

**FARMERS GROVE HOMEOWNER ASSOCIATION
ANNUAL HOMEOWNER MEETING
October 5, 2013**

I. CALL TO ORDER

The meeting was called to order at 10:04 a.m. by Val Sprenger at the Summit High School.

Board members present were:

Val Sprenger, President, 6 Zoe Court

Jim Curcio, 50 Audrey Circle

Owners present were:

Matt Banās, 1 Zoe Court

Greg Sprenger, 6 Zoe Court

Derek and Erica Baum, 16 Audrey Circle

Chris Sheehan, 33 Audrey Circle

Ramon Gomez, 42 Audrey Circle

Aaron Stover, 49 Audrey Circle

Peg Healey and Tom Pulk, 54 Audrey Circle

Debbie Shoop, 65 Audrey Circle

Ric Arthur, 79 Audrey Circle

John Ryan, 97 Audrey Circle

Laura Steben, 100 Audrey Circle

Owners represented by proxy were:

Phyllis Bradford, 4 Zoe Court

Krasimir and Anna Stoyanov, 8 Zoe Court/87 Audrey Circle

Stephany Sadler, 9 Zoe Court

Maria Iriarte, 107 Alpensee

John and Suzanne Kelley, 12 Audrey Circle

Dylan Hollingsworth, 15 Audrey Circle

Rob and Stacy Moulton, 25 Audrey Circle

Jerry and Rhonda Westhoff, 29 Audrey Circle

Ronald and Janice Wiggins, 37 Audrey Circle

Kristian and Amy Slaugh, 45 Audrey Circle

Matt and Janelle Dayton, 46 Audrey Circle

Vladimir and Katherine Moskver, 53 Audrey Circle

Terry and Norma Jex, 58 Audrey Circle

Gregg and Janie Hodge, 62 Audrey Circle

Dora Collins, 66 Audrey Circle

Scott and Carmen Vinas, 70 Audrey Circle

Glenn and Christy Nelson, 73 Audrey Circle

John Mahoney, 83 Audrey Circle

Carlo and Sara Gambino, 85 Audrey Circle

Shawn and Justin Duncan-Dunnigan, 89 Audrey Circle

Brett and Amy Tomlinson, 91 Audrey Circle

Representing Summit Resort Group were Peter Schutz, Kevin Lovett and Deb Borel. Margot Mayer of Summit Management Resources was recording secretary.

Peter Schutz said a copy of the Conduct of Meetings Policy and Procedures was handed out. He asked owners to adhere to these rules.

II. DETERMINATION OF QUORUM

With twelve properties represented in person and 22 by proxy a quorum was confirmed.

III. APPROVE PREVIOUS MEETING MINUTES

Tom Pulk said the Declarations and Bylaws state that a visual notice of the meeting has to be posted. Owners who are not represented may have a grievance because the notice was not posted. Notice of the Annual Meeting will be posted next year on the mailboxes.

Peg Healey requested that all proxies be listed in the meeting minutes.

Laura Steben made a motion to approve the minutes of the October 6, 2012 Annual Meeting as presented. Erica Baum seconded and the motion carried.

IV. FINANCIAL REPORT

A. 2012 Year-End Financial Report

As of December 31, 2012 the Operating balance was \$254, the Reserve balance was \$30,316 and the CD balance was \$30,268.

B. Year-to-Date Financial Report

As of August 31, 2013 the Operating balance was \$7,666, the Reserve balance was \$38,160 and the CD balance was \$30,421. Significant positive variances to budget included Legal (\$955) Copies and Office Supplies (\$168), Trash Removal (\$233), Irrigation (\$2,151) and Snow Removal (\$2,032). There are still some outstanding bills for irrigation. It is anticipated that this account will be on budget at year-end.

Insurance was \$1,203 over budget. Deb Borel said that the Association had planned to switch the insurance carrier from Farmers to State Farm in April 2013. When the time came to sign the documents, it was discovered that State Farm did not include Directors and Officers coverage so the Board did not approve the policy. Additional bids with the same specifications were obtained and Farmers came in lowest. Erica Baum said she would work on competitive pricing from Arrow Insurance, the company with which she works.

Peg Healey asked for clarification on the insurance. It was her understanding that Summit Resort Group was going to cover an extra \$1 million with an umbrella policy. Peter Schutz said he did not recall that Summit Resort Group would have picked up the extra coverage but if he had done so, it would have only been for one year.

Tom Pulk said the price given was for \$3 million of coverage. Farmers Insurance only offers \$5 million of coverage and that is why the bids were not competitive. He asked why insurance costs were increasing. Peter Schutz responded that the \$5 million blanket coverage from Farmers was at a very reasonable cost. The Board considered this when making their decision.

