

**FARMERS GROVE
ANNUAL HOMEOWNER MEETING
October 15, 2011**

I. CALL TO ORDER

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

Board members present were:

Val Sprenger, President, 6 Zoe
Scott Vinas, 70 Audrey
Heidi Wickham, 94 Audrey

Jerry Westhoff, 29 Audrey
Ramon Gomez, 42 Audrey

Owners present were:

Greg Sprenger, 6 Zoe
Krassy & Anna Stoyanov, 8 Zoe/87 Audrey
Mathew Dayton, 46 Audrey
Travis Avery, 61 Audrey
Kirk & Debbie Shoop, 65 Audrey
Glenn & Christy Nelson, 73 Audrey
Mike Wickham, 94 Audrey

Clayton & Kristin Schwarck, 7 Zoe
Anne Love, 103 Alpensee
Tom Pulk & Peg Healey, 54 Audrey
Janie Hodge, 62 Audrey
John Carroll, 69 Audrey
Carlo & Sara Gambino, 85 Audrey
James Porter, 96 Audrey

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

II. DETERMINATION OF QUORUM

With 18 properties represented in person and 13 by proxy a quorum was reached.

III. APPROVE PREVIOUS MEETING MINUTES

Jerry Westhoff made a motion to approve the minutes of the October 9, 2010 Annual Meeting as presented. Val Sprenger seconded and the motion carried.

IV. FINANCIAL REPORT

A. 2010 Year-End Financial Report

As of December 31, 2010 the Operating balance was \$6,221, the Reserve balance was \$17,720 and the CD balance was \$41,172.

B. Year-to-Date Financial Report

As of August 31, 2011 the Operating balance was \$6,641, the Reserve balance was \$11,234 and the CD balance was \$41,856. Significant positive variances to budget included Legal (\$924) and Landscape Maintenance (\$701). There were negative variances in Insurance (\$418), Trash Removal (\$2,330, mainly due to the timing of invoices) and Snow Removal (\$1,905, mainly for scraping the roads). The loss for Plow Jockey occurred in last year's budget and is being carried on the Balance Sheet. Tom

Pulk requested that the loss for Plow Jockey be included in this year's minutes and financial reports.

C. Proposed 2012 Budget

Significant increases to the 2012 Proposed Budget included Insurance (\$408), Irrigation (\$2,564) and Trash (\$872). The proposed dues for 2012 increase \$7.50/property/month, \$6.50 of which will be applied to operating and \$1 to the Reserve contribution.

An owner questioned the increase for irrigation. Deb Borel explained that the Town of Breckenridge bills for water every other month, unlike the other towns that bill quarterly. The 2011 Budget was based on quarterly instead of bi-monthly payments so two irrigation payments were unbudgeted. The increase for 2012 rectifies this oversight. Peg Healey suggested setting the irrigation system timer during the summer so it does not run when there is natural precipitation. It was noted that the irrigation schedule was increased last year to three times daily to maintain the new vegetation on the berm.

Debbie Shoop asked why there were expenses for postage, copying and miscellaneous. She thought these expenses should be included in the management fee. Peter Schutz explained that the management fee included the mailing of dues statements, but not special mailings. He said he would be willing to consider including these items in the management fee.

Debbie Shoop asked why the meeting notice was sent by regular mail instead of by email. Peter Schutz said this might be required per the Association Declarations and Bylaws but this will be reviewed.

Matt Dayton thanked the Board for their work on behalf of the Association. The Board was recognized by the membership with a round of applause.

The trash contract will be put out to bid within the next month. The contract ends in March 2012.

An owner asked why there was a \$1 increase to the Reserve contribution. Kevin Lovett said that in 2009 the owners decided to reduce the Reserve contribution by 50%. The increase is a step toward restoring the original level of contribution. The Association does not have a professional Reserve Study, but one could be done at a cost of approximately \$1,150.

