

Wissler Ranch HOA Meeting Minutes
Musella Residence
November 16, 2011

Meeting was called to order by Rhoda Musella at 7:02p m.

Board Members in attendance: Bruce Froehler, Rhoda Musella, Jack Windeler, Wayne Gardner and Nancy Smith.

Homeowners in attendance: Kathleen McCormick (Treasurer)

Jack will be the point of contact in all dealings with Hindmann-Sanchez. He will confirm and report closure of latest bill to the Board when they are confirmed.

On the topic of limiting homeowners from bidding on work for the HOA, this point will be revisited next meeting when Brian Freese is present.

Insurance renewal: If the premium went up very little or not at all, we can renew, if premium went up too much, we need to start shopping (Brian's thoughts). There is concern that the windmill (attractive nuisance) and cisterns are not listed in the policy. Rhoda will contact the agent and get clarification. There is also some concern regarding the gate valve box (near mailbox structure) and something was installed to encourage water to surface in the Common Area. She will propose he attend a future meeting to answer any questions the Board might have. If we're not adequately covered by these two items, there is a concern that homeowners may need umbrella policy to cover any claim not covered by the HOA insurance.

All Board members are asked to start documenting their duties so new members have a listing to guide them through their learning process.

In an effort to balance out the workload among Board members, there will be no "members at large" on the Board in 2012. Every Board member will have some responsibility to the neighborhood during the coming year. Due to this decision, Gil Geisz has resigned from the Board. His suggestion would be to raise the dues so we can afford to hire people to do the odd jobs and not ask Board members to do them.

Newsletter – Once the publication date is set, we should set up a template to make putting together the newsletter an easier and simpler task. I will contact a volunteer homeowner and ask for some input in getting this accomplished.

After discussion and tweeking of the current proposed budget, the **Board passed the 2012 Budget**. Motion to pass the budget made by Bruce, Second by Wayne, all in favor. Kathleen will get a revised copy to all Board members and it will be posted on the website. Nancy will get letter and budget printed and mailed before January 15th.

Cash balance will be put in the Capital Reserve Fund. Consider putting ½ in a CD (would have to pay taxes on interest).

Propose opening a Firewise account for future Firewise projects/beetle inspections - \$1900 per year.

In January the Board will vote on moving up the due date for dues. We will start moving up the due date for dues with a January letter to the homeowners. 2012 dues will be due by May 15th (invoice to go out by April 1st) and 2013 dues will be due by March 15th (invoice to go out by

February 1st). For homeowners who are late on their dues, state that if you don't pay by the due date, we will assess a late fee of \$33 and after 60 days charge 18% annual interest.

Next capital reserve projects we'll consider are entrance and mailbox light lighting repair and update and bulletin boards (\$4,000 estimate). Ken was getting bids on lighting and hopefully will report at the January Meeting. Seasonal plantings at the entrances should be included in the common area landscaping and maintenance budget.

Future project consideration (2013) would be enclosing the mailbox area such that snow drifts are avoidable thereby eliminating the plywood.

Regarding snow removal at the mailboxes, we agree we need someone to come and clear snow. Rhoda will contact Cal to see what he would charge to do the work. \$500 is in the budget. Contract vs., per push.

As we are unable to identify the specifics on the cisterns, we will leave them alone until such time we can have them inspected without having to pump out the water.

A motion to adopt the Wissler Ranch Homeowners Association Reserve Fund Policy was made by Jack, second by Wayne, all in favor. A copy will be attached to these minutes. Kathleen revised the Wissler Ranch Homeowners Association Reserve Financial Analysis, removing items that do not belong and adding items. We have approximately \$135k worth of assets. We should have \$83k in reserves and we currently have \$24K. Add to that our cash balance that will be transferred at the end of the year, gives us \$55k we should shoot for 50-75% funding (\$67,500 - \$101,250). Kathleen will send me a fresh copy to attach to the minutes.

Mullen (looks like a corn stalk) is starting to pop-up, it's a concern that will have to be addressed next year.

WATER - Bruce reported all but 7 homeowners have turned in their water meter readings. The water board wants email addresses for those who have not reported. No objection from our Board. We request that they do separate emails so not to disclose other violators to each other. Bruce will complete a "Water Report" for posting on the website.

DRC – a request came in asking if we would allow a 2100 sq ft greenhouse. Answer was NO, we would not allow it due to the amount of trees that would have to be removed and it could not be aesthetically designed to fit in with a home aesthetics (stucco).

FORESTRY - Beetle Inspection is complete. Homeowners have been contacted. Report will be posted on the website. There were 3 trees identified with the Mountain Pine Beetle and 2 trees identified with the IPS Beetle, also one windthrown tree on the ground that has a potential for IPS beetle infestation in 2012. **Motion to pay the Beetle Inspection Bill (\$1080) upon receipt** made by Rhoda, second by Bruce. Will post on the website in the same format as last year.

Kathleen will move forward next year to get an audit done on the books.

Motion to dismiss at 8:37 pm by Rhoda, second by Jack.

