

Annual Meeting Minutes

January 21, 2023, 10:00 a.m.

Mancos Community Center

Zoom Virtual Meeting (Out of Town)



Board of Directors Present

Heather Johnston (Vice President), Roy Wilkinson (Treasurer), Stephanie Morton, Sherry Nigteagle, and Charlie Osburn.

HOA members in attendance (31)

Nan Campbell, (Secretary), Steve Campbell, Susan Whitfield, Tim Pargee, David Nigteagle, Michael Noland, Jennifer Noland, Glenda Whalon, Carol Stout, Diane Cherbak, Linda Rose, Duff Simbeck, Gretchen Magwitz, Russ Siracuse, Dan Gagliano, Tom Coxwell, Rick Cover, Becky Cover, Terry Wheeler, Adam Barnhurst, Donna Riley, Michael Riley, Jose Armijo, Bob Fetterman, Dana Fetterman, Julie Horton, Paul Huberman, Karin Huberman, Kim Lanyon, Jeff Eastin and Renee Eastin.

HOA members in attendance via Zoom (4)

Paul Ruatti, Jaye Baldwin, Stan Wellborn and Robert R.

Non-HOA members in attendance (1)

Mr. Charles Forth of Forth and Associates

Introductory Comments

Heather Johnston welcomed everyone to the annual meeting and announced that she would be moderating the meeting. She requested that everyone be respectful to each other and that all remain in control of themselves during the duration of the meeting. If not, the meeting would be adjourned immediately.

Meeting Called to Order and Quorum Established

The meeting was called to order at 10:00 a.m. and the Secretary confirmed that a quorum was achieved (70+ votes being received).

Introduction of Board Members and HOA Members in Attendance

Introductions were made of the Board Members and the HOA Members in attendance.

2023 Election Results

Forth and Associates received the electronic votes and the mailed-in votes and the votes that were cast at the Annual Meeting. They tallied all the votes, and the results are as follows:

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- Seventy-seven (77) ballots were submitted timely – Fifty-Four (54) were online ballots and twenty-three (23) were mail-in ballots. Four (4) ballots were received that did not vote for Board candidates.
- Five (5) ballots were received the day of the Annual Meeting.
- Voting tallies for the candidates were:

Kimberly Lanyon	59
Terry Wheeler	50
Michael Noland	41
Jaye Baldwin	40
Vivek Vasudeva	19
Susan Balas-Whitfield	19
- Write- in tallies were:

Louis Horton	2
Darla Sanders	1
Mr. & Mrs. Moy	1
- Ballot Initiative – 2023 dues to remain the same.

Yes	74
No	1 (written on ballot)
Skipped	7

Heather announced the Board of Directors for 2023:

Roy Wilkinson, Sherry Nigteagle, Charlie Osburn, Stephanie Morgan, Kim Lanyon, Terry Wheeler, and Mike Noland.

President's Annual Report

Heather read the President's Annual Report since he was unable to be at the meeting.

By-Law Changes: For the first time in 17 years, the by-laws were properly updated by the Board to reflect our changing times. This past year, the by-laws reflected:

1. The proper HOA dues of \$550 per year.
2. The Annual Meeting is held in January.
3. Special Board meetings may be called by the President or a quorum of the Board.
4. Meetings will include electronic (video) conferencing.
5. Term limits were implemented, and the length of service for a Board member is two years.

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6. The Board meetings will be held three times a year, not counting the Annual Meeting, or the short Board Meeting after the Annual Meeting to seat the new Directors.
7. The ballot process for the Annual Meeting was defined and includes electronic balloting.

Covenants. A legal review was started with Newbold Chapman in February and the results were discussed at a Special Board Meeting in August. The end results concluded that the 1998 Covenants are to be followed, and the Board acted to suspend any reference to the 2005 and 2008 amendments to the Covenants. The Board will be determining the best way to communicate the entire set of findings.

Bookkeeper Services. The Board voted to hire a bookkeeping service to perform the accounting activities for CMRHOA, Inc. and hired Forth and Associates, CPA, in Cortez. Since then, they have helped us to standardize the monthly reports that are available to the membership, and have created the annual statements for CMR for 2020 and 2021. Our financials are available and will be part of a central location on our website.

Financial Review Committee (FRC). This committee was started and has been monitoring the financial reports along with performing a six-month review of the books since January. This group has helped the Treasurer in modifying and improving the reports to make them easier to understand.

