

Agenda

Board of Directors Meeting

December 6, 2010

Regular Session will start at 4 pm

Board members present Chris Coyle, Christie Jensen, and Gordon Nelson. Dennis Reynolds attended by phone. Ranch Manager, Steve Coley was also in attendance. Members present were Jan and Jim Kosglow, Ed Anderson, Nancy Nelson, Carol and George Pucak, Stephanie McConaughy and Michele Willey. Tom and Nancy Vail also attended.

Gordon Nelson, acting as Vice-President called the meeting to order at 4:00 pm.

Minutes

- **Approve minutes from November 1, 2010.** Chris Coyle moved to approve the minutes and Christie Jensen seconded the motion. The minutes were approved unanimously.

Homeowner Issues

Homeowner letters and comments. A letter was received from Jan and Jim Kosglow about the assessments and the charging of fees for membership play at the golf course. The Kosglows expressed their concern that a reduction of the assessments to be attributed to the golf course might cause its deterioration, negatively impacting their property values. Gordon Nelson advised them that the HOA budget reflecting the reduced assessment had been posted on the website on November 16 and had been mass emailed to all homeowners. Prior to its approval by the Board on November 29, 2010 no comments had been received regarding its various provisions. The Kosglows' letter and a letter from Gwen Ballard expressing her concern regarding the future of the golf course are to be included in the minutes of this meeting.. Chris Coyle said that it was not the Board's intention to cause the maintenance of the golf course to be diminished in any way. The Board worked for months on the contract with Tom Vail and wouldn't have done it if we were intending to get rid of the golf course. Coyle said the Board is doing what needs to be done to keep the dues for the Ranch under control and not continually spiraling upward. He further stated that if there were insufficient funds available to properly maintain the golf course next season, the Ranch has sufficient funds available to cover its expenses. Nancy and Tom Vail expressed concern that the assessments for the golf course had been lowered below their recommendation. They advised that punch passes could possibly be used by the community instead of paying green fees. Chris Coyle suggested that the punch pass and various marketing ideas should be taken up by the golf committee and reported back to the Board. Chairman Nelson deemed the public comment on this topic to have been completed and moved on to the next topic for discussion.

Old Business

- **Surrey Street Access, flagged for review.** Steve Coley reported the Elder Subdivision now has a public easement to open space accessed from the Chandler driveway that has been surveyed and flagged. He advised that there is a way to open up the trail if necessary. Gordon Nelson recommended not using it as an access. He stated that can get fishermen into the water through Rainbow Court instead. Stephanie McConaughy expressed that Ranch members should have use of the currently existing footbridge and the Board agreed. Coley was requested to inquire about obtaining an easement from Tracy Wolf across the back of her property providing permanent access for Ranch members to the footbridge.
- **FlyWater finished the bank stabilization project.** Coley reported the bank stabilization project has been completed and looks great. The elevations were shot and they met or exceeded the surrounding terrain. FlyWater also performed work on the channel leading to the sewer pond. He advised that he intended withhold FlyWater's final payment until such time as all required documentation for the project was received.
- **GeoSpatial Logic contract.** Chris Coyle is in the process of drafting the required agreement.
- **Advisory Committee member approval** (list attached). Chris Coyle moved to accept the Advisory Committee members as listed and Christie Jensen seconded. Passed.
- **Board Priorities reports.** The Board needs input on priority reports.

New Business

- **Budget approval.** Previously approved, unanimously, by the Board.
- **Horse Boarding.** A proposal has been submitted to permit the boarding of horses by persons other than Ranch members. Chris Coyle moved that the Board approve the proposal, subject to the submission of a detailed plan and its consideration and approval by the Board. Christie Jensen seconded. The motion passed unanimously.
- **Logging the burnt trees, bids from contractors.** Steve Coley advised he has spoken to four different logging contractors regarding methods of managing and disposing of the dead and burnt trees. He stated that hauling them off with logging trucks is an option or to continue to put them in roll-offs. He stated cottonwood trees have no value, and that sawmills were not paying anything for them at this time. He advised that whole tree grinders could be used and that they had the advantage of being very quick in reducing the deadfall to chips or pieces that could be handled more easily. Utilizing this option would require a logger to cut and stack the trees in a few locations, and then bringing in the whole tree grinder. Stephanie McConaughy brought up the fact that Black Maple when chipped is toxic and wondered about the cottonwood. It was determined that Coley would check on the toxicity of the cottonwoods. Coley stated that the ditch below the water tank had become overgrown with willows. Rick had been working on clearing it but didn't have the right equipment to do the job. He advises that hiring an outside contractor with the

right equipment would cost approximately \$380 an hour and that it was estimated the project could be completed for \$3,200. The Board determined that Coley should obtain a written estimate and that it would be voted upon by the Board between Board meetings to facilitate the work now.

