

**FARMERS GROVE HOMEOWNER ASSOCIATION
ANNUAL HOMEOWNER MEETING
October 6, 2012**

I. CALL TO ORDER

The meeting was called to order at 10:06 a.m. by Val Sprenger in the Summit High School.

Board members present were:

Val Sprenger, President, 6 Zoe
Scott Vinas, 70 Audrey

Jerry Westhoff, 29 Audrey
Jim Curcio, 50 Audrey

Owners present were:

Peg Healey and Tom Pulk, 54 Audrey
Ron Wiggins, 37 Audrey

Derek Baum, 16 Audrey
Matthew Banas, 1 Zoe

Representing Summit Resort Group were Peter Schutz and Deb Borel. Erika Krainz of Summit Management Resources was recording secretary.

II. DETERMINATION OF QUORUM

With eight properties represented in person and eleven by proxy a quorum was confirmed.

III. APPROVE PREVIOUS MEETING MINUTES

Peg Healey noted a correction to the spelling of her name.

Scott Vinas made a motion to approve the minutes of the October 15, 2011 Annual Meeting as amended. Jim Curcio seconded and the motion carried.

IV. FINANCIAL REPORT

A. 2011 Year-End Financial Report

As of December 31, 2011 the Operating balance was \$2,876, the Reserve balance was \$21,754 and the CD balance was \$30,039.

B. Year-to-Date Financial Report

As of August 31, 2011 the Operating balance was \$2,096, the Reserve balance was \$27,342 and the CD balance was \$30,192. Significant positive variances to budget included Legal (\$949), Miscellaneous (\$234), Trash Removal (\$288) and Landscaping Maintenance (\$1,034). Deb Borel noted that Miscellaneous and Landscaping Maintenance would probably end the year close to budget, as there are some expenses pending. There were negative variances in Copies and Office Supplies (\$284), Insurance (\$387), Irrigation Water (\$2,584) and Snow Removal (\$300).

C. Proposed 2013 Budget

Deb Borel reviewed the two budget options:

1. Option A – No dues increase.

2. Option B - \$2.50/unit/month increase, all of which would go to the Reserve contribution. This is the recommendation of the Board.

Owner comments included:

1. Tom Pulk said the seal coat was not holding up well.
2. Peg Healey said the crack sealing was not done well.
3. Peg Healey questioned the new line item for copying. She calculated that the budgeted amount would cover 10,000 copies at \$0.04 each. Peter Schutz explained that the charge was \$0.10 per copy, which actually does not even cover his staff and equipment costs. He added that if there were owners interested in taking on the task of copying at a lower cost they could do so. Peter pointed out that he had agreed at the 2011 Annual meeting to assume all postage costs without any increase to the management fee.
4. Peg Healey said the management fee was over \$1,000 so it should have been put out to bid per the discussion at last year's meeting. Peter Schutz said there was a provision in the management contract specifying that the management company was authorized to spend up to \$1,000 without Board approval but the management contract was under the Board's jurisdiction.
5. Tom Pulk thought the Board was required to solicit bids for any expenditure over \$1,000. Tom Pulk made a motion to have the Board solicit competitive bids for management services when the contract comes up for renewal. Peg Healey seconded with one of the proxies she held and the motion carried with one opposed.

The budget discussion was suspended for a review of the drainage issue.

In March the owner of 8 Zoe Court called the management to report a concern about drainage and possible flooding into his house. Tom Hill of Hilco determined that emergency excavation was necessary. He dug a drainage ditch along Farmers Lane at a cost of \$750. In May management met on site with Hilco, Greenscapes, the owner of the building across the street and several Board members. The Board reviewed the original grading plans and felt a new survey was needed to confirm the current grading. A new survey was done and several discrepancies with the original plan and some flat spots were identified. The Board asked management to solicit three bids for regrading the area. Bids were received from Hilco (\$5,020), Helton Backhoe Service (\$3,117) and Pat Quigley (\$2,300). The bids included filling the hole, regrading to the ditch in front of 107 Alpanse and a post-work survey. Revegetating the area would be an additional expense of about \$1,500 and Helton would include 3" of topsoil.