Financial Review. The Board voted to have a financial review conducted of the five-year period prior to 2020. Zink and Associates of Durango started with boxes of receipts and financial records; then went to our present bank, Dolores State Bank, and our previous bank, Four Corners Community, to gather the actual bank statements and records of disbursements. The review was completed in September and is being reviewed by the Board. The review will be made available to all owners in CMRHOA, Inc.

Polling Software. Survey Monkey was purchased for two reasons: to conduct periodic surveys with the owners on many subjects, and to also perform the annual ballot for the Annual Meeting. A team worked to prepare an online voting opportunity for the 2023 nominations and ballots. This will greatly reduce the number of volunteer hours in conducting our voting ballot in addition to a savings in copies, envelopes, and postage.

Insurance. Our truck insurance was modified to reflect current situations, per the recommendation of our attorney. Our liability insurance was under a red-flag situation due to false information given to the agent. This was averted by several board members assembling and communicating the proof of insurance for all contractors that do business with CMRHOA, Inc. This included keeping an accurate record of the volunteer drivers of the water truck. In addition, several board members spent several weeks pursuing other insurance companies to see if we could do better. Their results showed that we are in good hands, at the present time.

The Member Relations Committee. This group was created and is responsible for our community events, as well as taking communications from the membership. The Volunteer Luncheon early this year was a great success, and the Annual Picnic was also successful . . . despite the rain!

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Website. Our current Treasurer spent countless hours building up and modernizing our website. He added pertinent information on the website and now has a pathway for Realtors to take when they have questions for new buyers. The work continued to grow, so the Board agreed to hire a Webmaster service that takes care of much of the additions to the website. This includes meeting minutes, financial reports, and board documents. We are also, now, posting forms and Board Resolutions on the website.

Mitigation Committee. Thanks to this group, an Emergency Preparedness Drill was conducted in early May. Over 80 owners participated and checked into the Emergency Office at nearby Pueblo Community College. New Emergency Evacuation signs were installed throughout CMR. This showed that many owners are indeed concerned about our safety, and the emergency responders were given the chance to practice their procedures without a real emergency in place.

Finally, from an administrative side, all Directors now receive a USB drive with all the important CMRHOA files, with another such drive in our new Safe Deposit Box at Dolores State Bank. This is to help with the transition when new directors come on the Board. All Directors now have access to the accounts at this bank and can go there to review the actual bank statements.

Executive Committee Summaries

All Executive Committee annual reports were sent out with the call to the Annual Meeting so the membership had them ahead of the meeting.

Treasurer – Roy Wilkinson. Roy was asked if he had any additions to his report. There were none. Roy did report that over a quarter of the annual dues had already been received. The invoice request for dues will be sent out very soon since Roy was waiting for the results of the ballot initiative at this meeting. Dues are due on January 30th and if paying in two payments, the due dates are January 30th and April 30th.

CMR is offering Venmo for those members wishing to pay electronically. A member asked how to get a Venmo link to pay electronically. Roy replied to email him, and he would send the Venmo request to them.

The Year-end reports are in process of being completed. The December 2022 financial reports have been received and will be up on the website soon. W-9 forms have been received from all CMR's contractors and have been forwarded to our bookkeeper.

There was a question concerning an almost 1,000 difference in the Reserve Account from October to November. Roy explained that some expenditures had been incorrectly expensed from the Reserve Account and that this was corrected. Roy went on to give more information concerning the Reserve Account anticipating more questions.

Some members are concerned that the Reserve Account was accessed to pay for the Financial Audit and the Legal Covenant Review in 2022. While the minutes show the intention to access the Reserve Account for the Financial Review, the next motion that passed was to contract for the Legal Covenant Review without an indication of where the funds were to come from. It is the prerogative of

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a Treasurer to determine where unbudgeted funds are to come from if not indicated by the Board. The Treasurer expensed the Legal Covenant Review from the Reserve Account.

While the Reserve Account was set up, there are no written procedures for its use. Developing procedures for the Reserve Account and approving them, is a matter for the Board in 2023. Roy would like to see Survey Monkey used to ask the membership what the amount of the Reserve Account should be since it was a past treasurer who set the \$40,000 cap some years ago. If the Reserve Account cap is raised, a procedure will need to be established on how to fund the increase.

The \$8,500 used from the Reserve Account will be replaced in 2023. The member felt that the replacement of that money should have been shown in the 2023 budget.

