

Board of Directors' Meeting Minutes

March 11, 2023 10:00 a.m.

Mancos Community Center

Zoom Virtual Meeting (Out of Town)



Board of Directors Present

Michael Noland (President), Roy Wilkinson (Vice President), Kim Lanyon (Treasurer), Stephanie Morton, Sherry Nigteagle, Charlie Osburn, and Terry Wheeler.

HOA members in attendance (14)

Nan Campbell, (Secretary), Steve Campbell, Susan Whitfield, Tim Pargee, David Nigteagle, Gary Brodhagen, Cheryl Brodhagen, Diane Cherbak, John Lyren, Donna Riley, Mike Riley, Gwen Gold, Robby Moy, and Russ Siracuse.

HOA members in attendance via Zoom (2)

Judy Wilkinson and Stan Wellborn.

Introductory Comments

Mike welcomed the members who came to the meeting. He then announced that there would be an addition to the agenda. The addition would be to approve establishing a Covenant Task Force.

Meeting Called to Order

The meeting was called to order at 10:02 a.m.

OLD BUSINESS

1. Restoring the Reserve Account

In 2022, the Reserve Account was accessed in the amount of \$7,585.00 to pay for unbudgeted expenses (financial review and covenant research). The membership felt strongly that this account should be restored to its \$40,000 level.

It was moved by Kim Lanyon and seconded by Mike Noland to transfer \$7,585.00 from the checking account in order to restore the funds removed from the Reserve Account on August 12, 2022.

There was no discussion on this motion from the Board, so Mike opened the discussion on this motion to the membership.

John Lyren asked for the floor and expressed his unhappiness with the past Board. His concerns included the decisions to do a financial audit and a covenant review and where those funds had come from. The money spent just took away from the roads budget. He also felt that the covenants had been discussed for 25 years and members are sick of this discussion. John's statement was basically get it done and get it done right and let's stop discussing it.

Board of Directors' Meeting Minutes

Page 2

Mike responded that the Board was fully behind getting the covenants revised correctly and going forward.

Gary Brodhagen was then given the floor and he related the history of the 2005 and 2008 covenants. He claims that these covenants were done legally and that an assignment of the covenants had been completed.

Mike responded that we want to move forward from this point on and not keep rehashing arguments. He also indicated that in 3 previous court cases, the judges did not refer to the 2005 or 2008 covenants but based their judgments solely on the 1998 covenants.

The motion to restore the Reserve Account passed unanimously.

2. Covenant Presentation

Mike informed the membership of what has been done since the Legal Review on the Covenants, (which is on the website for all to read), was completed. Covenant #32 states that all rights of the covenants went to the declarant which was Daniel Christmas the developer. The Declarant needed to assign those rights to CMRHOA, Inc. for the covenants to be revised, changed, or deleted. The assignment of the covenants has been obtained from Daniel Christmas and executed. It is being filed by CMR's attorney and when returned will be placed on the website. CMRHOA, Inc. now has the rights to the covenants.

Gary Brodhagen again stated that the 2008 covenants were legally done and voted on by a majority of the property owners. Those covenants were what the community wanted.

Mike responded that all court cases had utilized the 1998 covenants in handing down judgments. Arguing about votes and any other issues was not moving forward. The next step is to form a Covenant Task Force and revise the 1998 covenants. After the 2023 Covenants have been prepared, they will have to be voted on by 2/3 (92) property owners.

It was brought up that the 2/3 (super majority) vote had been established in the 2005 covenants and those have been set aside. Therefore, we can look to the State requirements for voting and that is a simple majority.

NEW BUSINESS

1. Covenant Task Force

It was moved by Terry Wheeler and seconded by Stephanie Morton that a Covenant Task Force be established. The motion carried 6-1.

A discussion followed on how this Task Force would be set up.

It was moved by Mike Noland and seconded by Stephanie Morton that the Board solicit volunteers for the Covenant Task Force and determine the number to be on this Task Force. The motion passed unanimously.

Board of Directors' Meeting Minutes

Page 3

Gary Brodhagen volunteered to be on the Covenant Task Force.