Tom Pulk thought there were state regulations regarding the Board's responsibility to complete maintenance projects so they are not pushed forward to future owners. Peter Schutz clarified that there are no state regulations for Reserve funding. Tom noted that the decision to lower the Reserve contribution was made in order to fund a higher management fee. He felt the Reserve funding level was inadequate. He thought seal coating would only maintain the roads for up to three years, not five, based on government standards. He said the life expectancy for asphalt is 10 – 15 years. He suggested increasing the Reserve contribution. Peter Schutz recommended hiring a

Reserve specialist to create a Reserve Study. Peter anticipated a Reserve Study would support an aggressive contribution increase.

Sara Gambino was not in favor of a dues increase. She felt higher dues would be a detriment to property values, especially given the current market. She asked what services were provided by the management company. Peter Schutz offered to provide a copy of the management contract to any interested owners.

Debbie Shoop agreed with Sara and asked if it would be possible to reduce some expenses in the 2012 Budget such as trash removal and irrigation. Kevin Lovett said irrigation could be decreased, but the trash service could not be changed until the contract expires in March 2012.

Val Sprenger made a motion to approve the 2012 Budget as presented. Mike Wickham seconded. The motion did not carry with 12 owners and proxies in favor and 16 owners and proxies opposed.

Peg Healey made a motion to defer approval of the 2012 Budget until it has been reviewed for possible cost reductions and to send the owners the revised budget with a ballot for approval by mail. Sara Gambino seconded and the motion carried.

V. MANAGING AGENT'S REPORT

A. Completed Items

1. Contracted with Greenscapes to plow for 2011/2012 season.
2. Took partial ownership of the berm from the County.
3. Continue to send new owners welcome packets. A suggestion was made to require owners to provide tenant information and to provide tenants with the Association Rules and Regulations. Deb Borel noted that all information is available on the website.
4. Contracted with Greenscapes for irrigation start-up and blow out.
5. Worked with owners on painting issues.
6. Baited for voles this fall and will reassess the condition in the spring.
7. Inquired about every other week trash pick-ups but found it was not possible to change the current contract.
8. Added a "no grow" rule to current House Rules.
9. Received refund check from Neils Lunceford for incomplete work in 2010.
10. Posted the Association Policies on the website.

B. Report Items

1. Contacted Triangle Electric about helping to pay for the Farmer's Lane speed bump and was told they were not in a financial position to contribute.

C. Rules Violations Discussion

There was general discussion about fair, equal and consistent enforcement of the Association Rules for all owners. Deb Borel said she would email all owners a reminder

about weed control. Peter Schutz said a review of exterior storage regulations could be added to the next Board meeting agenda.

Debbie Shoop suggested assigning one full time resident Board member to be the contact person for rules violations complaints. Janie Hodge said there should be specific guidelines established for what type of landscaping is permitted, including xeriscaping.

Peg Healey made a motion to establish an annual property tour to address Rules and Regulations compliance. Sara Gambino seconded and the motion carried.

Owners were asked to contact Summit Resort Group about any violations. The owner who is parking on the street every night will be contacted.

D. Association Contracts

An owner asked if all contracts were put out for competitive bids. Kevin Lovett confirmed that an RFP is sent out to several vendors for all contracts over \$1,000. The bids are presented to the Board for selection of the vendor.

VI. OLD BUSINESS

A. Berm Update

Val Sprenger said the Association has taken over control of part of the berm. Any vegetation that does not survive will be replaced by CDOT.

Tom Pulk questioned if the grass would grow on the berm since there is only a drip system for the trees and bushes. Val Sprenger said the experts felt the grass was growing well for the alpine climate but it will be reviewed by CDOT in the spring.

B. Plow Jockey Update

Kevin Lovett said there was a \$8,265 entry on the Balance Sheet due from Operating to Reserves for the money paid to Plow Jockey. This amount can be left on the Balance Sheet or paid back through a dues increase. He recommended leaving it on the books at this time until more funds are available. An owner asked if any action was being taken to pursue collection. Deb Borel said according to the Association's attorney, it would cost \$300 – \$500 to hire a private investigator to look for Robert Hampton. The Association spent about \$100 for attempted delivery of the interrogatories but it has not been possible to serve him with the documents as he does not live at his property in Park County and his whereabouts are unknown. The Association was also awarded a \$7,500 judgment against Plow Jockey/Robert Hampton in small claims court. If he can be located, it may be possible to garnish his wages and/or bank account in order to collect it.

