

*West Fork Village
HOA Annual Meeting Minutes
July 11, 2015*

ROLL: Board Members Present: Jamison Walsh—President
Steve Hooten—Vice President
Anita McAllister--Treasurer
Cathy Bohannan—Secretary
Rosann Holman—Voting Member

Travis Ryan—On-Site Manager

Others Present: Bruce J. Lichtenberger, CPA, George Hekowczyk, Jan Overmyer, Jan Massey, Mike Burgess, Ken Eberly, Bonnie Stauffer, Pat Pope, Janet Baker, George Stockham, and Jean Sherrod

FINANCE REPORT: Bruce J. Lichtenberger, CPA

A. Bruce Lichtenberger distributed a packet of materials covering our year-end finances for January 1-June 30, 2015—see attached.

B.	Assets:	Current Assets:	Total Checking /Savings:	\$264,375.77
			Total Accounts Receivable:	<u>- 5,783.28</u>
			Total Current Assets:	\$258,592.49
		Fixed Assets:	Total Fixed Assets:	<u>\$140,564.39</u>
		Total Assets:		\$399,156.88

D.	Liabilities & Equity:	Total Current Liabilities:	\$ 199.53
		Equity:	\$405,926.53
		Net Income:	<u>\$ -6,969.18</u>
		Total Equity:	\$398,957.35
		Total Liabilities & Equity:	\$399,156.88

E. Profit & Loss Budget vs. Actual:

Actual:	Gross Profit:	\$172,841.84	Budget:	\$171,057.69
	Total Expenses:	<u>\$179,811.02</u>		<u>\$167,670.26</u>
	Net Income:	\$ -6,969.18		\$ 3,387.43

F.	Statement of Cash Flows:	Net Cash provided by Operating Activities:	\$ -14,426.95
		Net Cash provided by Investing Activities:	<u>\$ 3,167.00</u>
		Net Cash increase for Period:	\$ -11,259.95
		Cash at beginning of Period:	<u>\$ 275,635.72</u>
		Cash at end of Period:	\$ 264,375.77

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- G. 1. Question: For a complex of this size, is the amount we have in reserves a healthy amount (\$68,876.03)?

Bruce Lichtenberger: Yes, very healthy. You want to look at where your funding needs are for the near future.

2. Clubhouse expenses deal primarily with the pool. We are trying to take some steps in reducing those expenses to the extent we can; e.g., lower the temperature of the water by a couple degrees.

YEAR-END REVIEW:

- A. **HOA DUES:** *A careful and thoughtful review of the HOA Budget, combined with a reduction in expenses and a more comprehensive understanding of projected future costs has allowed the Association to forego the need to raise annual dues for 2015. As such, West Fork HOA continues to offer a host of unique amenities to owners; such as, Full-Time and Part-Time On-site Management, while charging annual dues that are \$1,000-\$1,500 LESS per year than similar communities in northern Colorado.*

A question was raised regarding whether or not we are considering raising dues any time soon.

- a. **Jamison Walsh:** *We have tried to reduce expenses this year. We don't want to increase dues without a valid reason. We also want to avoid any special assessments. It was noted that Keith Montey (our HOA insurance representative) indicated there is a very reasonably-priced addition to our personal insurance policy we can request that will cover the cost of any special assessments brought forth.*
- b. Discussion continued regarding the repairs being done around the complex; e.g., decks—water damage and railings, pool, and roof.

- B. **RESERVE STUDY:** *A new Reserve Study was completed this spring and results of that study will be available in July 2015. Copies of the study will be posted on the HOA website. The Executive Board will use the recommendations within the study to project costs for the coming years and budget accordingly. The 2015 Reserve Study marks the first time since 2006 that any update or review of the Reserve Study had been done.*

A question was raised regarding having an audit done of our finances.