2. Affirm Board Committees

It was moved by Roy Wilkinson and seconded by Terry Wheeler to affirm all the Board Committees and their chairs.

Discussion was called for from the Board. Sherry Nigteagle felt that the Building Advisory Committee was no longer needed since there are so few properties that are vacant land. She also felt that the Member Relations Committee should be eliminated since events could be planned by people without being on a committee.

Terry Wheeler felt that the Finance and Budget Oversight Committee and the Member Relations Committee should be eliminated. However, the Building Advisory Committee was established to review and approve building plans. Terry feels that a local person should be involved and not just the County.

Mike asked Nan Campbell who was the Building Advisory Committee Chair. The Committee is currently without a chair but does have 3 members. The Committee has not been active since there have been no new building projects started.

It was suggested that affirmation of the Committees and their chairs be done individually.

The motion to affirm all the Board Committees and their chairs was defeated unanimously.

It was moved by Sherry Nigteagle and seconded by Kim Lanyon to affirm the Roads Committee. The motion passed unanimously.

It was moved by Sherry Nigteagle and seconded by Terry Wheeler to affirm the Fire Mitigation Committee. The motion passed unanimously.

It was moved by Sherry Nigteagle and seconded by Terry Wheeler to suspend the Finance and Budget Oversight Committee. The motion passed unanimously.

It was moved by Sherry Nigteagle and seconded by Kim Lanyon that the Building Advisory Committee become the Board's responsibility. The motion passed 6-1.

It was moved by Stephanie Morton and seconded by Mike Noland to affirm the Member Relations Committee. The motion passed 5-2.

It was moved by Terry Wheeler and seconded by Stephanie Morton to appoint Robby Moy as the Chair of the Roads Committee; Steve Campbell as the Chair of the Fire Mitigation Committee; and Russ Siracuse as the Chair of the Member Relations Committee. The motion passed unanimously.

Board of Directors' Meeting Minutes

Page 4

TREASURER'S REPORT

The Board went to the Treasurer's Report which included the Bookkeeping Services and the Revised 2023 Budget.

Kim began by giving the Bank Account Balances and then giving an account of the 2023 dues collection.

Bank Account Balances

- Checking account Statement Date February 28, 2023: \$84,932.83
(4) checks have not cleared account for a total of - \$4,449.60
 - Reserve Account Statement Date February 10, 2023: \$32,673.82
 -
- Total both accounts: \$113,157.05**

2023 Dues Collection, update (as of March 10, 2023):

- Fully paid members = 92 (66.66%)
- Partially paid members = 32 (23.18%)
- Have not made a payment = 14 (10.14%)
- Total number of checks received = 124 (89.85%)
- Total dues collected = \$60,300.00
- **Outstanding dues = \$15,600.00**

Bookkeeping Services

Kim updated the Board on the Bookkeeping Services. All the January reports have been received and are on the website. All receipts and deposits have been submitted to the bookkeeper for February 2023.

It was moved by Kim Lanyon and seconded by Mike Noland to bring the accounting function of CMRHOA, Inc. in house as of March 31, 2023.

Discussion followed from Kim. During 2022, many things have been accomplished through professional accounting and bookkeeping companies. Because of their work:

1. Our financial records have been reviewed and are in order.
2. Financial accounts have been updated and expanded to give a clearer view of our expenses.
3. Monthly financial statements have been created and are put on the website for all to view.

Board of Directors' Meeting Minutes

Page 6

Because of their work, Kim feels confident that the accounting function can now be brought in house again.

1. Kim is familiar with QuickBooks and runs her business using this software.
2. Other Board members and Community volunteers are also familiar with this software.
3. Kim feels, that with the help and oversight of Stephanie Morton, they can do all of the accounting functions that are necessary, including the month-end statements.
4. For oversight of the accounting procedures/functions, there is the Finance and Budget Oversight Committee and the Board of Directors. Each Board member has access to our bank accounts and have the authority to sign checks.

The motion to bring the accounting function in house as of March 31, 2023 passed unanimously.

