

Agenda

BOARD OF DIRECTORS MEETING

February 7, 2011

Regular Session will start at 4 pm

Board members present were Paul Schlauch, Chris Coyle, Christie Jensen, Dennis Reynolds and Ranch Manager, Steve Coley. Also attending the meeting were Dan Ellis, Richard Sierzant, Ed Anderson, and Michele Willey.

Paul Schlauch called the meeting to order at 4:02 pm.

Consider vacating director's position to which Willie Worley was elected – If a board member misses three consecutive meeting the Board may vacate the seat and appoint a replacement. Willie Worley has not attended any meetings. Motion to vacate Willie Worley's seat by Coyle. Seconded by Reynolds. Approved unanimously.

Consider appointment of directors to fill vacant positions – Dan Ellis and Vanessa Anthes are coming forward to serve on the Board. Vanessa expressed her desire to fill the position vacated by Gordon Nelson's which has 1.5 years remaining. Dan agreed to fill Worley's term which had 2.5 years remaining. Motion to appoint Dan Ellis to the 2.5 year term and Vanessa Anthes to the 1.5 year term by Reynolds. Seconded by Coyle and approved unanimously.

Minutes

- Approve minutes from January 3, 2011 – Reynolds said attachments of letters have to contain what the homeowner said at the meeting instead of sending in a version with changes submitted afterward. Jensen said that the letters should be submitted at the meeting. Coyle said that the letters should be handed in ahead of time so that they could be included in the Board packet. Motion to approve the January 3 minutes by Reynolds. Seconded by Jensen and approved unanimously
- Approve minutes from January 25, 2011 special meeting – Coyle said that he appreciates the effort being made to have good minutes for an official record. Motion to approve the January 25 minutes by Coyle, seconded by Reynolds, approved unanimously

Homeowner Issues

- Homeowner letters and comments - None

Old Business

- **Capital items review** (golf and ranch lists provided), purchase recommendations. **Golf Capital requests** –1. Pesticide Storage management. Tom Vail submitted in the Golf Course Budget a request to ventilate the pesticide and chemical storage area. This request was necessitated by a requirement made by the State to cause that area to be properly ventilated. Estimated cost for new electrical and fan installation is \$450 and a fire extinguisher needs to be installed as well (\$100).) Reynolds said it is a maintenance item and the Board approved the expense. 2. Tom Vail has also indicated that the **Golf Point of Sale System (POS)** needs to be updated so that the golf financials will be compatible to the Ranch’s system. A discussion was then held on this proposal dealing with not only the accounting function but also a play tracking and identification function. Dennis Reynolds stated he thought a photo identification system is overkill. Coyle said a card pass could have a bar code. Jensen said people could pass the card to others and it may make it easier to manage the course with a picture. Coyle said that there is a sign in sheet with addresses. Reynolds said that the problem is more with multiple owner units. Tracking sales with a new POS system is one thing but the costs are too high given the size of the Ranch golf course. . If there is a software package to take pictures for both golf and fishing badges that could possibly be looked at. Declined. Tom Vail has also requested that the **Carpet for the Golf Shop** needs to be replaced. The Board acknowledged that there needs to be a new floor covering, and instructed Coley to obtain bids for the material and installation costs. At this point, the request was declined, subject to further review. 4. **Pond Clean Up**. Tom Vail has also advised the golf course back pond needs to be cleaned out. OSF, the golf course management company, has proposed it would hire temp help to come out and do the cleaning. The Board questioned where the excavated material would be deposited. The Board advised Coley it would like to see bids for the project. OSF will supervise the project whether it is subcontracted or manages its own crew. No action was taken awaiting receipt of bids. 5. **Used Pumps and Controls for Golf Course Irrigation**. The Board has been advised pumps and controls used at a Colorado Springs golf course are currently for sale. The Board decided that a pump company should be engaged to assess the equipment to determine its remaining useful life, age, number of operating hours, service records and if the equipment is appropriate for our uses. Coyle indicated the Ranch should move sooner rather than later if this equipment is in good shape with the price and value properly aligned.6. **Ranch Capital Requests**. 1. Truck and trailer – to replace one worn out truck and a trailer so that Ranch equipment can be hauled to work sites. Approved expenditure of \$26,000 for both. 2. Brush Hog. The existing ranch one is worn out, and is needed as staff is doing more work because of the fire. Coyle questioned if the Ranch should purchase or rent a

