



NORTHMOOR ACRES HOMEOWNERS ASSOCIATION

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Annual Meeting March 19, 2016
Minutes

Call to order: The 43rd Annual Meeting of the Northmoor Acres Homeowners Association held at the Johnstown community center was called to order at 9:14 A.M. by Northmoor Acres Homeowners Association President Susy Ruof. There were 82 lots in person and proxy. A quorum requires 72 lots in person and by proxy so there was a quorum.

President Ruof asked members to read through the handouts (agenda, financial report, minutes last meeting) and put their phones on silent. Members were asked to check their phone numbers and email addresses on the sign-up sheets at the door.

Introduction: President Ruof outlined meeting etiquette and the procedure to be followed for the meeting: Robert's Rules of Order will be followed to the best of our ability. The order for items in the agenda will be followed and if members have items that they wish to bring up, please fill out the Items from the Membership form and those items will be discussed according to the agenda. President Ruof will ask for a motion and a second, and then a discussion may be held. Discussion and conversation will be limited to 3 minutes to allow everyone a chance to speak. The membership was reminded that members may express opinions about the Association or Board business but no personal attacks, profanity or shouting will be tolerated.

Agenda: Motion made, seconded and approved unanimously to approve the agenda.

Welcome: President Ruof welcomed the membership. New members were recognized. Brian Lee at 20446 Northmoor Dr. Lyle and Bonnie Smith at 5036 Brittlebush Court, Norm and Beth Thielbert at 5070 Yucca Court.

Introduction of the Board:

Thanks to the Directors for their dedication and hard work on the Board. The Board of Directors was introduced and a brief background was given for each Board member. The Board belongs to CAI - an association that helps the Board with education and offers resources to help us with good governances. Board Directors present were: Deb Coulson, Cindy Eldenburg, Kim Gardner, Ginny Hersch, Mike Martin, Shawn Rieke, Susy Ruof, Roy Rutt and Bill Skeldum. The spouses of the Board members were thanked for their support and help. Additionally, President Ruof thanked all previous Board members for their services.

Other thanks:

Thanked ACC Secretary Joanne Stroud for her service on the ACC and the committee work and her service on the Board for 18 years. The ACC now has very defensible and clear processes. The ACC members will be recognized by the ACC secretary later in the meeting when the report is given.

Jim Russo was thanked for his service to the membership as the bookkeeper, webmaster and consultant to the Board.

The Neighborhood Committee was thanked. Deb Coulson was recognized for preparing a regular newsletter, posting event signs, etc. Social events for the neighborhood will be discussed later.

Thanks to the Greenbelt Committee and the members, including Dave Klink and Terry Showalter, who help by mowing the greenbelt paths and rights of way.

Thanks to Mitch Cheek who allows us to use his water for the greenbelt trees.

Thanks to Dick Branecki for his diligence with working with Weld County and the Town of Berthoud concerning the repairs needed after the September 2013 floods and the condition of our surrounding county roads.

Jerry and Kathy Carson were thanked for greeting members at the door and checking them in.

Review of the Year:

There is a new ACC email address – ACC@northmooracres.org. Please use this email address for your ACC requests or to contact just the ACC.

Continuing work on clearing out the ditches on the southeast side of the subdivision which should help with the flooding that happened to several properties last summer from heavy rains on two separate weekends.

Continuing to have the greenbelt trees sprayed for pine bark beetles. Continuing to remove dead trees and filling holes, placing mosquito donuts in the pond.

No prairie dog sightings recently, but requested the neighbors to keep a watch out for these animals and alert the Board if any are noticed. As a horse subdivision, having these animals around can create a very dangerous situation for those riding horses in the greenbelt.

Oil and gas issues have continued to take up a large amount of time of the Board. Director Coulson will give a short report later in the meeting.

Water and Governing Document Committees will also be providing reports.

Greenbelt mowed for free the past year by a farmer who took the hay.

Leased all of our water shares for this coming spring/summer.

Ongoing process to update and write policies. Thanks to homeowners who do send feedback when a new policy is sent out for review.

Reports:

Secretary's report: A draft of the minutes of the 2015 annual meeting held on March 21, 2015 was distributed by email yesterday and copies were provided at the beginning of the meeting. The minutes were reviewed by the membership. It was moved and seconded to approve the minutes, which were then unanimously approved.

