plan was in place
- \$1,100-\$1,600 cumulative savings per home by not increasing dues 3.5% to 5.0% each year, for 12 yrs
- 2015 dues would be \$611 with a 5% annual increase since 2003

Dues Comparison

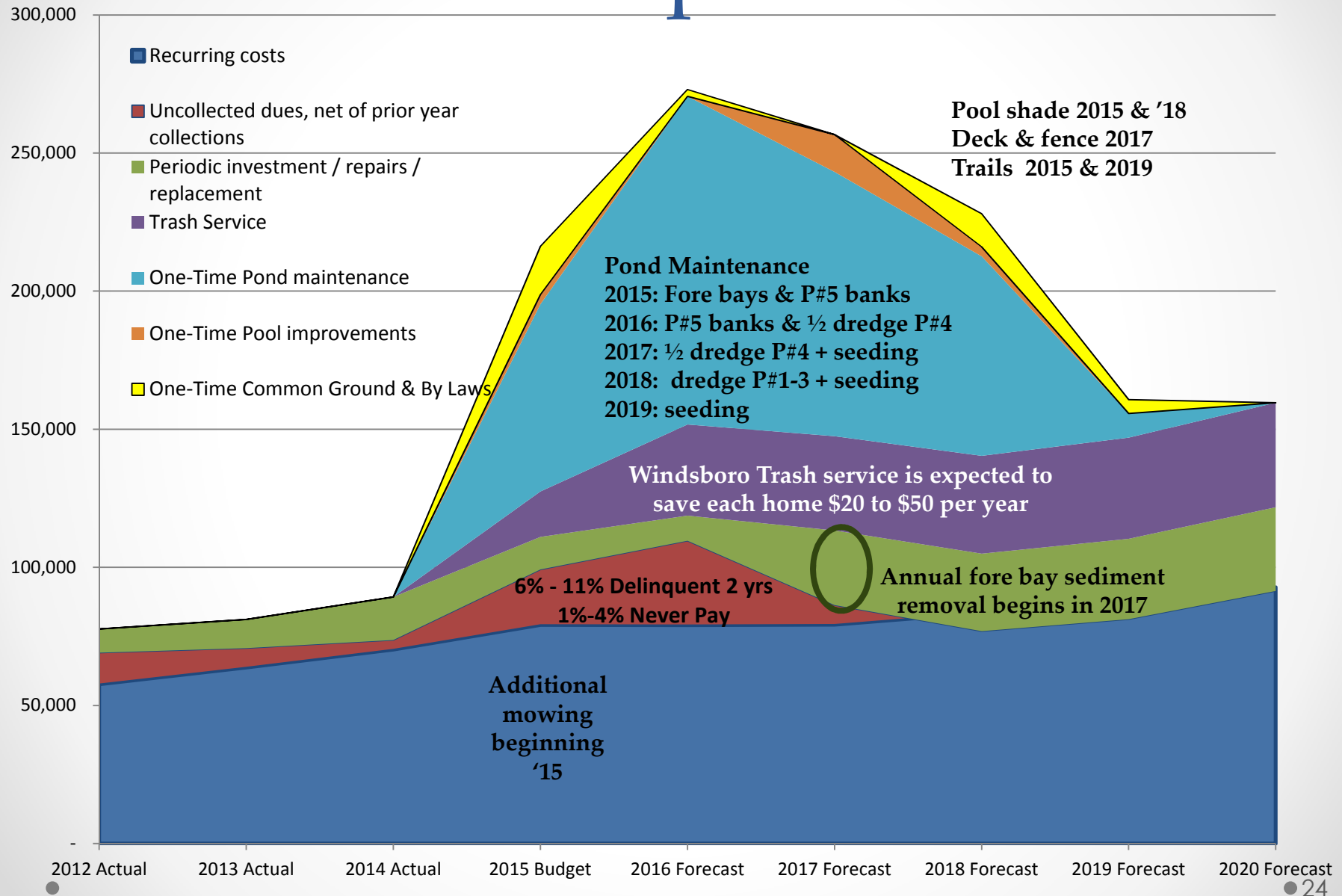
Ratios & Analysis	Windsboro	Mill Creek & Summit Mill	Paddock	Oak Tree Farms	Legacy Woods	Canterbury	Somerset	Bent Tree Bluff	Meadows at Winterset	Winterset Valley
Dues/Year	\$340	\$375	\$500	\$345	\$400	\$260	\$175	\$310	\$360	\$772
Annual Budget	74,800	66,750	150,000	129,146	79,600	16,380	26,250	94,550	149,400	235,460
Budget per acre of pond/lake	9,350	2,670				16,380		18,910		47,092
Budget per acre of common ground	5,343	22,250	50,000	129,146	26,533	16,380	13,125	23,638	49,800	33,637
Budget per acer of water + common ground	3,400	2,384	50,000	129,146	26,533	8,190	13,125	10,506	49,800	19,622
Pond/lake acres per home	0.036	0.140	0.000	0.000	0.000	0.016	0.000	0.016	0.000	0.016
Common Ground Grass Acres per home	0.064	0.017	0.010	0.003	0.015	0.016	0.013	0.013	0.007	0.023