Secretary – Nan Campbell. Nan had no additions to her report. Members were asked if they had questions or comments. One member asked if Nan could be persuaded to remain as the secretary since the minutes were informative and done well. If she couldn't be persuaded to continue, could she at least review the minutes for accuracy and detail.

Member Relations Committee – Russ Siracuse. Russ reviewed his report for the membership. Three community events were organized and held in 2022: a Volunteer Appreciation potluck, a post Fire Drill potluck, and a Fall Picnic. The Committee was also setup to answer questions and concerns from the membership. A similar format for the Committee will be followed in 2023.

Financial Review Committee – Julie Horton. Julie had no additions to her report. There were no questions or comments from the membership.

Fire Mitigation Committee – Steve Campbell. Steve had no additions to her report. There were no questions or comments from the membership.

Building Advisory Committee – Louis Horton. Louis was unable to be at the meeting so Susan Balas-Whitfield, a committee member, reported that there were no additions to the report. There were no questions or comments from the membership.

Safety and Scheduling Sub-Committee – David Nigteagle. David had no additions to his report, but emphasized that the committee had only been in existence since September. There were no questions or comments from the membership.

Roads Committee – Past-Chair Chris Hinds. Chris was unable to be at the meeting so the report stood as wrote with no questions from the membership.

Member Forum

Heather announced that it was time for the members to speak. She asked them to come forward, introduce themselves and speak into the computer microphone. Heather again emphasized that everyone needed to remain in control and be respectful. If not, the meeting would be adjourned immediately.

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Suspension of Covenants.

Diane Cherbak began the Forum with a comment concerning the suspension of the 2005 and 2008 Covenants. She said that only a court of law or a vote of the members could suspend the Covenants, not a lawyer's recommendation or a Board vote. The 2005 and 2008 Covenants had been filed with the County Clerk and had been in effect 17 and 14 years respectfully. The developer had not owned lots in the subdivision for over 20 years. New owners are not being given the 1998 Covenants, but the 2008 Covenants and they sign that they will abide by those covenants. The suspension was done illegally and if this action is not reversed, it will lead to legal action.

Heather commented that the Board's understanding was that CMRHOA, Inc. did not own the rights to change the covenants because Mr. Christmas, the developer, had never signed those rights over to the Corporation. Diane said that he had no obligation or rights to sign over the covenants.

Sherry commented that it would have required 92 positive votes to amend the covenants in 2005 and 2008, if they could have been amended. The vote count is not recorded anywhere. In all the legal actions since 2012, the court's decisions have been based on the 1998 covenants.

Roy acknowledged that two legal cases since 2012 have been decided using the 1998 covenants. Our attorney went to the County records and could find no written documents that gave CMR the right to amend the covenants. Also, none of the amended covenants are on the plat map. If they were done correctly, they would be attached to the plat map. Roy's understanding of how CMR is to amend covenants, from the attorney and the legal review, is as follows:

- The Board/Membership decides if a covenant(s) needs to be revised, added, or deleted. It then goes to the Membership for a 2/3 majority vote (92 positive votes).
- If it is approved, the amendment(s) goes to Mr. Christmas and CMR asks if he agrees to the changes.

This second step has never been done which is why CMR has amended covenants (2005 and 2008) in limbo and why we have gone back to the 1998 covenants. If anyone wants to challenge this, they are welcome to do so and prove the Board wrong.

A member stated that they lost a sale of their property because the prospective owners were told that they couldn't build a steel home by the Board President. If the Board put a hold on the 2005 and 2008 amendments and has gone back to the 1998 covenants, why are these amendments being enforced? The member continued by saying that most people moved here to get away from the big city HOA law nonsense. The Board nor the Building Advisory Committee was aware that a potential property owner was denied a steel home on the property.

Another member asked if it was possible to contact Mr. Christmas. This may be something for the new board to pursue.

Mike Noland noted the covenant issue is a problem with how the process was followed. People made decisions on their own strengths and went forward. He said we need to rewind – validate the process, or not, and go forward. If something is wrong, put it up for a vote and go through a process to do it right.

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Communication Issues Between the Board and the Membership

A member commented that a main issue last year was communication between the Board and the Membership. Decisions were made without the membership being contacted. There was no opportunity to process the changes that were being made. The Board needs to listen to the members. Because they were not listened to or consulted, this resulted in drama, hurt, and a deep division in the Community. No one wants to go to a picnic and decide which side to sit with. The rumbling in the Community must be stopped.