Architectural Control Committee report. President Ruof gave background and explained that the ACC operates under the direction of the Board of Directors. The purpose of the ACC is to insure that the construction and alteration of buildings, structures and fences in Northmoor maintains harmony with existing structures and enhances the property values of the subdivision. To maintain ACC accountability, their decisions must be objective, provide consistency, and be the same for everyone. Ground rule is DON'T construct or alter structures/fences on properties without getting prior approval from the ACC.

Joanne Stroud, Secretary of the ACC was introduced and gave her report. List of project approvals were provided to the homeowners present at the meeting, the ACC processed 23 approvals last year. Secretary Stroud acknowledged and thanked the members of the ACC including Barbra Ding, Ginny Hersch, Dave Klink, Chuck Krueger, and Chuck McCollum. Secretary Stroud invited any interested homeowner to attend an ACC meeting or to serve on the ACC. Secretary Stroud outlined the procedure for submitting an approval. Requested that new plans be submitted to the ACC at least 5 days before the first Wednesday of the month so that a decision can be made whether to have that monthly ACC meeting. Reminded homeowners that ACC

approvals are valid for one year – no need to wait until the last minute. Advance planning helps everyone in the neighborhood.

Neighborhood Committee: Director Coulson explained that this committee, started in 2012, was very active and planned a lot of events over the next several years; however, the events required a lot of work and attendance at the events were low. The actual committee doesn't exist any longer and the annual events are now two – the spring garage sale and fall picnic.

Water Analysis Committee. Director Coulson presented the status report for the Water Analysis committee which was started two years ago, but work effort was suspended with the focus on the oil and gas and many of the same members being on both committees. She acknowledged the committee members – Dennis Ding, Kim Gardner, Ben MacFarlane, Robert Sprague and Joanne Stroud. Objectives of this committee were to understand the water share situation for Northmoor Acres and provide recommendations to the homeowners. Explained there are two types of shares associated with owning water – ditch and water and went through the aspects of each. Northmoor's water shares are classified for agriculture use only which means we cannot lease to the oil and gas wells around the area. Only the water shares can be leased. All water shares were deeded to Northmoor Acres HOA in the early 1970's – no water has been purchased since. Showed the actual shares owned by Northmoor Acres – Ditch shares from Farmer's Extension (11) and Bunyan Lateral (12), and water shares from ISH (11) and Supply (5). Explained that after income received for leasing water, average annual water/ditch assessment cost is about \$3,300 a year or \$27 per lot/year. Committee recommendations were to hold onto the water shares as the value will most likely increase.

New Business:

Management Company. Director Coulson gave a presentation regarding a proposal to hire a management company to help in the management of the subdivision. Key point is that other than providing financial, administrative and legislative guidance, the efforts of the management company respond to the direction given by the Board of Directors. After the presentation there were points made by homeowners regarding having a management company. Charles McCollum, who is running for a position on the Board, offered to do the work needed by the subdivision to save everyone money by not hiring a management company. Ken Davis doesn't know why two sets of managers are needed when there is already a Board of Directors. Cindy Eldenburg pointed out that the Board has been on a very tight budget, services members get are being provided by the Board, the Board has to know and be responsible for following laws that are constantly changing, we should have experts helping handle the work. Would only be additional \$100/year per lot. Jim Laffenburger is concerned the management company annual fees will increase significantly every year. Judy Cunningham suggested dissolving the HOA and going with the County. Jerry Carson suggested that the talent within the homeowner membership be utilized – burn ditches, pick up goat heads – folks need to be asked to help. He also suggested hiring a CPA and a secretary rather than a management company – annual expense should be less. An individual poll of the Board regarding hiring a management company was requested – 6 Board Directors were in favor of a management company, 3 were not in favor. Paul Tams asked for another solution to hiring a management company. He also assured homeowners that not having Northmoor Acres being under an HOA can be a real detriment to the subdivision. A motion was made and seconded to decline hiring a management company. The motion passed by a voice vote.

President Ruof gave an in depth perspective of the work it takes to be a Board member. She encouraged folks to be there when help is needed in the community.

