

Indian Camp Ranch Homeowners Association

Meeting Minutes: Board of Directors Meeting

Wednesday, October 28, 2020

Blake Residence (Hangar), Indian Camp Ranch

I. Roll Call

Board Members attending: Dick Blake, Warren Lowe (by phone), Russ Sweezey, Fred Watson, and Tom Wolf. Others attending: Ranch Foreman Al Heaton and residents Lee Bergman, Arlene Blake, Melinda Burdette, Mary Hanson, Ginny Kistler, Mike Kistler, Karen Kristin, Bryan Phillips, Dick Sadler, Tammy Smith, and Laura Watson. President Fred Watson called the meeting to order at 3:00 p.m. Melinda volunteered to take minutes for this meeting for Secretary Warren Lowe who was attending by phone.

II. Owners Forum

Fred received a request from Tammy Smith to address the Board at this meeting. For the benefit of all the residents attending, he reviewed budget issues that were discussed at the 2019 Annual Meeting. These issues included: an anticipated expense of \$6,000 in 2020 to mow the pasture grass planted under the USDA's Environmental Quality Incentive Program (EQUIP), and the expense for some of the ranch roads in bad need of gravel at a cost of \$26,000-\$27,000 a mile. The Board's proposal to raise the annual dues was discussed. Dues have been \$1,000 since 2006, and inflation has decreased the spending power by about 36%. Dick asked at the Annual Meeting if anyone objected to an assessment of \$1,500. No objections were raised. The consensus was that the increase should reflect inflation and also provide the association with sufficient funds for road maintenance, other improvements, and building reserves for major projects or unforeseen expenses.

Fred noted that it has been challenging in 2020 to find someone to work as Al's helper for general ranch maintenance and snow removal. One recent candidate wants \$20/hour and also to be carried as a payroll person.

Fred explained that the Board was planning to follow through in early 2020 on the changes discussed at the Annual Meeting when the pandemic hit. Then as the Board began working with Altitude Community Law to develop a plan of action, it was discovered that while ICRHOA's bylaws spell out the budget process the Board was not aware of recent changes in Colorado laws. Altitude Community Law has provided us with the new guidelines and we are following them. Today the Board will approve a budget for 2021 and it will be sent to all ICRHOA members for approval. Should a majority of members veto the 2021 Budget, the current budget will not change, which means we will continue to operate with 2006 dollars.

Tammy said that after receiving the mailing this month with the ballot to vote on the proposed special assessment of \$500 and annual assessment increase to \$1,500 for 2021 she has been doing research. She found that our bylaws require that the annual budget for the upcoming year be sent to the membership, and that 90 days after the fiscal year ends the current budget and past year budget must be posted. She also found that, according to information posted by Altitude Community Law on April 22, 2015 which references CCIOA, an association must make certain information available to members, including annual financial statements and all insurance policies. Tammy said that the lack of a financial audit or review stands out for her. Tammy said that she requested the current financial statement and was told that it was on a Board member's computer which was not currently available because the Board member was out-of-town. Tammy said that all Board members must have all financial records available to them. She suggested this could be addressed with a paid subscription to QuickBooks Online that provides access to five users. Tammy requested the ICRHOA agricultural lease agreement with Al Heaton. Now that pasture grass has been planted, this suggests the agreement should be updated to reflect what is currently being done to maintain the agricultural property. Tammy noted that at every Board meeting the

minutes are read but she hasn't seen follow-up action items mentioned. For example, the 2019 Annual Meeting minutes say that the new signage will only be erected at the south entrance, but a new sign was also placed at the north entrance. Tammy suggested that a newsletter be published every quarter because it would be nice to know what's going on. Tammy provided Fred with copies of the memorandum she wrote, dated October 28, 2020, that outlines the timeline of her requests, discoveries, and the documents she received. Her memorandum includes necessary actions and suggested actions. Tammy invited members to contact her by email or phone regarding the information she presented today.

Fred asked if there were any questions. Karen asked when will we see some nice grass. Al replied that he's hopeful we will have grass in the spring. Although there are some patchy areas, if we get the right moisture and temperature conditions some seeds may still sprout. He can do some re-seeding if necessary, but he feels we are in decent shape.

Fred said that regarding Tammy's observations, he has been thinking about some of these same things. Some of the procedures Tammy referred to are not state-mandated and may depend more on the size of the HOA. Fred asked our attorney at Altitude Community Law for a legal opinion on where we stood and she furnished a written legal opinion on previous projected budget procedures, a copy of which Fred brought to today's meeting for anyone to see.

There being no other questions or comments for the Owners Forum, Fred proceeded to begin the Board meeting.

II. **Approval of Agenda**

Fred distributed the agenda. Dick moved to approve the agenda, Tom seconded the motion, and the motion was approved.

III. **Approve Draft Minutes of December 5, 2019 Board Meeting**

Fred asked if there were any changes to the draft minutes. He had one correction in Section IV Treasurer's Report to the sentence that says, "The cost of gravel for the entire ranch runs around \$20,000-25,000." This should say, "The cost of gravel for the ranch runs around \$20,000-25,000 a mile times 4.2 miles." Russ moved to approve the minutes with this correction, Dick seconded the motion, and the motion was approved.

IV. **Treasurer's Report**

Russ explained that his bookkeeping system as Treasurer has multiple checks and balances that reconcile income and expenses and bank accounts. This ensures the accuracy of all financial records for the HOA. He brought a notebook to today's meeting with the spreadsheets and detail for receipts and expenditures and invited inspection.