heavier one for the amount of work that is anticipated. Coley responded that staff does trail clearing and mowing the grasses with a pull-behind model, which is what has been requested. Sierzant said that renting isn't even worth considering with the acreage we have. The Board asked for alternatives and prices. 3. Irrigation Pumps. There were two used up this year, and staff would like to have two more so that they don't have to be moved as often. Included with the purchase are more hoses and guns for a total cost of \$800 per station. Approved. 4. Hotsy pressure washer. To keep the ranch equipment clean. Electric version approved at \$2,300. 5. Fertilizing the fields. Schlauch said that when the Open Space group has concluded its work, the Board will consider its recommendations, and provide funding for approved projects. 6. GeoSpatial Logic contract – The Board had previously approved the amount pending approval of documentation. When the transaction is completed, the Ranch will be able to utilize the furnished data to more effectively map the Ranch, monitor the changes over the years and address them as required. The Board determined this expense should be covered as General Fund expenditure. Coyle made a motion to license the data set owned by Iron Rose Ranch for \$ 5,000 and \$1,000 to be paid to GeoSpatial Logic to assemble the data and input all of the information from the public domain. Seconded by Reynolds. Unanimously approved.

- Logging the burned trees, Open Space Committee has this scheduled for discussion on Tuesday, February 8
- Board Priorities reports
 - Accounting system (Reynolds) – Robertson & Marchetti are uploading the 12/31/10 balances shortly. The changes in the system will allow the financial information for the Ranch to be easily accessible and comprehensible as it is entered and without the delay the Ranch has encountered in the past. The implementation of the Payroll program is coming together. Also, the first draft of financial statements driven by the new system will be available in the next few weeks. Motion to make Ranch Manager, Steve Coley, the registered agent with the State of Colorado by Reynolds. Seconded by Coyle. Unanimously approved.
 - Revision of Articles and Bylaws (Schlauch) – HindmanSanchez is working on a draft proposal to revise the Ranch Declarations and the current estimate for that expense is \$5,000. Coyle said a simpler method may be to adopt the State of Colorado's HOA regulations which supersede our governing documents. These regulations are commonly known as CCIOA – The Colorado Common Interest Ownership Act.
 - Open space planning (Jensen) – Ms. Jensen advised that the Open Space Committee was to meet Tuesday at 10:00 am. As a part of that meeting, she advised the committee would go out on the property to view the condition of the burned trees to determine what trees need to be eliminated and what trees should be kept.
 - Capital Repair and Improvements and Financing Plans (Coley) – No updates right now.