C. Proposed 2014 Budget

Deb Borel reviewed highlights of the 2014 Proposed Budget:

1. There will be no dues increase.

2. Legal was reduced from \$1,000 to \$0, since the legal expense for 2013 has been minimal. The cost for the revision of the documents will be funded out of Reserves.
3. Miscellaneous was increased from \$149 to \$325 for the Annual Meeting expenses.
4. The Management Fee is increasing from \$12,120 to \$13,110 as of February 1, 2014, per the proposal from SRG.
5. Snow Removal was reduced from \$9,000 to \$6,480 based on past actuals.
6. Electric was increased from \$420 to \$448 based on past actuals.
7. Landscape Maintenance was increased from \$8,000 to \$8,450 based on past actuals.

Owner comments included:

1. Snow Removal – Derek Baum said the contractor did not do a good job in certain areas last winter. Deb Borel asked that owners provide specific feedback, as she will be meeting with the plow driver to discuss snow removal improvements and to define expectations. Tom Pulk commented that last year was a light snow year and this coming season is predicted to be extremely heavy. He asked about the terms of the contract. Deb Borel said the five-month contract had a fixed price of \$900 per month, \$125/hour for the front-end loader, \$75/hour for pick-up, \$75/hour for the truck and \$90/hour for the trailer. The budget includes \$1,080 per month. She said the other bids received were \$1,000 per month from Gomez and \$1,280 per month from Helton Backhoe.
2. Legal Expenses – Tom Pulk suggested keeping legal expenses in the budget in order to avoid a Special Assessment should legal work be necessary. Val Sprenger said the Board decided to remove this expense to avoid the need for a dues increase. Peter Schutz said it might be possible to offset this expense if the insurance bid comes in lower.
3. Management Fees – Tom Pulk felt an 8% increase for the management fee was high and that other expenses had to be cut to accommodate this increase in the budget. Val Sprenger said there was no increase last year. Peter Schutz said he encourages Associations to obtain competitive bids for management services. Peg Healey said at the last Board meeting she requested that bids be solicited from other management companies. Deb Borel said the Board solicited bids but she was not involved. Val Sprenger said the Board secured two additional bids in December 2012 and voted as a Board to remain with Summit Resort Group based on the excellent service they have provided.

Tom Pulk said he reviewed the minutes but could only find a record of a motion to ratify the management contract. He did not find any discussion about soliciting bids in the minutes. Val Sprenger said she had the bids will forward the emails and bids to Tom Pulk.

It was decided to postpone ratifying the budget. Insurance bids will be obtained and legal fees will be added back into the budget. The preliminary budget will be sent to owners for a vote.

V. MANAGING AGENT'S REPORT

A. *Completed Items*

1. Sent new owners welcome packets.
2. Contracted with Greenscapes for irrigation start up and blow out.
3. Worked with owners on home maintenance issues.
4. Vole baiting was done monthly this summer and will be reassessed in the spring.
5. The post-Annual Meeting mailer with the new budget was sent to owners after last year's meeting.
6. The spring newsletter was sent to owners.
7. SRG scheduled the neighborhood garage sale, notified owners and placed an ad in the Summit Daily.
8. Drainage continues to be monitored throughout Farmers Grove in the spring.
9. Registered the Association with Real Estate Commission (annually).
10. Removed three sets of children's toys from the common area.

VI. OLD BUSINESS

A. *Drainage Update*

Jerry Westhoff and Deb Borel met with Robert Jacobs, the Summit County Engineer. It was determined that there are additional steps that would need to be taken before beginning the re-grading project. The first would be to obtain a design plan. The bids to create a design plan are between \$1,000 and \$2,000. Second, the County would require a drainage permit. The cost of the permit could be up to \$1,980. The cost to re-grade and landscape would be \$5,000. The total cost would cost up to \$9,000 and at last year's annual meeting, the owners approved only \$5,000.

There was not a drainage problem this past spring and it was decided to watch the area and not to proceed with the project. Tom Pulk said he did not want this project to be done at all as he believes it is the responsibility of the adjacent property owner. Drainage also comes from the bike path. He thinks the drainage was changed when the utilities were installed and the Association might have some legal recourse. Val Sprenger thanked him for his comments.

B. *Snow Removal Bad Debt*

Peg Healey asked what steps had been taken to recover the bad debt from Plow Jockey. She said she was aware that a payment plan had to be in place if funds were taken from Reserves. Peter Schutz said that this was not the case. The Board has the option and empowerment to waive and forgive the loan. The Association did everything possible to collect the money. The Board had prepaid the contract in order to receive a discount. At last year's annual meeting, it was voted by the owners not to prepay a contract in the future.

VII. NEW BUSINESS

A. Governing Documents Review

The Board has reviewed the governing documents to make sure that they are in compliance in all areas along with other updates. In the course of the review, a number of inconsistencies were found. The Board proposed changes that they felt would be beneficial to the community. The proposed changes were distributed in a separate handout. The costs for making these changes are as follows:

1. Attorney Fees – \$3,200 - \$3,500.
2. Recording – \$11 for the first page of each document and \$5 for each additional page.
 - a. Current Declarations – \$141.
 - b. Current Bylaws – \$131.
 - c. Current Covenants and Agreements – \$76
 - d. Current Architectural and Development Standards – \$81.