Roy brought up a concern about the conversations that have been going on the Next Door app. One of the Realtors approached Roy and wanted to know what was going on in CMR. She had lost two sales because of the negative comments on Next Door. She asked that these comments be squashed. Next Door was set up by Chris Hinds to help the neighbors with questions or comments about their property like drive-way snow removal or broken limbs from the snow. A member responded that some members went to Next Door because they had been silenced and needed an avenue to express their frustration. Roy mentioned that the Member Relations Committee was set up to receive and address member concerns. And while the Board members did have their personal emails on line, it would be better to follow the Member Relations Committee process.

Another member asked if a "member only" section of the website could be set up where concerns and comments of the membership could be received. It was pointed out that email addresses would have to be somewhat confidential. Another member suggested that in the "members only" section a separate identification could be created and their personal email would not be affected. It would be an identification for the CMR website only.

Heather commented that she had suggested that there be more Member Meetings where issues, concerns or ideas could be discussed. She noted that it was important for the members to communicate with the board to avoid anger and frustration. Heather would like to see these Member Meetings at least quarterly. This should be on the table for the new board.

Internet Meetings.

It was brought up that our Zoom meetings had been less than effective even with the audio-visual equipment that was purchased to enhance them. It was asked if meetings should be done strictly by Zoom. Those present wish to have hybrid meetings (in person and Zoom). Roy commented that we live in a rural area where internet signals are marginal. The Mancos Community Center has a poor signal; however, the Mancos Library is even worse. It was suggested to try the Recreational Center in Cortez. While the CMRHOA was banned from this facility years ago, the Rec Center was contacted. They did not remember that CMR had been banned, but the cost to rent the facility for a meeting was cost prohibitive. The Fire Barn was suggested, but it has no heat, cooling, or seating and the signal is poor in the building. Julie Horton suggested contacting the schools for a room for meetings. That will be another issue for the new Board to consider.

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Ballot Initiative Question Concerning Dues

Diane Cherbak brought up the Ballot initiative concerning keeping the dues at \$550 for the budget year 2023. She felt that this had not been discussed by the Board and still was put on the ballot. Roy answered by reading part of the by-law (Article 3, Section 7): *The annual fee shall be reviewed, established and modified as needed, at each annual meeting.* No suggestions or changes had been suggested, however, the attorney suggested that the dues remaining the same be put on the ballot.

This resulted in a discussion on how the dues had been increased from \$450 to \$550 in 2015. Apparently, there was a \$25 assessment voted by the Board in 2014 to meet budget demands which is in compliance with the by-laws. In 2015, the then President, felt that the Corporation was in compliance with CCIOA (Colorado Common Interest Ownership Act) , even though a court judgment in 2012 disagreed. CCIOA allows the Board to raise the homeowner's dues, which was done against CMR's by-laws, in 2015. In the election of 2022, it was put on the ballot that the dues would be \$550 and the initiative passed.

Diane felt that the initiative should not state "for the budget year 2023." It should just state that the dues are \$550. Another member felt that instead of going over this issue over and over again, the new Board needs to make it right. Another goal for the Board.

Number of Board Meetings

A question was asked if the Board felt that three meetings a year were practical. No one felt that three meetings a year were best. It was brought up that the Community needed to relax over their issue with "secret meetings." Boards should be able to meet to discuss and question issues before a formal Board meeting. Mike Noland stated that an informal meeting with the Board and any one else who wanted to attend, with no business being decided might be a viable means of communication.

The number of Board meetings for the coming year will be decided by the new board, keeping in mind the by-law on the number of meetings which might have to be changed.

Annual Meeting and Fiscal Year Books

It was suggested by a member that the Annual Meeting be changed to September to avoid snow and to be able to incorporate "summer owners" in the Annual Meeting and the picnic following the meeting.

Nan suggested that the Fiscal Year be July through June for CMR. That way books could be closed and year-end reports ready for the Annual Meeting. It would be summertime so the Annual Meeting and picnic could be held in August or September. Another member brought up the fact that budgeting for the snow-plowing contract would not have to be in two different years. Another suggestion for the new Board to consider keeping in mind the by-law that would have to be changed.

Adjournment

The meeting was adjourned at 11:25 a.m.

Addition To The Board Minutes

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An organizational Board meeting was held following the scheduled Board meeting. The purpose of this meeting was to identify the officers of the Board and set meetings for the coming year.

The following officers were nominated and elected for the Board:

Mike Noland – President

Roy Wilkinson – Vice President

Kim Lanyon – Treasurer

Meetings for the coming year will be scheduled quarterly in March, June, September, and December.