- 5 Ponds and 10+ acres of Common Ground for only 220 homes creates significant budget pressure.
- Windsboro has been cutting corners to make ends meet for years.

Budget Pressure

- Recurring annual items
 - 59% increase in mowing and tree maintenance from 2012 to 2014
 - Survey demand for even more frequent mowing
 - 30% Increase in Utilities in 2014
 - Have been dipping into savings for the past two years
 - \$8,000 per year to chemically treat ponds (reduce, not eliminate, algae)
- Long-term maintenance demands
 - Ponds
 - Pool pump
 - Pool house repairs
 - Rewrite bylaws and covenants
 - Turf & sprinkler repair
 - Replace dead & dying trees
- New capital investment
 - Trails
 - Pool shade
 - Expand pool deck

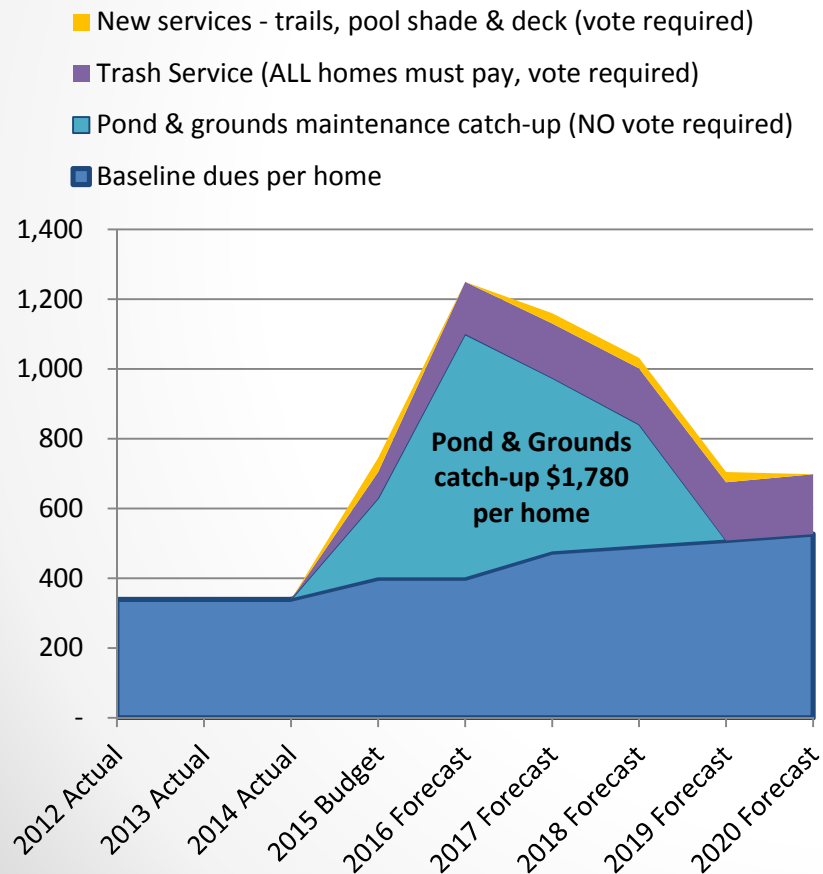
Windsboro Expense Forecast



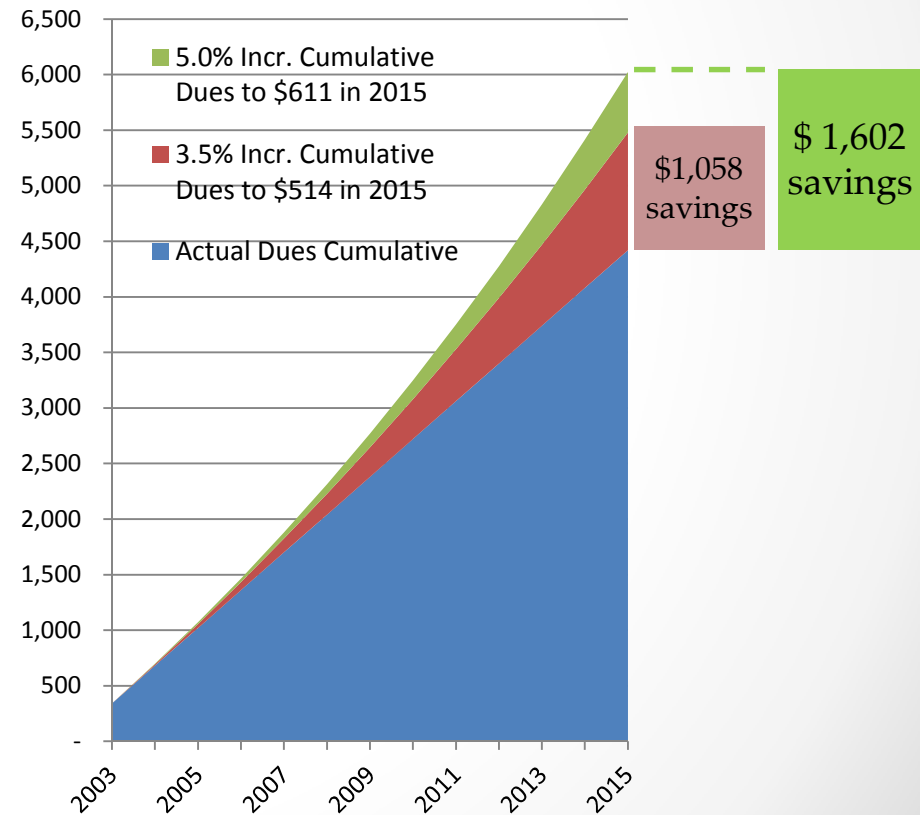
No Dues Increase Since 2003

Offsets Most of the One-Time Dues

Forecast Dues per Home



Historical Dues Per Home



6-Year Revenue Forecast

Windsboro Financial Forecast										
Proposal as of February 2, 2015	2012 Actual	2013 Actual	2014 Actual	2015 Budget	2016 Forecast	2017 Forecast	2018 Forecast	2019 Forecast	2020 Forecast	2015 - 2020 Total
Revenue										
Baseline dues per home	\$ 340	\$ 340	\$ 340	\$ 400	\$ 400	\$ 475	\$ 492	\$ 509	\$ 527	
Pond & grounds maintenance catch-up (NO vote required)				230	700	500	350	-	-	1,780
Trash Service (ALL homes must pay, vote required)				82	164	170	176	182	188	
New services - trails, pool shade & deck (vote required)				40	-	30	30	30	-	130
Total Dues per home	\$ 340	\$ 340	\$ 340	\$ 752	\$ 1,264	\$ 1,175	\$ 1,047	\$ 721	\$ 715	
x # of Homes	220	220	220	220	220	220	220	220	220	
Dues Billed:										
Baseline dues	\$ 74,800	\$ 74,800	\$ 74,800	\$ 88,000	\$ 88,000	\$ 104,500	\$ 108,158	\$ 111,943	\$ 115,861	