- **Hindman Sanchez retainer.** This matter is to be reviewed by Paul Schlauch and Chris Coyle and a report made back to the Board.

Manager's report

- **Condo frozen pipe update.** An upstairs condo toilet froze and we are working with a contractor to remedy it. Insulating the outside walls will probably fix the problem. Also a second floor bathroom sewer line froze. A plumber cleared the line.
- **Trees taken down** (condos and open space). We used a cherry picker to take some trees down into manageable size pieces.

- **Priorities for December**

Wrangler

Accounting database and budget uploaded to Quickbooks, A/R and A/P systems

Close 2006 COE permit. Need to get this closed as soon as we get the time.

GIS database uploaded

Capital budget reviewed with BOD. Wish list will be put off until January meeting.

Financial

- **October 2010 review, HOA dues in arrears.** Dennis Reynolds said that we should have good ending balances for 2010. The interest on our accounts is low and he suggested that some of them could be rearranged. The new financials for 2011 should be a lot easier to read than the ones that we have received from CPMG.
- **Super lien pd.** There was a foreclosure earlier this year, the foreclosed residence has been foreclosed and the super-priority amount of past due assessments paid. The balance due after that payment for HOA assessments has been billed to the foreclosed homeowner.
- **Deceased member.** Paul Cornett passed away and the account was closed before the check went through. Steve Coley is in contact with them for payment.
- **City Wide bank account closed will be swept.** The CPMG account will be closed and in 2011 Community Banks will be handling our banking.

- It was determined by the Board that collection practices for delinquent HOA dues should be revisited and the membership reminded of the Ranch's collection policies and the need to enforce them for the good of the entire membership.

Confirm next meeting date

- January 10, 2011

Adjourn Regular Meeting. Chris Coyle moved to adjourn the meeting subject to approval of brush beating of the willows across Hwy. 82 by the Board in the interim period between this meeting and January 10, 2011 to be voted upon by email. Christie Jensen seconded. Unanimously carried and the meeting was adjourned at 5:30 pm.

Minutes of

Board of Directors Meeting

November 1, 2010

Board members present were Christie Jensen, Dennis Reynolds, Gordon Nelson, Paul Schlauch, Chris Coyle and Ranch Manager, Steve Coley. Also attending the meeting were Nancy Nelson, Nancy and Tom Vail, Eric Weaver from Robertson & Marchetti and Michele Willey. Paul Schlauch called the meeting to order at 4pm.

New Business

▪ **Budget review** All Board members had previously been furnished a draft of the budget Eric Weaver from Robertson & Marchetti led a line by line discussion of the draft budget. After extensive discussions, the Board agreed to certain changes in the proposed operating budget and instructed the staff to make certain additional investigations of potential cost savings. The Board will meet again to finalize the budget after the staff has reported on these matters and the members have had an opportunity to review the effect of the revisions tentatively agreed on at the meeting. The operating budget needs to be finalized by December 1, 2010 so that HOA members can be notified of the assessments for 2011. The board deferred action on the budget for capital items that will be funded from reserves, as these expenditures will not affect the monthly assessments.

Minutes

- Nelson moved to approve the minutes of the October 4, 2010 meeting. Seconded by Jensen. PASSED UNANIMOUSLY.

Homeowner Issues

- **Homeowner letters and comments** - None

The regular December Board of Directors meeting will be held on December 6, 2010 at 4pm. The Board tentatively set an earlier budget meeting for Monday, November 29th at 9:00 am.

Adjourn Regular Meeting – There being no other issues on the agenda demanding immediate attention, the Board deferred reports and action on those matters until its December meeting. Motion to adjourn made by Reynolds and seconded by Jensen. MEETING ADJOURNED at 7:18 pm.