Wissler Ranch Homeowners Association Reserve Fund Policy

Purpose:

The Wissler Ranch Homeowners Association owns in common capital assets that will deteriorate overtime and will need replacement or service-life extension. The Association is responsible for maintenance, repair and replacement of the common elements. The Association is establishing and maintaining a reserve fund to set aside over time, funds sufficient for the repairs and replacements of these capital assets. By allocation and payment yearly to such reserve fund of an amount to be designated by the Board of Directors and approved by the membership, the board is attempting to fund major repairs and replacements over the remaining useful lives of these components based on future replacement costs and considering amounts previously accumulated in the replacement fund. The goals of the fund are to:

1. have sufficient funds available to meet Reserve Study Policy projections;
2. fund the annual Reserve Study Policy with periodic, but at least annual contributions;
3. minimize risk of principal loss through stable and liquid instruments;

Reserve Fund Study

The Board of Director's did a financial analysis reserve fund study by inventorying the capital assets of the association and researching the estimated service life, age and approximate replacement cost. The reserve fund study will be updated every three years or earlier if the board determines it is required. This analysis is attached.

Funding the Reserve Fund

The Board of Directors will determine the amount to be transferred to the reserve fund on an annual basis based on the requirements identified in the reserve study. This amount will be included in the Association's yearly budget.

Management of the Reserve Fund

Reserve Fund Investment

The HOA Board has a fiduciary responsibility to manage the funds of the HOA in a prudent, business-like manner. In keeping with the board's responsibility and the purpose of the reserve fund, the reserve funds will be invested with preservation of capital as the principal investment objective. Funds will be invested in FDIC insured bank accounts or certificates of deposit or U.S. Treasury Bonds

The HOA will maintain a separate bank account for the deposit of the reserve funds.

Use of Reserve Funds

The reserve fund may be expended only for the purpose of effecting the replacement, repair or improvement of common capital assets. The board of directors shall not expend funds designated as reserve funds for any purpose other than the repair, restoration, replacement, or maintenance of, or litigation involving the repair, restoration, replacement, or maintenance of, major components which the association is obligated to repair, restore, replace, or maintain for which the reserve fund was established.

Planned expenditures will be included in the annual budget presented to the homeowners for ratification. Contingency expenditures are permitted by vote of the board with prior notice to the homeowners. Contingency expenditures are those caused by damage outside the Board's control such as wind or snow or directed by legal authority. Emergency expenditures are permitted by vote of the board without prior notice to the homeowners. Emergency expenditures are those necessary to protect life, health or property from immediate risk or to remove any property obstructing public roadways.

Wissler Ranch Homeowners Association Reserve Fund Study

Purpose:

The Wissler Ranch Homeowners Association owns in common capital assets that will deteriorate overtime and will need replacement or service-life extension. The Association is responsible for maintenance, repair and replacement of the common elements. Allowing these facilities and equipment to fall into disrepair would negatively impact quality of life within the community and possibly community property values. A study was done in order to determine what adequate reserves would be and to document the common elements and determine their useful life.

Summary:

Wissler Ranch Homeowners Association, Inc. is a Colorado non-profit corporation. The association owns in common a parcel of land, facilities and capital equipment. The WR HOA Board provides for the maintenance, repair and replacement of these common assets. An inventory of the assets with estimate value and service life is attached.

Findings

Exclusive of land, the assets of the community are estimated to be \$135,000. Most are halfway through their estimated useful life. Fully funded, that is setting aside enough money so that all equipment and facilities could be replaced at the end of their useful life without the requirement for a special assessment, the WR HOA Reserve funds would be funded at \$83,000. Current reserve funds are \$24,202 or less than a quarter of replacement requirements.

The Association does not have records of the specific details including size and brand of the cistern or entrance and mail box light specifications. The actual condition of some of the assets such as the cisterns would require inspection by competent technical authority who might determine there had a shorter or longer service life. Of note, while some brands of fiberglass cisterns are estimated to have a service life of 30 years, most are warranted for only two.

Recommendation

The Board obtain an inspection and document the technical specifications of the cisterns and begin a program of regular maintenance for all assets. Make a deposit of the association's excess cash on hand instead of using the funds to reduce CY 2012 homeowner assessments and then make regular annual contributions to the account to maintain the fifty percent of reserve requirements. Special assessments would be used to make up the difference if required.

Asset	Quantity	Cost Each	Total Cost	Service Life	Per Year Deposit	Reserve if Fully Funded	Reserve Balance	Reserve Shortfall
Cisterns - estimated 10K gallon polypropylene with fire fighting nozzle attachments	3	15,000	45,000	30	1,500	21,000		Cost of 10K tank ~\$8k plus shipping (~2,000 lbs, installation, removal and disposal of old
Common Area								
Ball Field Backstop	1	2,000	2,000	15	133	1,867		
Benches	3	800	2,400	15	160	2,240		
Parking Lot	1	6,000	6,000	15	400	5,600		\$3 per square foot, 2000 SF estimate
Picnic Tables	3	1,200	3,600	15	240	3,360		
Playground								
Swings - Commercial two-bay	1	4,000	4,000	30	133	1,867		
Climbing Gym - Commercial with								
Slide, Hanging slide	1	12,000	12,000	30	400	5,600		
Spring Riders	2	600	1,200	12	100	1,400		
Gravel Bed	1	3,000	3,000	15	200	2,800		\$3 per square foot, 1000 SF estimate
Walking Trail	1	16,000	16,000	15	1,067	14,933		1/2 mile trail estimate \$5 per foot plus site prep
Windmill	1							
Mail Box Area								
Bulletin Boards	2	1,200	2,400	15	160	1,440		
Lights	2	1,000	2,400	15	160	1,440		
Structure	1	10,000	10,000	30	333	4,667		
Entrances								
Wissler Ranch and Palmer Divide	1	15,000	15,000	15	1,000	9,000		
Wavy Oak and Palmer Divide	1	5,000	5,000	15	333	3,000		
Lockridge and Palmer Divide	1	5,000	5,000	15	333	3,000		
Total			135,000		6,653	83,213	24,200	59,013