Pond & grounds maintenance catch-up				50,600	154,000	110,000	77,000	-	-	391,600
Trash Service				18,040	36,080	37,343	38,650	40,003	41,403	
New services - trails, pool shade & deck (vote required)				8,800	-	6,600	6,600	6,600	-	28,600
Dues Billed	74,800	74,800	74,800	165,440	278,080	258,443	230,407	158,546	157,264	
Non-resident Pool Fees	1,000	1,800	2,600	2,000	2,100	2,205	2,315	2,431	2,553	
Unpaid net of collection of prior year dues	(11,428)	(7,025)	(3,415)	(20,302)	(30,909)	(7,232)	6,595	6,700	1,243	(43,906)
Investment and Interest Earnings	1,576	1,749	1,600	825	525	525	525	525	525	
Total Revenue	\$ 65,948	\$ 71,324	\$ 75,585	\$ 147,963	\$ 249,796	\$ 253,941	\$ 239,842	\$ 168,201	\$ 161,585	

- Returning un-spend dues
 - Board adopted a reserve balance policy requiring the return of excess reserves to the HOA membership via a one-time reduction in the annual dues, maintaining a projected 3-year reserve balance not to exceed \$45,000.
- HOA vote NOT required for fees attributed to maintenance:
 - Baseline dues to \$400 in '15 & '16 and \$475 in 2017 to maintain ponds, grounds and pool.
 - \$1,780 per home spread over 4 years to catch-up on pond and grounds maintenance, offset by \$1,100 - \$1,600 saved over last 12 years.
- HOA vote IS required for new amenities and services:
 - \$164 per home for estimated annual trash service (group rate).
 - \$130 per home spread over 4 years to install walking trails, expand pool deck and install pergolas or canopies,
- Unpaid HOA dues are forecast to be:
 - 15% of homes in 2015, dropping to 8% by 2018,
 - 75% of unpaid dues collected 2 years later.
 - Forecast includes \$13,650 of legal fees over 5 years to file liens on non-paying homes.