Jamison: *We have just completed a reserve study (results available next week), and an audit of our finances may be built into the budget for next year—this is approximately \$6,000.*

- C. **INSURANCE REVIEW:** *As a result of a nearly \$2 million insurance payout in 2014, the premiums for the Association's hazard insurance increased significantly in 2015. A thorough review of the insurance policy was completed and after seeking guidance from both our accountant and attorney, the deductible on the Association's hazard insurance was increased from \$2,500 to \$10,000. This deductible represents a significant advantage for the Association as nearly every community in Colorado has been forced by insurers to move to a flat 2% deductible in the past year as a result of frequent hailstorms.*

***Jamison:** Following this comprehensive review of our insurance company, the following facts support our remaining with American Family Insurance:*

- 1. Other companies have gone to a deductible percentage of 1-2% per building. West Fork Village has been fortunate so far to remain under a flat-rate deductible for the complex, not per building.*
- 2. Requirements have become more strict with regard to all buildings within a complex meeting building codes when repairs are covered for one building—West Fork Village is up to code or close to it and does not have to establish that with American Family Insurance.*

- D. RULES ENFORCEMENT PROCEDURE:** *Resolution 12 was adopted to ensure the fair and equitable enforcement of the CC&R, prevent abuse of the CC&R by any executive board now, or in the future, and to provide a reasonable and timely venue for owners to challenge the validity of any claims brought against them.*
- E. DISPUTE RESOLUTION POLICY:** *Resolution 13 was adopted to provide a pathway for residents to settle disputes before they escalate, create accountability and transparency for all parties involved and alleviate the need for the Association to become deeply involved in protracted disputes that do not involve a violation of the CC&R, a community safety issue and/or a potential violation of the law.*
- F. REDUCTION OF DELINQUENT ACCOUNTS:** *Through the adoption of a new collections policy in 2014 and improved communication with owners, the Association has reduced the total amount of delinquent accounts by nearly 50% in the last three years. Additionally, the Association maintained its past liens of three units and has sought legal counsel as to the viability of forcing foreclosure on two units which have been severely delinquent for several years.*

Jamison further explained that the amount owed between the two units referred to above totals about \$12,000 in late dues/fines and foreclosing on the two will not recoup what is owed, but will only "stop the bleeding," so to speak. He emphasized that this is not a route we wish to take, but for the sake of the Association this route may be necessary. He further explained that every effort has been made to come to a viable resolution with the two owners and the problem is not going away.

- G. IMPROVED LANDLORD RELATIONS:** *In an effort to more proactively involve landlords, the decision was made in 2015 to begin notifying landlords of all violations of the CC&R and require that landlords make appeals for any violations. As a result of this decision, 2015 has seen a significant decrease in the instances of tenants habitually violating the CC&R without meaningful communication with the landlord taking place from the first occurrence of any violation.*
- H. SECURITY CAMERAS:** *Security cameras were purchased and installed within the clubhouse. This decision was made after several issues arose within the clubhouse, including theft of equipment and an incident of indecent exposure, to ensure the security of packages left by USPS within the clubhouse, as well as, reduce the potential liability that the Association may face as a result of any injury that may result from use of the clubhouse and/or its amenities.*

Reasons for purchasing security cameras:

1. Reduce liability for the Association in the use of the pool and/or hot tubs.
2. With the building of the new apartments across the street, there is some increased concern regarding possible trespassing issues.
3. Parking has been an ongoing issue and that is likely to increase with the apartments going in across the street.

- I. **OWNER RESPONSIBILITY CHART:** *A simple, easy-to-understand chart was created and distributed summarizing the CC&R that shows owners what aspects of their unit that they are responsible for repairing and what aspects the Association is responsible for repairing. This document has significantly reduced ineligible repair requests, as well as, reduced conflict in identifying responsibility when repairs are needed.*

This document has recently been approved by our attorney and will be available on the website soon.

- J. **SALE OF GARAGES:** *In response to ongoing requests for the past several years, the sale of auxiliary garages continued through 2015. After careful review, the decision was made in 2014 to begin selling HOA-owned auxiliary garages as the current leases on these properties ended.*

Eight garages have been sold so far.

- K. **DECK MAINTENANCE AND REPAIR:** *Deck coatings, water damage and railings were repaired. Flashing was added to ensure that continual water damage does not occur to support columns and other sub-structures.*

- L. **COMMITTEES:** *In 2014, the Association instituted the Compliance, Covenant & Legal; Finance & Budget; and Architectural Review Committees. These committees will work to ensure the continued longevity and stability of our community while more proactively engaging members of the community who wish to contribute their time and talents.*

1. If you are interested in being involved in any of these already-established committees, please contact any Board member or our On-site Manager.
2. New committees will be added in the future; e.g., Social Committee.