It was moved by Kim Lanyon and seconded by Sherry Nigteagle to purchase QuickBooks software so the accounting functions can be performed in house. The motion passed unanimously.

The cost of the QuickBooks software would be approximately \$600 and would be put on Stephanie Morton's computer. This software can be placed on a USB drive if it needs to be transferred to another computer.

Updated 2023 Budget

The 2023 has been revised since it was approved in November. Kim, Stephanie, and Roy went over some of the revisions. The budget reflects savings by bringing the bookkeeping services in house; reducing legal fees; and budgeting \$55,000 to the roads. The total budget expenses are \$87,277.00.

It was moved by Terry Wheeler and seconded by Stephanie Morton to approve the undated and revised 2023 budget. The motion passed unanimously.

BOARD COMMITTEE REPORTS

Roads Committee

Terry Wheeler reported for the Roads Committee. The Roads budget has been created with priorities in mind. Repairs and improvements to Roads J.7, K.1, and J.6 will be done in 2023 besides the normal and continual maintenance to all the roads. The main reduction in the budget came to the Fire Evacuation Roads and restoring ditching and regravelling of some of the side roads in the subdivision.

Board of Directors' Meeting Minutes

Page 6

Fire Mitigation Committee

Steve Campbell reported that there will be a Town Hall Meeting at the Mancos Public Library on March 25th from 3 pm – 5 pm to discuss the Community Wildfire Protection Plan (CWPP). This report is on the website and Steve encouraged everyone to read it and come to the meeting.

With all the snow this year, there are many broken branches and split trees that will need to be mitigated. The Land Fill will be having a free bring your slash month, but it has not been decided which month because of the continued snowy/wet weather. This year the Mitigation Committee is requesting that you bring your branches/slash to a place on your property where they can bring a chipper and chip your slash right on your property. There will be more information on this as the weather gets better.

There is a Colorado State House bill that is being proposed which could affect subdivisions concerning mitigation and fire escape routes. The Mitigation Committee is keeping their eyes on this bill as it goes through the committee process and will have information about it at the March 25th Town Hall Meeting.

A member pointed out that there is a tax exemption for homeowners for fire mitigation of their property if it is done by professionals.

Member Relations Committee

Russ Siracuse reported that the Committee is composed of himself, Judy Wilkinson, and Stephanie Lynn. They will be planning community events and reviewing letters that are sent to them.

SECRETARIES REPORT

It was moved by Roy Wilkinson and seconded by Kim Lanyon to approve the November 5, 2022, Board Meeting Minutes. The motion was approved unanimously.

It was moved by Terry Wheeler and seconded by Kim Lanyon to approve the Email Minutes of November 30, 2022, concerning Road Maintenance Materials. The motion was approved unanimously.

It was moved by Stephanie Morton and seconded by Kim Lanyon to approve the Annual Meeting Minutes of January 21, 2023. The motion was approved unanimously.

It was moved by Stephanie Morton and seconded by Mike Noland to approve the Email Minutes of February 10, 2023 concerning execution of the Covenant Assignment. The motion was approved unanimously.

The email minutes will be distributed to the membership with these minutes.

OTHER BUSINESS FOR THE GOOD OF THE COMMUNITY

Diane Cherbak asked the Board to consider the following:

- Consider changing the meeting time to a Wednesday evening.
- Consider having meetings 6 times a year – not including the Annual Meeting.

Board of Directors' Meeting Minutes

Page 7

- Consider changing the Annual Meeting and the Annual Picnic to September.
- Consider changing our liability insurance carrier.
- Consider changing to a fiscal year accounting schedule.

Roy Wilkinson reported that if a community has an Emergency Planning Committee, which is our Fire Mitigation Committee, there is an Immunity Clause from the State of Colorado. This clause protects any one working with an Emergency Planning Committee exempt from possible liability litigation. There will be more information about this at the March 25th Town Hall Meeting at the Mancos Public Library from 3 pm – 5 pm.

MOTION TO ADJOURN

It was moved by Charlie Osburn and seconded by Roy Wilkinson to adjourn the meeting. The motion passed unanimously. The meeting was adjourned at 12:05 p.m.