2015 Budget & 5-Year Forecast

Windsboro Financial Forecast										
Proposal as of February 2, 2015	2012 Actual	2013 Actual	2014 Actual	2015 Budget	2016 Forecast	2017 Forecast	2018 Forecast	2019 Forecast	2020 Forecast	2015 - 2020 Total
Revenue	\$ 65,948	\$ 71,324	\$ 75,585	\$ 147,963	\$ 249,796	\$ 253,941	\$ 239,842	\$ 168,201	\$ 161,585	
Expenses:										
Recurring costs (pool, mowing, etc.)	57,686	63,742	70,274	79,175	79,095	79,231	83,498	88,009	92,778	
Annual Funding of periodic investment / repairs / replacement:										
Ponds (forebay maint, tall grass, consultant)	6,149	8,432	1,950	2,000	1,100	18,600	19,500	20,845	21,437	
Major Pool Repairs (cards, pool house, pump)	2,416	1,968	13,637	7,300	5,000	5,000	5,000	5,000	5,000	
Common Ground (repairs & maintenance)	-	-	-	2,450	3,023	3,449	3,581	3,221	3,868	
Trash Service	-	-	-	18,040	36,080	37,343	38,650	40,003	41,403	
Subtotal - Periodic Costs	8,565	10,400	15,587	29,790	45,203	64,391	66,731	69,069	71,708	
One-Time, Long-term Costs										
Ponds (incl. 20% contingency)										363,120
Ponds 4&5 - Forebay (funded from savings)				47,500	-	-	-	-	-	
Pond 5 - Side shaping and bank stabilization				7,500	20,500	-	-	-	-	
Pond 4 Dredging (8,132 CUYD of sediment to 4')				-	71,155	71,155	-	-	-	
Ponds 1-3 Dredging (2,950 CUYD of sediment to 4')				-	-	-	51,625	-	-	
Spread and Seed dried material from prior year				-	-	7,673	7,673	6,445	-	
Legal (leins on non-paying homes)				1,750	8,750	1,050	1,050	1,050	-	
Estimated over-run (20%)				11,000	18,331	15,766	11,860	1,289	-	
Pool										20,500
Repair or Replace pool fence 340 ft @ \$25/ft, NO upgrade				-	-	8,500	-	-	-	
Cannopy of Pergola				3,500	-	-	3,500	-	-	
Deck expansion				-	-	5,000	-	-	-	
Common Ground										34,000
Extend sprinkler coverage				4,000	-	-	12,000	-	-	
Tree trimming & dead wood removal				8,000	-	-	-	-	-	
Trails				5,000	-	-	-	5,000	-	
Legal - Update Bylaws, covenants and restrictions				500	2,500	-	-	-	-	
Subtotal - One-Time, Long-Term Costs	-	-	-	88,750	121,236	109,143	87,707	13,784	-	
Net Cash Flow	(304)	(2,818)	(10,276)	(49,752)	4,263	1,175	1,906	(2,660)	(2,902)	
Savings			15,000							
Goldman Sachs Muni Fund			65,000							
Cash & investment balance			80,000	30,248	34,511	35,686	37,592	34,932	32,030	

Next steps & Timeline

- \$400 HOA Dues billed and payable by April 15
- \$350 HOA Dues billed and payable by June 30
- Notice to HOA Members and votes for:
 - Consolidate trash vendor paid by an offsetting increase in HOA dues
 - Capital Improvements assessment of \$130 divided over 5 years
- Select trash vendor with service to tentatively begin July 1
- Hire contractor to build two fore bays and re-shape edges of pond 5 (Asheville) this summer
- Stop mowing within 6 feet of ponds

Appendix

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Q&A

Dues Comparison Details

Dues Comparison

Lee's Summit HOA Dues Comparison - 2014						Scale ==>	Good	Median	Bad	
	Windsboro	Mill Creek & Summit Mill	Paddock	Oak Tree Farms	Legacy Woods	Canterbury	Somerset	Bent Tree Bluff	Meadows at Winterset	Winterset Valley
Dues/Year	\$340	\$375	\$500	\$345	\$400	\$260	\$175	\$310	\$360	\$772
Homes	220	178	300	374	199	63	150	305	415	305
Pool	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lake\Pond	5	1	0	0	0	1	0	3	0	2
Pond / Lake Acres (est)	8	25	0	0	0	1	0	5	0	5
Common Ground Grass Acres (est)	14	3	3	1	3	1	2	4	3	7
Club House	No	No	No	Yes	No	No	No	No	Yes	Yes
Play Ground	No	No	No	No	No	No	No	No	Yes	Yes
Walking Trail	No	No	No	No	No	Yes	No	No	Yes	Yes
Tennis Court	No	No	No	Yes	No	No	No	No	Yes	Yes
Volley Ball	No	No	No	No	No	No	No	No	No	No
Property Mgmt Group	Internally	Young Mgmt Group		Internally	Internally	Internally	Internally			

Q&A

Cost Saving Opportunities?