- M. **COVENANTS & BYLAW REVIEW:** *The Association retained the services of a qualified HOA law firm to thoroughly review our CC&R and Bylaws and make recommendations on how they can be improved and amended to comply with current Colorado law, reduce the Association's liability and ensure clarity in community governance.*

1. In some specific situations, our attorney has presented his opinion that our CC&R and Bylaws are terribly written and are a liability to us as an Association. We need to take the time, effort, and expense to have them rewritten to comply with current Colorado law.
2. The CC&R is difficult to change as it requires a two-thirds approval of all owners to pass any changes.
3. We have also encountered a problem in that we do not have electronic access to the CC&R and Bylaws—all we have are photo copies of them.

- N. **APPROVED A/C UNITS:** *As the compressor units for the air conditioners begin to age, a list of approved A/C units was compiled to ensure that owners can replace these units in a timely fashion with as little burden as possible while maintaining the architectural guidelines of the Association.*

A list of approved A/C units is available on our website along with a list of approved storm doors.

- O. **GENERAL CONTRACTOR AGREEMENT:** *A General Contractor's Agreement was adopted to ensure continuity of legal contracts entered upon with outside contractors and mitigate potential liability of the Association.*

Builder Bob (also owns Agape II Coding) is the Association's approved construction contractor.

- P. **PET RULES & REGULATIONS:** *The Association adopted new guidelines governing the ownership of pets within the Community.*

1. The most significant change is as follows: Only two pets per unit are permitted and 25 lbs is the maximum weight per pet (50 lbs total). There are approved pets on the property larger than this that have been grandfathered in.
2. Pet registration is required for all pets including a discernable photograph of each pet.

- Q. **EXECUTIVE BOARD ORIENTATION:** *A formal training process was adopted for the onboarding of new board members to ensure continuity of operations during the transition from one Executive Board to another. This training lays the foundation for new Board members while serving to reduce the potential liability of the Association due to lack of familiarity that any board member may have with existing Colorado laws governing owner's associations.*

The HOA could potentially be responsible for decisions made by the Board, but not individual Board members.

- R. **POOL REPAIR:** *The pool received a much-needed resealing to ensure its longevity.*

- S. **ROOF LEAK REPAIRS:** *Several roof leaks were identified and repaired by the Association at no cost to owners.*

- T. **ICE DAMMING:** *Heat tape was installed in the gutters and downspouts in areas where ice dams had been forming, eliminating potential damage to the units below.*

- U. **NEW BBQ:** *A new BBQ was purchased. It rocks.*

A reservation is not necessary to use the BBQ unless you are reserving other areas of the Clubhouse for a group--\$50 charge for reserving the Clubhouse. Please note, the pool may not be reserved exclusively for one group.

OTHER BUSINESS:

- A. **Shades:** There have been several inquiries as to the guidelines for adding shades to decks/patios. The Board is working on defining the parameters of placing shades on their decks/patios.
- B. **Volleyball Court:** A question was raised regarding the status of the volleyball court. The owners were asked how they would like to deal with the volleyball court at last year's annual meeting. The decision following the vote was to remove the volleyball court and replace it with grass. Due to other unexpected expenses arising this year, the volleyball court has not yet been addressed.

NOMINATIONS & ELECTIONS:

- A. **Outgoing and Returning Board Members:**
 - 1. Outgoing Board Members: Cathy Bohannon, Steve Hooten and Jamison Walsh
 - a. Cathy and Steve will not seek a second 3-year term.
 - b. Jamison will consider re-running for a Board position.
 - 2. Returning Board Members: Rosann Holman, Anita McAllister, and Sandi McNeely
- B. **Board Member Responsibilities**
 - 1. Jamison reviewed the responsibilities of each Board member.
 - 2. Each term is 3 years; a Board member may serve for two consecutive terms (a total of 6 years) and then a one year break is required prior to serving again.
- C. **Nominations:**
 - 1. Jan Massey
 - 2. Jamison Walsh
- D. **Elections:**

Jan Massey and Jamison Walsh were duly elected and will serve on the West Fork Village HOA Board.

NEXT MEETING: Monday, July 20, 2015, at 6:30 pm.

UPCOMING MEETINGS: Thursday, August 13, 2015, at 6:30 pm and Saturday, September 12, at 10:00 am

Meeting Adjourned.

Respectfully submitted,

Cathy Bohannon, Secretary