

ANNUAL WINTER MEMBER'S MEETING MINUTES FAIRWAY PINES ESTATES OWNERS' ASSOCIATION

January 31, 2023 at 5:00 p.m.

via Zoom

The meeting was called to order by Vice President Randy Mathis at 5:05 p.m. President Randy Mathis, Treasurer Mike Jones, Secretary Bob del Rossi, President John Peters and Board Member Paul Stashick were all in attendance via Zoom. Due to weather conditions, there was not an actual in person meeting held at the Fire Station.

Evelyn Bailey (administrative assistant) hosted the Zoom portion of the meeting. There were 35 participants at the start of the meeting.

1. Approval of Minutes

Paul made a motion to approve the Meeting Minutes for the December 15, 2022. The motion was seconded by Bob del Rossi and the motion carried.

2. Presentation by Sam of Middleton Accounting of BILL.com

Sam Middleton shared his screen while demonstrating the new online option of Bill.com for paying HOA dues and HOA receivables. This will assist with streamlining payment of bills by the HOA and receiving HOA dues payments. The email for vendors of the HOA for Bill.com is fairwaypineshoa@bill.com. Sam discussed the upcoming invoicing of HOA dues and how the members would pay online. Paper invoices will also be mailed to all property owners as a backup. Sam can be reached at sam@middletonaccounting.com if any members have not received their emailed invoices. Property owners with multiple lots will get a separate emailed invoice for each property. The charge for credit card users will be \$12 to recoup the transaction fee charged by the credit card companies while bank account users will not be charged. Randy asked if the pay link for bill.com could be linked to the website, however, Sam said it could not. Invoices would have to be generated by Sam through Bill.com.

3. 2023 Budget

Randy made a statement while waiting for Sam Middleton to present the budget, regarding the various board members being out of town due to family illness, vacation etc. He said that tonight's meeting was the first time that all board members had been able to view the budget. The budget could be approved tonight or could be postponed until next meeting. Sam continued with the budget presentation. The end of 2022 year balances for the various accounts are:

Operation account at Alpine Bank has \$113,671.00, road fund has \$27,972.00, refundable deposits \$240,067.00, Vanguard Reserve Fund \$435,847.00. HOA dues collected in 2022 are

\$145,857.00, of which \$83,910 went to the Vanguard Reserve Fund. Total income of \$90,340.00 which includes expense reimbursements, ARC fees, interest etc. 2022 budget had \$165K of total general expenses, actual was \$107,728.00. Accounting fees, legal fees, snow plowing, website building, weed spraying fees, ARC review fees, all came in under budget for 2022. Net operating loss for 2022 was \$17,388.00. 2023 proposed budget worksheets were presented and shown during the meeting.

Paul verified with Sam that annual operating costs were around \$90K and asked what the number would be if we spent as much as \$500K on the roads. Sam answered it would leave about \$21K in the Vanguard reserve fund if that much was used in a single year. Paul said he was not comfortable not having at least one full year of operating costs in reserve due to the possibility of cost overruns, unforeseen legal expenses, etc. Eric Loeb of the Road Committee was asked about the actual cost of doing the paving and said they had spoken to the county and United Paving about other options in lieu of asphalt (such as the double chip seal coating as used on CR-1 in Colona, which is about half the price of asphalt.) They are still waiting for United to provide cost estimates. Mike Jones recommended the subject of road paving be tabled until an accurate cost estimate for the alternates to asphalt are obtained. Eric said he did not have an accurate estimate for the asphalt but believed it was around \$300K. Mike said he was comfortable with using an alternate paving material at half the cost of the asphalt for the remaining roads in the community that need to be paved, especially since the traffic on those roads were lighter than the traffic on CR-1. Paul concurred but added that the paving issue should be completed soon, especially for new people on new streets. Bob del Rossi said he had spoken with someone in Montrose with the road department that handles road paving who told him that the material used on County Road 1 had a life expectancy of 5-6 years. Bob also believes with the lighter traffic on our back roads we should consider using the asphalt alternative, even if it means doing the work in phases so as to not take too much money from the budget. Randy concurred on the road issue and also mentioned some money should be kept aside for a future updated website. The decision was made to allow \$150K for road paving into the budget pending accurate numbers from the road committee, with \$10K set aside for a new website.