Owner comments included:

1. Tom Pulk felt there was an issue with the lake drainage from the adjacent property. The Board said the owner of the property has indicated that she will not repair the problem and the Board cannot force her to do so. He suggested getting a legal opinion about responsibility for this issue.
2. Ron Wiggins thought the problem was caused by a dip in the bike path and the County should be asked to address it.

3. It was noted that the grading around the Highlands Building Center has never been completed because the plans include three more buildings. Proper grading around the building would probably resolve most of the drainage issues.
4. Peg Healey said the Board should work with the owner of 8 Zoe Court to make sure he understands the proposed solution. The Board clarified that the work entails a small swale only and no ditch
5. Tom Pulk said the work on the gas lines done last year by Xcel might have changed the drainage.
6. Derek Baum pointed out that this type of flooding had not occurred in the past 30 years and it could have been an anomaly due to the unusual winter conditions.
7. Peg Healey requested that the Board obtain information about the contractor's warranty on the work. The board said there was no longer a warranty on the development.

The goal is to have the work completed this fall to prevent recurrence of the problem in the spring. If there is enough time before the snow falls, topsoil will be put down, hydroseeded and covered with straw. The total cost including landscaping will be \$4,600.

Peg Healey made a motion to authorize the Board to select the contractor for the project once the details of the warranty are clarified at a cost not to exceed \$5,000. Ron Wiggins seconded and the motion carried. The contractor will be required to do a survey after the work is completed to confirm that the flow has been corrected and that it conforms to the original site plan, and to provide a copy of the survey to the Board. Concurrently, the Board should check out the responsibility of the other involved entities and ask the County to address the upstream issues including the beaver dams, ditches and the gas line installation. Jerry Westhoff will meet with the owner of 8 Zoe Court to explain the process.

There was brief discussion about replacement of the asphalt. The expected life is 20 years and seal coating costs \$5,000 annually. The Reserve Study includes \$81,000 for complete replacement in 2021.

The 2013 Budget discussion was reopened.

Val Sprenger made a motion to approve the 2013 Budget with a dues increase of \$7.50/unit/month with the entire amount to be directed to the Reserve contribution. Ron Wiggins seconded. In discussion Tom Pulk stated that there should be a vote on the \$2.50/unit/month increase as originally proposed to the owners. The Board disagreed. A vote was taken on the motion and with eleven owners present and proxies voted in favor and eight opposed the motion carried. The dues will be \$100/house/month effective 1/1/13.

VI. MANAGING AGENT'S REPORT

A. Completed Items

1. Contracted with Greenscapes to plow for the 2011/2012 winter season.
2. Took ownership of the berm from the County.
3. Sent new owners welcome packets.
4. Contracted with Greenscapes for irrigation start up and blow out.
5. Worked with owners on home maintenance issues and most complied.
6. Baited the voles in the fall and will reassess in the spring.
7. Posted the Policies on the website.
8. Lowered the speed bumps to accommodate lower profile vehicles.
9. Included postage costs in the management agreement.
10. Contracted with Waste Management for trash removal at a lower rate.
11. Emailed owners regarding the placement of snowplow markers.
12. Sent the meeting mailer with the 2012 Budget to owners after the 2011 Annual Meeting.
13. Sent an email to owners with an update on the drainage issues.
14. Placed bear proof containers at all homes as needed.
15. Posted Master insurance policy on the website.
16. Sent the spring newsletter to all owners.
17. Organized a neighborhood garage sale.