Board of Directors

Priorities for 2011

1. **New Accounting System.** Dennis Reynolds and Steve Coley. Quickbooks is well on its way with lists and the accountant working on our list of accounts. January will be good to go.

2. Capital Improvements and Replacement Plans. Gordon Nelson, Dennis Reynolds, Paul Schlauch, Steve Coley. The Bourne Report from 2008 will be our guide. Irrigation will be \$600,000 on down the road will be a major problem.
3. Open Space. Christie Jensen, Chris Coyle, Steve Coley. We need to meet and set an agenda. Insurance proceeds from the fire are available and now we need to prioritize and decide on what we will do.
 - a. Removal of dead tress
 - b. Water flow management. FAC would like input on this and would like to get involved.
 - c. Hay Crop
 - d. Equestrian
 - e. Highway 82
 - f. Trail, structures
4. Condo. Chris Coyle, Paul Schlauch, Dennis Reynolds, Steve Coley. We need to meet and we have increased the deductible on the insurance. First \$10,000 will be the responsibility of the homeowner.
 - a. Freezing water pipes
 - b. Repairs / replacement of common elements. What is doable and attainable to remedy the structural defects?
5. Organizational Documents. Paul Schlauch, Chris Coyle. These bylaws need updating so we need to put documents in place for current times.
 - a. Articles
 - b. Bylaws
 - c. Declarations.

2011 Advisory Committee Members

FAC

Dan Bishop, Stephanie McConaughy and John Pfautz, Ed Anderson, Richard Sierzant, Chuck Rudolph

Architectural Control

John Thorpe, Bob Holt, Doug Heller, Chris Rowberry.

Equine

Marci Knieper, Jeannie Hanas, Sue Coyle

Open Space

Annie Worley, Doug Heller, Polly Tucker, Mike Gerber

Water Rights

Chuck Rudolph, Paul Schlauch

Highway 82

JoAnne Anderson, Mark Shelton, Polly Tucker

Condo

John Hermon - chair
John McDermott
Tom McDermott (the two McDermott's are not related)
Mark Shelton
Stewart McConaughy

2011 Capital Wish List

Rick

1. Replace one or two trucks (original cap ex estimate for 2011 was \$69,500)
2. Bigger trailer, for loading mini-excavator (est. \$6,000). So we can move equipment around the ranch, or to get serviced.
3. Dump truck (2 ½ ton). Getting hot, not safe, tranny going out. Originally planned to replace in 2018.
4. Brush hog – old one worn out. Will be doing a lot of willow cutting since the fire (\$8,000)
5. 4 or 5 irrigation pumps (\$550 each, burned up 2 this year). Will need hoses and guns for each.
6. Hotsy (\$2300 electric version or \$4000 for gas powered one)
7. Fertilizer for fields, \$2,500
8. Weed budget, \$5,000, including broad application for pasture
9. Upsize irrigation system for Ranch Creek
10. Lease water rights to Colorado Water Trust?
11. Move bridge to where foot bridge is?
12. Big roll-off container, no longer dispose of refuse on ranch?

Tom Vail, Golf Course

1. Golf course management software \$5,000
2. Tree and Shrub spraying – ranch pays for. Bid for condos and golf course is \$8,140
3. Tree removal, replanting – ranch pays for, how much?
4. Clubhouse interior, carpet replacement, \$2,500, interior paint?
5. Irrigation system, purchase used components, \$25,000, plan for new system (maybe tie into pasture irrigation)
6. Ponds, \$9,500 cleaning out

Office

1. Copier/scanner/fax (network for both computers) \$3,500 or \$105 per month lease

Condos

1. Painting decks, \$15,300
2. Roofs, \$178,500

Addendum to the December 6, 2010 Board of Directors Meeting.

Letters from Homeowners:

Received December 6, 2010 via email

To the RRFHA Board of Directors,

WOW, guys! (Oh, I'm sorry, "guys" and Christie, right?)

I am more than somewhat shocked that the Board apparently wants to destroy the golf course. As a former Board member, and a former President of the Association, I am indeed shocked that the Board seems to be intent upon a policy that clearly will result in the destruction of the golf course as one of the amenities that is offered by the Ranch at the Roaring Fork. You see, folks, I firmly believe that the golf course contributes a whole lot to the value of my property. However, there seems to be a number of Board members that believe that the Fishing amenity is the only one that contributes value.