- What have we done to save \$\$
 - For 5+ years we have reduced expenses by:
 - Less frequent mowing
 - We have lost many more trees than we have planted
 - Reactive rather than proactive in maintaining grounds, pool and ponds.
 - Spreading pond and improvements work over 5 years to avoid a one time fee of \$1,900 per home
 - One fore bay in pond 4 rather than two
 - Moving some pool and landscaping work out to 2017-2019
 - Pool fence replacement budgeted at a lower cost, not an “up-grade”
 - Removed lower-demand items from the plan (pool lighting, tennis court, lifeguard, playground)
- Why haven't we been saving a little \$\$ every year?
 - When Windsboro assessed homes in 1999 to repair the dams, that question was asked.
 - The overwhelming response from homeowners was to charge homeowners at the time pond repairs were needed.
- What will happen if we don't do pond repairs or allow them to revert back to streams?
 - Worsening algae and mosquito problems
 - Declining home values, especially in the summer selling season, when our ponds are at their worst
 - Lawsuit by homeowners on the pond that paid extra for their lots
 - Lack of water retention will eventually become a problem that the City will REQUIRE us to remedy
- - Continued degradation of this unique Windsboro asset

Q&A

Dues Vote and Who Pays?

- Don't we need to vote on the increased dues?
 - Board approves Annual Assessment for repairs, replacement and maintenance
 - "... annual assessment may be increased effective January 1 of each year provided that such change shall have the assent of a majority of votes of the Association Board of Directors..." (Article V, Section 3, Windsboro Declaration of Covenants, Conditions and Restrictions)
 - "Purpose of Assessment.... and in particular, for improvements and maintenance of Common Areas, including, but not limited to..... repairs to, replacement of, and additions to the Common Areas...." (Article V, Section 2, Windsboro Declaration of Covenants, Conditions and Restrictions)
 - Most of the pond and grounds repairs are clearly maintenance of Windsboro's Common Areas.
 - HOA Members Approve Capital Improvements
 - Approval by 2/3 of voting members (60% quorum)
 - \$130 per home (one-time, divided over 5 years) for walking paths, pool deck expansion
 - \$164 / year (estimate) for a consolidated trash service
- Can we ask the pond residents to pay more?
 - Hard to do. The covenants do not categorize pond / non-pond homes differently
 - We haven't charged different dues based on who uses the pool
 - Many residents that don't live on the pond still use the pond
 - Only 33 of our 220 homes are on the ponds. Getting those 33 to pay more won't have a material impact on the dues paid by the other residents.

Q&A

Non-Paying Residents

- What happens when people don't pay the increased dues?
 - We will work out a payment plan for homeowners that cannot pay the full dues up front
 - We have budgeted \$\$ to hire an attorney to file liens on homeowners who do not pay
 - We will send delinquent accounts to collections and/or report the delinquent payments to credit agencies (negative impact on the homeowner's credit rating)
 - Unpaid dues will increase as late fees (\$10/mo) & interest (18%) are charged and attorney & collection fees are incurred.
 - "... assessment together with such interest thereon and cost of collection thereof as hereinafter provided shall be a charge on the land and shall be a continuing lien upon the property..." (Article V, Section 1, Windsboro Declaration of Covenants, Conditions and Restrictions)
- What happens with the trash service for those who do not pay their HOA dues?
 - If the vote to pay for trash via dues passes:
 - Windsboro will have to pay for all 220 residents.
 - All residents will owe trash fees to Windsboro, even if they chose not hire their own service
 - Windsboro will be able to 1) place liens on homes and 2) send accounts to a collection agency
 - Trash service can be discontinued for non-paying homes.
 - Windsboro will still have to pay for ALL homes.
 - Individual homes that opt out will not reduce the fees owed by Windsboro.

Q&A

When will we have to dredge again?

- It depends on:
 1. how well the fore bays capture incoming silt and
 2. whether dredging the bare minimum achieves the desired results
- Planned actions to delay additional dredging:
 - Building fore bays at the entrances to ponds 4&5, the primary sources of incoming water and sediment
 - Remove new sediment from each fore bay every 2 years
 - Stop mowing common ground within 6 feet of pond banks
- Risks force dredging sooner than anticipated:
 - The proposed “bare minimum” approach will remove sediment to create 4ft average depth in each pond. Removing recommended additional sediment will improve the pond health and reduce odds of having to dredge in the near future, but would cost an additional \$1,700 per home.
 - Sediment coming to ponds 1-4 from street sewers will not be captured in the fore bays.