Sara Gambino made a motion for the Association not to prepay for any services in the future. Debbie Shoop seconded and the motion carried. Scott Vinas noted that the decision was made to prepay Plow Jockey based on past history with the vendor and in order to save the Association 5% on the contract.

An owner suggested retaining a collection agency that will take a percentage of whatever is recovered rather than incurring legal fees.

Tom Pulk asked when the decision was made to prepay the contract; there does not appear to be any documentation in the Board Meeting minutes. Scott Vinas said the decision was made via teleconference. Deb Borel said a section had been added to the most recent minutes to document all future decisions made outside of a meeting.

Matt Dayton objected to the accusatory tone of the letter that was sent to the owners by Tom Pulk. He suggested that owners address concerns with Board members individually.

Sara Gambino made a motion to consult with an attorney who will provide a free consultation regarding the feasibility of filing a lien on Robert Hampton's property. Val Sprenger seconded. In discussion, an owner reiterated that the Association should consider a collection agency instead to control costs. James Porter noted that there were likely several other creditors with higher priority. The Association would probably be near the end of the line for receiving any money from Plow Jockey so a lien would not be cost effective. Sara Gambino revised her motion to have the Association consult with a collection agency instead of an attorney. The motion carried.

C. Speed Bumps

James Porter asked if the Association was liable for damage to cars caused by the speed bumps. Scott Vinas said there was no liability as long as the bumps were installed in compliance with the regulations. The contractor recommended installing the bumps with a slightly higher than normal profile during the summer so they would compact in the heat. They do not appear to have compacted as anticipated and the tops may need to be ground down to resolve the height issue. The contractor will be contacted and asked to do the work but it is unlikely the he will be willing to do this at no cost.

Christy Nelson said she did not want the bumps by her house ground down as much as the ones on High School Road.

VII. NEW BUSINESS

A. Board Spending Authorization

Tom Pulk made a motion not to allow the Board to spend above a set limit without a duly called meeting with documentation. It was noted that there is already a \$499.99 spending limit. There was no second to the motion.

B. Playground Slide

Peg Healey suggested removing the slide during the winter to prevent weathering. Scott Vinas said the slide was damaged in the past because it was unsupported at the end. It has now been reinforced and there should not be further damage. The replacement slide was provided under warranty at no cost to the Association.

C. *Tree Irrigation*

An owner suggested drip irrigation for the trees instead of surface irrigation.

D. *Plowing Markers*

Peg Healey suggested establishing a standard for the placement of plow markers; 18" back from the asphalt was recommended. Deb Borel will review the Association documents and send a reminder to the owners. The contractor will be asked for a recommendation for the appropriate location and will be asked to mark the appropriate areas for snow stakes with paint.

VIII. ELECTION OF OFFICERS

Deb Borel provided a history of Board elections since 2006. The Board seats of Jerry Westhoff, Scott Vinas and Ramon Gomez were up for election, all for three-year terms. There was general discussion about past election procedures and assignment of the terms. Tom Pulk made a motion to establish (2) three-year terms and (1) two-year term. Heidi Wickham seconded and the motion carried.

All incumbents indicated their willingness to serve another term and Sara Gambino self-nominated. Peg Healey nominated Krasimir Stoyanov but he declined the nomination. Christy Nelson nominated Janie Hodge and she accepted the nomination.

Secret ballots were distributed and tallied and Jerry Westhoff (three-year term), Scott Vinas (three-year term) and Janie Hodge (two-year term) were elected to the Board.

IX. ADJOURNMENT

The meeting was adjourned at 12:40 p.m.

Approved By: _____ Date: _____
Board Member Signature