He distributed a copy of the 2020 ICRHOA Budget as of October 28. The report includes Cash-on-Hand in the money market and checking accounts of \$31,168.05, and cash available to spend of \$28,218.05 when account minimums are subtracted. The report notes that all assessments are paid, and it shows the balances in the 20 snow removal accounts.

Russ said that \$29,640.17 has been spent to date from the budget of \$59,437. The biggest variance in this year's budget versus 2019 is that Al hasn't had a ranch maintenance helper. We budgeted \$13,000 and have only spent \$2,060. Russ is expecting to receive bills from Al Heaton for approximately \$6,500 for mowing and \$10,000 for roads, work which the Board has approved. Snow removal is an unknown.

Dick noted that the second biggest expense this year has been legal fees. Russ said that we pay Altitude Community Law \$255/month for their retainer, and we paid \$500 for the letter and ballot for the special assessment and annual dues increase.

A discussion of possible expenses through the end of this fiscal year ensued. Al said that he thinks he can repair the roads for about \$10,000 and he wants to get this done this fall. The responsibility for signage at the front of each lot was clarified. Fred hasn't been able to find any reference to the HOA being responsible for re-doing or changing signs with names and/or addresses. So this is the owner's responsibility.

Dick moved to accept the Treasurer's Report, Tom seconded the motion, and the motion was approved.

V. Ranch Maintenance

Fred opened the discussion of ranch maintenance to anyone who had a question or concern.

Fred noted that when he and Al were driving around the Ranch inspecting the roads and culverts, they spotted a water line marker tape showing due to erosion. This needs to be covered or we could face a costly repair. Al said he'll use some of the dirt that is washing into culverts to cover up the water line.

Karen mentioned that she has noticed a hole in the road at the corner of 21.9 and K that is very deep. Tom suspects it is a break in the culvert. Al will look into fixing this.

Al noted that the man who takes care of weed spraying on the sides of the road got behind this year, so this allowed the weeds to grow. Al will continue to do what he can on maintenance.

Fred noted that some wash boarding on Indian Camp Road is occurring again. This seems to be a constant problem. Lee said that he suggested years ago that we pave the intersection at Indian Ruins Road. Fred responded that the Board wanted to experiment with the recycled asphalt paving that D & L did at the entrances in June to see if it helps with the dust problem. He noted that the recycled asphalt product was less costly than chip seal. Dick Blake complemented Fred on the research he did on a solution and commented that the paving has great street appeal and enhances property values. Fred thinks it would be good to save up money so we can do more of the roads. Dick Sadler wondered if the on-going maintenance of the roads would be more or less costly with this product. Fred said that the next consideration for paving should be the dangerous intersection of Pueblo Ruins Road and Indian Camp Road. Tammy asked if the Board would be looking at paving the roads in phases. Fred responded that if we proceed, phasing the project would be the only way the HOA can afford to undertake this.

Dick Sadler asked why the Sheriff was on the Ranch recently, and was he investigating the reports of people coming on the Ranch with ATV's and motorcycles and tearing up the roads. Laura responded that the Sheriff was here regarding a matter discovered during the archaeological excavation on their property.

VI Discuss 2021 ICRHOA Budget and Finalize to Send All Members

Board members discussed budget allocations for 2021 line by line. Russ noted that many items are fixed costs, and they added up to \$11,300 in 2020.

Russ also noted that we haven't been able to transfer money to the reserve fund in recent years; we had about \$40,000 in reserves a few years ago, and now it's down to a little over \$20,000. Fred said that for planning purposes we need to put some money in the budget to begin to rebuild the reserves—even if it's just \$2,500. Fred noted that the CCIOA requires that we have a policy for the Reserve Fund. We have one, but it needs to be reviewed and updated.

Al said that he'll take care of snow removal again this year unless he finds someone reasonable.

At the end of the discussion, Dick made a motion to approve a \$50,000 budget. Tom seconded the motion, and the motion was approved.

VII Discuss Increase of Annual HOA Association Dues and Special Assessment and Count Ballots.

Regarding the increase in annual assessments to \$1,500, Fred raised a question about the lots owned by Jim and Leo Black and the agreement that Archie Hanson made with them years ago. Fred will look into this and we will need to review this with our attorney.

Bryan Phillips volunteered to read the votes from the ballots that were received. On the question of increasing the annual dues from \$1,000 in 2020 to \$1,500 for 2021, there were 5 vetoes and 20 in favor. On the question of the special assessment of \$500 this year, there were 5 vetoes and 20 in favor. Tom made a motion to accept the results of the ballots, Dick seconded the motion, and the motion was approved.

VIII Discuss Ranch Security

Fred reported that some lot owners have volunteered to post a game camera on their property as one means of recording human trespassers. Fred asked Russ to investigate the cost of putting video cameras and recorders at each entrance, as has been considered in the past. One HOA member has suggested that the Board to hire a security agency to patrol the Ranch at night. He asked for a show of hands of those in favor of this suggestion, and, seeing none, Fred will report back to the member. Lee wondered if a fish and game warden would patrol the Ranch since the trespassers might be hunting illegally. He volunteered to check into this possibility and report back to Fred.

IX Determine How and Where the December Annual Meeting Will Be Held

Fred requested input on whether this year's meeting on Saturday, December 5th should be held in person or remotely by Zoom. Dick Blake offered the use of the hangar where we're meeting today which will accommodate proper social distancing. Given the changing situation with COVID-19, it makes sense to decide later. We can gauge how members are feeling about gathering in person, and Zoom remains an option.

X Adjourn

The meeting was adjourned at 5:00 p.m.

Respectfully submitted,
Melinda Burdette