New Business

- Equine Advisory Committee recommendations to the Board of Directors – 1. Create a dry lot by adding a fence near the big arena (drawing provided). . Staff can build it of posts, smooth wire with a top hot wire. It will be built in the spring for \$300. Approved. 2. Pasture Maintenance in the playground pasture. Herbicide application. Alfalfa and clover make the horses sick in the spring so there will be an herbicide application to control the broad leaf species. \$5,000 from Open Space funds. One time application in July with horses restricted until it would be safe to re-enter. Approved. 3. Permanent water source. Ice is a problem for the horses to get to drinking water. Coley has found a fountain with valve below the frost line which could be tied into the ranch domestic water pipeline. \$350 plus excavation and plumbing \$150. This is a clean system and would tie into the main waterline. Approved. Review horse boarding fees - \$165 is the current rate and the Ranch has determined that this charge constitutes an impermissible fee for utilization of the common area. The Board determined that the only permissible charge to horse owners is that directly attributable to feeding and providing water for the horses by the Ranch Staff. It determined that horse owners should pay for any expense that has to do with the care and maintenance of their horses, only. Coley was tasked with making the determination as to the expense of the Ranch Staff's providing this service. When this cost has been quantified, it will be provided to the Equine Advisory Committee to assist it in making the determination as to whether the Ranch Staff shall continue to provide the above services or to make other arrangements for the feeding and care of the horses Motion to approve the return of checks for boarding fees for the year 2011 made by Schlauch. Seconded by Jensen. Unanimously approved.
- FAC Report, recommendations for stocking – FAC requested the Board to authorize the expenditure of \$2,500 to purchase fish for stocking this spring. The question was raised as to whether or not there was a recommendation from the FAC on this issue. Sierzant advised there is confusion in the FAC group in regard to how this expenditure was to be funded but, regardless, it would like to see the stocking go forward. A Motion was made by Reynolds to fund \$2,500 to be used to purchase fish for stocking. Seconded by Jensen. Unanimously approved. Sierzant also stated the FAC with spring just around the corner a consultant needs to be chosen. The members of the committee were also interested in how the cost of the consultant would be funded.
 - Golf Advisory Committee appointments – A list of people interested in being on the committee was provided to the Board. A motion was made by Coyle to appoint all those listed to the GAC with Fritz Anthes as the Chairman. Seconded by Reynolds. Unanimous approval.

- Review Rainbow Court, Wolff easements, Kassco update – The law firm of Balcomb and Green has generated easement agreements for all of the properties along Rainbow Court, for which Schlauch said he had language amendments. There was also an easement agreement drawn up to be submitted to Tracy Wolff that would enable Ranch members to access the footbridge at the corner of her property from Ranch open space. There are 4 parcels of Ranch open space that are titled in Kassco Development. Kassco is a defunct Colorado corporation, and has relocated to Idaho. Balcomb & Green is pursuing obtaining a conveyance of title to this property to the Ranch.

Manager's report

- Pump house hit by the backhoe, – The front wall was damaged and will be repaired as soon as the weather warms. A controls technician came to make sure the electrical service was safe and determined that it was. He has agreed to coordinate with the carpenter when work is to commence. The cost of repair is estimated to be less than \$10,000, which is the amount of the insurance deductible
- WWTP equipment problems / replacement – Blower went out and was replaced at a cost of \$1,700 and mixer has failed, which costs \$12,000 new. Kelly Gessele has taken it to a machinist for repair. The cost of that repair is to be \$4,000. Coley was questioned as to the cause of the failures. He advised that he had conducted discussions with Kelly and Mike Gerber, and that it was their opinion the equipment had achieved the end of its predicted life span.
- Condo heat checks – going fine. One condo shut down for the winter. No issues.
- Priorities for February

Wrangler

Payroll, auto-withdrawal, new reports formatted for BOD -

Close 2006 COE permit – A range of \$2,500-\$5,000 will be needed by Mike Claffey to close out the 2006 permit. Coley is to ask for mile markers, and the costs associated to reach them

GIS database uploaded

Capital purchases made with BOD approval -

Financial

January financial review, HOA dues in arrears – The 12/31/10 financials have been received from CPMG, and there is one adjustment. Zen Excavation's bill needs to be moved from Fishing to Open Space. Robertson and Marchetti are in the process of uploading the beginning balances on all of the accounts now that they have received all of the information from CPMG.

Foreclosures / super liens submitted and received – Super lien payment from R. Romanus foreclosure received. Two more properties are moving into foreclosure. Coley was advised to start sending the HOA dues billing to whoever is now in title of the R. Romanus property. New signers needed on ranch checking account – Steve Coley is the only signer on the account at this time. Jensen and Coyle both agreed to become signers on the Ranch checking accounts.

- Update on accounting transition -

- CPMG year-end

- Audit posted on website – The audit has been posted behind the password.

- Allos Therapeutics document execution – RBC documents establishing the RRF's ability to sell the stock if signed by all of the Board members

Confirm next meeting date

- March 7, 2011

Motion to adjourn by Reynolds. Seconded by Coyle. Unanimously Approved adjourned at 7:00 pm.