Randy announced that there had been a settlement with Kopper Creek in the amount of \$40K which needed to be reflected as a line item for 2023 legal fees under the 2023 budget. He said the board had previously lifted the moratorium, explained their position and is allowing modular methods of construction going forward. The ARC standards will be upgraded and reflect what the community wants in the way of construction and will be applicable to all forms of construction. Modular construction will not be singled out. Further information as to why the decision was made to settle will be forthcoming.

Mike Jones made a motion to approve the 2023 budget as it was presented, and Bob del Rossi seconded the motion. The motion carried.

4. Individual Committee Status Updates of Reviews of Additional Documents

Randy had asked individual committee members to review specific documents pertaining to their committees, specifically the policies and procedures, covenants and bylaws.

Jerry Simon spoke for the ARC Committee and said they were working with the CRC to update the ARC standards with additional design details while remaining true to the intent of the original standards. They have met many times over November-December and submitted updated standards to the board as of Jan 6 and were waiting for additional input from the board.

Members of the board who commented were:

Mike Jones said he was only questioning the requirement for paving and the estate lots. He had received input from some estate lot owners who told him they preferred gravel due to appearance and traction. John Peters said he had concerns about the mass/size issue, jogs in the building etc. as they might be too specific, as well as references to the old PUD vs the new PUD.

Paul said he believed they should put it back on the membership as to paving of individual driveways. Paul spoke about the fees/costs on multifamily building as being high (Dallas Creek tap fees, sanitation district fees, transfer fees, ARC fees etc.) and the combination of fees could be discouraging to developers which could slow down development. He also spoke about the recessed window requirement and whether it was necessary/realistic.

Bob del Rossi said he had spoken with Steve Williams from the CRC committee and the only comment that he had was he believed the driveway paving issue should be put to a membership vote. He believes the more items that are put to a membership vote, the better. He asked Steve Williams if he had an answer to the question from Paul about the windows. Steve said when they were working with ARC their focus was “on taking pride in creating custom home looks in the community”. The windows were one of the suggestions they had from the architectural consultant.

John Peters commented that when writing ARC standards the language should be clear and concise to avoid confusion along with providing supporting data.

Randy encouraged the board to get their comments in to ARC and the CRC committee as soon as possible.

Steve Williams said the CRC has reviewed the Covenants and Bylaws and has submitted some suggested changes to the board as of January 22nd. They are waiting for feedback from the board. They also looked at Section 1 and 6 of the policies and procedures (6 deals with covenant enforcement). They have some suggestions for changes there as well. He said they are also looking for other committees’ comments and suggestions for changing the documents.

Randy asked the other committees to send in their comments directly to Steve Williams and the CRC for consolidation. He also wondered if some of the individual sections of the policies and procedures could be approved independent of the total document which would make future updates more manageable.

Paul mentioned he was working with another association and said that Gov Polis backed a bill that limited HOA's from governance over public right of ways along with a limit on HOA fines.

A homeowner asked which documents with proposed changes would be available for the membership to review – only the ones they would be voting on or? Randy answered that all the documents that were being reviewed (CCR&E's, Policies and Procedures, Bylaws, ARC Standards) will be posted on the website for member review. Members will be notified by email when they're posted. (Policies and Procedures and ARC Standards are posted for a minimum of 7 days, CCR&E's and Bylaws are 15 days prior to voting, with the CCR&E's and Bylaws voted on by the membership. ARC Standards and Policies and Procedures are voted on by the board.

John Peters commented that he agreed with Paul that legal (Marti) should be reviewing proposed changes to make sure they are not in violation of CCOIA (Colorado Common Ownership Interest Act) as approx. 75% of that act applies to HOAs throughout Colorado. Paul mentioned that Fairway Pines and Divide Ranch were established pre CCOIA and our governing documents would apply unless CCOIA standards supersede ours.