Tom Pulk said the revisions would need to be approved by 67% of the membership and he thought there would be owners who would not like some of the proposed changes. Deb Borel said an attorney would review the documents before they are sent to the membership for a vote.

Deb Borel advised that in 2006, the management company reviewed the Covenants and Agreements and made an addendum. The addendum was stapled to the Covenants and Agreements but was never recorded with, or approved by, the County. The addendum addressed pets. The Covenants and Agreements cannot be modified without County approval. Tom Pulk said the Association had voted on these changes but they had not been enforced. He commented that it was his understanding that tenants cannot be treated differently than owners. Peter Schutz said that existing pets could be grandfathered, but the policy could be changed going forward.

Tom Pulk said another violation is not being enforced is trash cans being left outside. Peg Healey stated that there are a lot of people with large trucks and it was important not to be too restrictive.

Kevin Lovett suggested creating a mailer to the membership asking for input. It was decided to create a document that clearly identifies the proposed changes and provides a line where owners can indicate if they approve or not.

B. Pathway Upgrades

Bids have been obtained to upgrade the paths throughout the neighborhood. After reviewing the bids, which ranged from \$24,000 to \$33,000. Val Sprenger recommended holding a couple of Community Work Days in the spring and having the owners make necessary improvements to the pathways. Tom Pulk said there could be a liability issue if an owner gets hurt. A recommendation was made to have owners sign a waiver. In the spring, SRG will email owners informing them of the workdays for path improvements.

VIII. GENERAL DISCUSSION

A. Violation Enforcement

Tom Pulk said he read the first set of meeting minutes from when the developer handed over control of the Association to the membership in 2005. The minutes state that properties were given a bear proof trash container and any additional containers must be kept inside. Toys must to be kept inside except when in use. Patio furniture is the only item that can be kept outside. He said the Board has been enforcing some violations but there should be consistency in enforcement of all rules. The Board and Summit Resort Group work together to maintain consistency regarding rule enforcement.

B. Association Roads

Peg Healey said that the Association's roads are under a County right of way. A 50' span from the center of the road and a 2' gravel perimeter must be maintained and no one can violate that easement. Peg Healey stated that some owners are in violation. Tom Pulk stated that one owner was given permission to plant trees in this County owned right of way. He said that these trees should be relocated. Deb Borel responded to Tom Pulk that the owners who had planted the trees went through the proper steps for installation, and that they would not need to be relocated. A comment was made that there are a couple of decks that may not in compliance. Laura Steben said she had to take her deck down because she was not in compliance.

Peg Healey said the County's website shows that two roads within the Association (Farmers Lane and Jarelle) are maintained by the County. Deb Borel said when she approached the County, she was told that those two roads are not up to County width standards. The County has indicated that they may be willing to accept Jarelle, but not interested in taking over Farmers Lane. Deb Borel said she would check again with the County on what it would take to have them take over the maintenance of Jarelle.

A comment was made that traffic has been redirected to go down Jarelle Road. There have been discussions about how much it would cost to get this road up to County specifications. Tom Pulk said it would be better to spend the money to upgrade the road and let the County take it over. Deb Borel and Jerry Westhoff will research this matter next spring.

C. Owner Education

Peg Healey said owner education is required by state law and should be offered on an annual basis to help owners better understand the Association documents and procedures. Kevin Lovett said this year's owner's education was related to the new Collection Policy, which was updated for compliance with House Bill 1276. A foreclosure cannot be pursued unless an owner is at least six months past due of monthly assessment and a payment plan has been offered. Legal and late fees cannot exceed 45% of the total annual dues. The new Collection Policy will be posted on the website before January 1, 2014, when it goes into effect.

D. Single Family Households

Tom Pulk commented on unrelated family members occupying homes in Farmers Grove. Summit Resort Group responded that this could be a violation of Fair Housing and probably no action could be taken. There was further discussion and Debbie Shoop recommended that the discussion end.

IX. ELECTION OF OFFICERS

The term of Jim Curcio expired and Heidi Wickham sold her unit and her term also expired this year. Ron Wiggins was appointed to fill Heidi Wickham's vacant position. Jim Curcio and Ron Wiggins were both willing to serve additional three-year terms. There were no nominations from the floor.

Erika Baum made a motion to re-elect Jim Curcio and Ron Wiggins. Laura Steben seconded and the motion carried.

X. SET NEXT MEETING DATE

The next Annual Meeting will be held on Saturday, October 4, 2014 at 10:00 am.

XI. ADJOURNMENT

Laura Steben made a motion to adjourn at 11:43 a.m. Jim Curcio seconded and the motion carried.

Approved By: _____ Date: _____
Board Member Signature