

Southfork Property Owner's Association Board Meeting

Thursday September 21st 2017

Falcon Fire Station Meeting Room (7030 Old Meridian Road, Falcon, CO 80831)

Meeting Minutes

Meeting called to order 6:33 pm. Board members in attendance: Duane Beyer, Paul Zimmerman, and Jake Gerow. Eileen Williams of the Management Transition Committee is also present. Approximately 25 association members attending.

The proposed budget changes for the balance of 2017/2018 and the preliminary budget for 2018/2019 were presented; current estimates show the completion of the 2017/2018 budget to be within the old 2017/2018 total budget of \$10,380. The budget for 2018/2019 was estimated at \$14,900. These numbers are not yet final.

Introduced Eileen Williams as the principal member (assisted by Lyle Scott) of the Management Transition Committee, which is assisting in getting the POA documents/records transitioned to the management company and helping the board with planning and member communication.

The management transition is ongoing; a meeting at which the financial records were transferred occurred on September 15th, and Eileen has been in virtually constant contact with the management company for the past few weeks. For the time being, the management company has not been asked to engage in covenant enforcement activities.

A motion to transfer \$10,000 in funds from the existing association account to the new association account to be used in conjunction with management company activities was seconded, and approved. This will allow the management company to begin normal accounting activities.

A motion to join the Council of Neighbors and Organizations (CONO) was made, seconded and approved. This entails a \$100 annual membership fee. CONO provides HOA assistance in things like HOA documents, board member training and education, association member information, independent third party voting validation and counting, etc.

The process for establishing covenant enforcement was presented. This will entail: providing a preliminary list of proposed changes to the membership along with a solicitation for feedback, drafting specific proposed changes, having the association attorney review the changes for legal compliance, placing the proposed changes into a ballot and information package, mailing a ballot package to all association members, and tallying and presenting the voting results. Whatever results from the voting will be incorporated into an enforcement policy, and this is what will be enforced in the community.

The floor was then solicited for questions:

The management fees appear in two places in the budget due to the nature of the contract. The larger portion of the expense is the routing accounting, management and enforcement that represents a fixed monthly cost. The second is an estimated amount that is needed for other per incident items like mailings, lawyer consultations, etc.

The process for dissolution of the association was presented: First a vote of all members of which 67% must vote to dissolve, second a certified mailing to all first mortgage holders within the community and a simultaneous placement of a notice to dissolve in the local papers for two weeks; 60 days following the notices the responses will be tallied and 67% must approve of the dissolution. If 67% of both approve the dissolution, the appropriate filings must be done with the county/state by the attorney.

The budget is still preliminary and does not yet have a reserves requirement specifically identified for both operating and capital expenses. In 2019, the state (within CCIOA) will require all associations to include a minimum 10% reserve for all budgets; it is intended to establish this for our 2018/2019 year.

At this time all ACC (Architectural Control Committee) forms should still be submitted to our ACC members (Eileen Williams & Brian Bowers); eventually this will be routed to the management company, but not yet.

The board will work with the management company with respect to annual fee increases, however we are not locked into this company and have a 30 day termination clause in the contract, so if fees are raised excessively, we can always go elsewhere. It really isn't in the company's best interest to try to "shake us down" with large annual increases.

The management company will not initiate enforcement actions (i.e. "patrol"); they will only respond to submitted violation forms and be an independent validation that the violation exists. They will not proceed with any enforcement actions without board approval.

The meeting was adjourned at 7:47 pm.

Following the meeting, several individuals volunteered to be on the board (since other members have resigned). The board exercised bylaws section 3.11 and appointed three new members to the board: John Sabell, Eileen Williams, and Lyle Scott, subject to approval of the membership at the next association meeting anticipated to be in April 2018 coincident with the 2018/2019 budget presentation. A vote was then taken, and the following positions were assigned: John Sabell-President, Jake Gerow-Vice President, Duane Beyer-Treasurer, Eileen Williams-Secretary, Paul Zimmerman-Technology, and Lyle Scott/Deb Boston Members at Large.