Randy called on the Finance Committee for comments regarding their section. He also mentioned that he believes the Finance Committee and Road Committee should be separate as far as Policies and Procedures.

Janet Pritchett spoke for the Finance Committee and said that they agreed at their last meeting that there should be at least 1-2 years of operations kept in reserves, the Road Committee would provide input to the Finance Committee as to what they would need for the roads, however, they did not discuss investments and/or any changes to the Vanguard account. Randy asked that the Finance Committee send their suggestions to Steve Williams of the CRC Committee.

Paul talked about the Sanitation District and said that Barry Zane was able to get \$157K of DOLA funds for the district. He also mentioned that Barry is researching turning the San District boundary into a Metro District and this might be something the HOA should investigate as advantageous for the community in the future.

Eric Loeb spoke for the Road Committee and said he feels they should be dealing directly with the board if it's a budget item and not require going through the Finance Committee. Randy said it's likely that will remain so as to track the funds; however, he'd like to see a separate section in the Policies and Procedures that encompasses all of the areas with the roads (road maintenance, weed abatement, snow plowing, paving etc.).

Randy spoke about records retention and archiving documents as per CCOIA. Evelyn has spoken with Sam and is waiting to see the procedure on how we can archive our documents online.

5. Old Business

There was no old business up for discussion.

6. New Business

Randy spoke about the snow plowing issues earlier in the season. He said due to a warm and wet beginning, followed by a cold snap, the snow piled up and the snow plowing was delayed per his instruction. They have now connected regularly with Brent, who does the snow plowing for the community. He reminded the membership that we don't have a large budget for snow plowing and can't plow the roads continuously.

Bob said he is in regular contact with Brent and the plan they have established seems to be working.

Paul suggested they could put more funds into the budget for snow plowing. He also suggested we could use a front-end loader and/or heavier piece of equipment if necessary as required depending on the conditions. Randy put it up for a motion, it was seconded by Bob del Rossi and the motion carried.

Randy talked about the updates to the website, including posting of documents, a calendar with board meeting dates, links to upcoming agendas, dates for posting of upcoming agendas and recent meeting minutes. He proposed February 16, 2022 for the next meeting but also mentioned a possible special meeting prior to address the proposed ARC revisions. He mentioned that meetings will usually be scheduled for every 3rd Thursday of the month based on various board members' schedules.

7. Questions and Comments

Eric Loeb asked for a status as to a rebuild of the old clubhouse. Randy said to his knowledge it is still under investigation by the state. He said the owner has 4 months to rehab the site and believes once the investigation is released he wants to start the clock on the 4 months

Gen Spangler asked if ARC had an established time that a home needed to be completed as she thought it was 1 year. Jerry Simon of ARC said that they typically allow one year but with the worker shortage and delay of materials they have been granting extensions and have not been

enforcing the one year time limit. Paul commented that a builder with multiple builds will usually get preferential treatment by suppliers.

Gen also asked about a neighborhood contact list and asked whether that would continue. Bob del Rossi said he heard that the Welcome Committee was going to get permission from new people as they moved in to have their contact information shared. Paul said he believes that under CCIOA the HOA is required to have a valid mailing address from homeowners, but possibly not necessarily an email address.

Erin McIntyre asked questions about the KC settlement and what was behind the decision to settle. Bob del Rossi said that after meeting with legal counsel, they believed it was the most effective and cheapest way to move forward from the situation with the advice of their counsel.

Mistalyn Kuzov asked about the status of the moratorium. Randy answered that the moratorium has been lifted and modular builds will be allowed to present designs. He added that the designs of all homes will be controlled by the ARC standards and the intent of the moratorium was to review our policies, procedures, and ARC standards and to ensure that all designs are within the vision of what the community wants.

Meeting was adjourned at 7:00 p.m.