Please allow me to disabuse the Board of that notion. The fact is that there are many owners who purchased their properties primarily because of the golf course. There seems to be an element that believes that we should not upgrade the watering system on the golf course, and that wants to set the funding of the golf course to ensure failure. Perhaps the Board should poll the membership as to whether the golf course adds value. Or perhaps the Board should ask an appraiser to determine the difference in value of our homes with and without the golf course. That would appear to provide a more reasonable basis for deciding how and whether the homeowners should support the golf course than simply the biases of certain members of the Board.

I am unable to attend the meeting of the Board on Monday, because I am working out of town this coming week. However, I trust that the Board will consider the input of this one homeowner when determining the budget for the coming year.

Thank you.

Gwen Ballard

Received by email December 1, 2010

Steve -

We appreciate your taking some time Tuesday afternoon to explore the pros and cons of the golf portion of the proposed 2011 budget for the Ranch. You asked for a summary of our conversation.

I stress that our main interest is preserving or enhancing asset value of all Ranch properties as we homeowners continue to maneuver through the current economy. Tough for all of us but we wonder if the proposed resource allocation to the golf amenity is reasonable.

The proposed budget:

1. reduces the owners contribution toward the golf program to \$8 per month, down from \$13 in 2009 and \$17 in 2008. This is a whopping 38% reduction from the prior year!!
2. assumes a \$1.00 per round increase in the golf fee for patrons.
3. mentions a homeowner user fee, possible charging homeowners like \$10 for a round of golf. .

4. forecasts revenues from golf/tennis user fees \$169,500 for 2011 versus \$150,900 for 2010 and \$158,000 for 2009. How was this arrived at?
5. reduces the monthly 2011 HOA by \$5.00.

In considering these inputs, it seems that the golf course is taking a big hit. Here's our view of each of the above points and some additional thoughts:

1. A 38% reduction in owner's contribution to the golf fee is excessive and we question its fairness. How about keeping it at the same level as last year? This means the overall homeowners assessments stays the same versus the \$5 reduction mentioned in 5. above. This small reduction is too miniscule to get any attention from homeowners. Keep the monthly assessment the same at \$550 for 2011 and avoid gouging the golf program. (the fishing fee of \$10 per month which will continue for another 7-8 YEARS was not reduced in any way)
2. \$1 seems reasonable as an increase.
3. We disagree with a homeowners per-person fee in the range of \$10 a round. We mentioned some options at yesterday's discussion such as giving each owner say a punch card for 20 rounds of golf. How about offering a season pass for say \$100 for an additional 15 rounds of golf? In addition, offer an early bird deal on season passes for the public so that there's an incentive to get people to buy the passes early as the Aspen Ski Company and Music Festival do.
4. How was this number \$169,500 arrived at? Is it reasonable and achievable or is it a pie in the sky goal? We have a concern that the unreasonable expectations for income coupled with reduced fees from homeowners (\$8,300 decrease) will set up the whole golf program for failure and collapse. Some homeowners and board members may not value the golf amenity, but jeopardizing or eliminating it through deliberate collapse or unreasonable expectations is not acceptable. The fate of the golf amenity should be discussed and voted on by all members at the annual meeting. At times we wonder if there are forces on the board or elsewhere who are attempting to build a case for the golf amenity's demise. In other words failure to meet unreasonable goals like these becomes a self-fulfilling prophesy.
5. In our opinion this monthly-dues reduction of \$5 in 2011 HOA is "de minimis." - too small to get any notice. It's lost in the rounding yet its impact on the golf course is a major negative (almost a \$10,000 difference). Keep the HOA for 2011 the same as 2010 and add the \$5 back into the golf budget. \$156 per year (\$13 x 12 per unit) is a reasonable price to pay to maintain a valuable amenity. The golf course is a major contributor to our property values at the Ranch and is a highly visible community asset as the only reasonably priced course for the public and very visible from Hwy 82.

After speaking to you, Steve, we called Ton Vail and he mentioned the "HOA Member Golf Usage Policy" which he shared with the board last month. After obtaining a copy from him we feel that there are some equitable and workable suggestions that should be evaluated further.

Hope you and the board find these inputs useful. See you at the board meeting.

Jan and Jim Kosglow