Owners made the following comments:

1. A suggestion was made to hold a community work day in the spring to repair the gravel path.
2. Tom Pulk said an owner was required to eliminate the clover on his property last year. There are now dandelions and clover growing throughout the open space. The Board said the weeds were sprayed this year. It will be addressed next year.
3. Tom Pulk said the trim on the homes at 42 and 45 Audrey Lane was in poor condition. Deb Borel will contact the owners. The owners can be fined if they refuse to come into compliance.
4. There was discussion about maintenance of the roadside. Val Sprenger suggested asking the owners to maintain it without a requirement for a gravel edge. SRG will include this in the post-meeting email to all owners.
5. Derek Baum said the snow plow contractor caused damage to his edging. The plowing contract includes a clause that requires the contractor to repair any damage caused by his equipment. Deb Borel will follow up with the contractor.

VII. OLD BUSINESS

A. Reserve Study

Peg Healey asked about if any further research had been done on a professional Reserve Study. Peter Schutz responded that the owners indicated at the last meeting that they were not willing to spend \$1,500 for a professional Study. Deb Borel noted that there was a Reserve Study for the Association, although it was not done by a professional contractor. It is posted on the website.

B. Plow Jockey

Deb Borel said management had been asked to obtain advice from the attorney regarding how to proceed with the Plow Jockey situation. Deb spoke to the attorney, Felicia Huntley, who explained that Robert Hampton's name was removed from the case because Plow Jockey was operating as an LLC. The business no longer has any assets. The attorney said Farmer's Grove could pursue a claim against Robert Hampton in small claims court but the Association would probably lose because his name was taken off the case. Based on that information the Board decided not to pursue another case against Robert Hampton. Peter Schutz recommended turning the case over to a collection agency. There will be no cost to the Association and the split would be 70/30. The Board authorized this action.

C. Tree Irrigation

At last year's meeting an owner requested a cost estimate for installing a drip irrigation system to all trees in Farmers Grove. It was determined that the cost would be prohibitive.

VIII. NEW BUSINESS

A. Drainage Along Farmers Lane

This issue was discussed during the 2013 Budget review.

B. Irrigation

Derek Baum said he was concerned about irrigation. He has lost a number of trees behind his property in the open space. The Board will look at all the irrigation with the landscaping contractor and propose some remedial work next year.

Val Sprenger made a motion to pursue reworking of the irrigation system at a cost not to exceed \$1,500 to be paid out of Reserves. Scott Vinas seconded. This will be put on the Board Meeting agenda and owners will be invited to participate and provide feedback. The motion carried.

C. Children's Toys in Common Area

Peg Healey requested that the plastic children's play equipment be removed from the open space. Management will address this issue.

D. Insurance

Peter Schutz said the insurance policy would be switched to State Farm. There will be a significant savings on the premium.

E. Lighting

Derek Baum asked if any further work had been done on adding lighting around the property. Val Sprenger said the Board had considered this project but there were some owner objections and dark sky compliance issues. Solar fixtures would be very expensive. Tom Pulk suggested asking the owners leave their porch lights on. Peg Healey said there was some lighting around the property that was not in compliance with the Association Covenants. Scott Vinas said the code requires all light to terminate

on each individual's property and it has to have a shroud that directs the light to an object. If there is a conflict between the Covenants and the County regulations, the County regulations prevail.

F. Solar Field

Peg Healey said there were plans to install solar panels near the sport field. This will affect some of the Farmers Grove properties.

IX. ELECTION OF OFFICERS

The term of Val Sprenger expired and Jim Curcio was appointed to fill the vacancy created by the resignation of Janie Hodge. Both incumbents were willing to run again. Scott Vinas made a motion to nominate the two incumbents. The motion was seconded. There were no other nominations from the floor. Ballots were tallied and Val Sprenger was elected to a three-year term with ten votes and Jim Curcio was elected to a one-year term with nine votes.

X. SET NEXT MEETING DATE

The next Annual Meeting was set for Saturday, October 5, 2013 at 10:00 a.m.

XI. ADJOURNMENT

The meeting was adjourned at 12:22 p.m.

Approved By: _____ Date: _____
Board Member Signature