Director Gardner provided his proposal to hire financial and administrative support that he has investigated. The budget required to hire this support would be about \$5,000 a year. Discussion by the homeowners followed. The Board was asked to describe what they thought the main needs were. President Ruof replied that in her opinion it was in two main areas: 1) having an administrative support structure to keep the "civil service" functions stable and continuous when there were changes in the Directors, and 2) having professional expert guidance in various areas (financial, process, legal, records, etc.). A motion was made and seconded to add up to an additional \$5,000 for the 2016-17 annual budget for CPA assistance, secretarial assistance and other administrative and financial assistance as needed. The motion passed unanimously.

Governing Documents. Director Coulson presented a status report of the Governing Document committee. She acknowledged the committee members –Kim Gardner, Robert Sprague and Joanne Stroud. She explained what is included in Governing Documents – Articles of Incorporation, Declaration of Covenants, Conditions and Restrictions, ByLaws and Policies. Objective of the committee was to review all HOA documents and assess where and what improvements were needed. The committee observations were that the documents are VERY outdated and all need updating, amending and restating. The overall committee recommendation was to hire an attorney to update, amend and restate all governing documents bringing them in line with Colorado Revised Statutes for an expense of up to \$10,000 to be added to the 2016-17 Annual Budget. Before any amendments are finalized, they will be brought before the homeowners for review and approval. Part of this effort will also include revamping the Northmoor Acres website relative to Governing Documents. David Klink requested that documents be searchable when they are redone. A question was asked whether we could dissolve the HOA and give the assets to the homeowners. According to current governing documents, this is not possible without giving up all assets to a public agency and the homeowners would have nothing but their respective properties. A motion was made: We, the homeowners, support the Board of Directors hiring an attorney for the purposes of amending, clarifying, and restating the Governing Documents for an expense of up to \$10,000 for the Fiscal Year 2016-17. It was seconded. A counted vote was requested. The motion passed by the majority of 68 (needed 54) with a show of hands, there were 13 opposed.

Treasurer's Report:

Oil & Gas summary charts reminding homeowners of the decision made regarding those funds was presented by Director Coulson before starting the financial presentation. She showed an estimated coverage of the annual assessments, based on currently forecasted budgets, for over five years.

The financial report was prepared and presented by Director Coulson. There were seven charts to be reviewed reflecting actual results as of January 31, 2016. All members previously received the reports in either email or U.S. mail as well as in their packet provided at the meeting. Variances on the charts were explained – what is negative vs what is positive to Northmoor's cash positions.

- Chart 1 - Final Budget Report for fiscal year July 1, 2014 – June 30, 2015 by category including trash. This is a report on the status of last fiscal year's budget. Discussed the effect of timing for insurance expenses - when checks are received or money spent affects what fiscal year it is shown in.
- Chart 2 - Current Year Budget for fiscal year July 1, 2015 to June 30, 2016 by category including trash. Included actual results through January 31, 2016 and projected results through June 30, 2016. Explained the legal fee payments which will put the annual expenditures over budget.
- Chart 3 - Oil & Gas Funds balance. First half of the bonus of \$211K was received November, 2015.
- Chart 4 - Cash Flow Statement showing all homeowners will get a refund of their annual assessments for FY 2015-16 to the extent they have paid them to date. Projected cash by fiscal year end June 30, 2016 is \$105K from which the annual budget for 2016-17 will be deducted.
- Chart 5a and 5b - Proposed Budget for fiscal year 2016-2017. Amount will be covered by the oil & gas funds. There will be no annual assessments billed to the homeowners. After a lot of discussion, the fact the management company did not pass, the \$10,000 for governing documents that did pass, the \$5,000 that passed for the CPA and secretarial/administrative support, the estimated total annual budget for FY 2016-17, including trash, will be \$49,239.

A motion to approve the budget was made and seconded. The motion to approve the budget passed unanimously.

Items from the Membership: Chuck McCollum requested an audit be done on the HOA financials. Director Coulson explained the three levels of audits and their associated anticipated expense levels. No audit was approved at this time. In 2012-2013, the budget committee comprised of three homeowners with professional accounting backgrounds had reviewed the books. The final agreement at this annual meeting was that the HOA will let the CPA that will be hired as part of the \$5,000 budget item determine whether or not an audit should be pursued for the HOA.

Election of Directors: There are 9 members that serve on the Board of Directors for Northmoor Acres and every year one third (3) of the positions become available as the terms end. This year Bill Skeldum, Mike Martin, and Shawn Rieke's positions are up for vote. Mike Martin is retiring after 36 years. Bill Skeldum is not running

again. Shawn Rieke has agreed to run again. Cindy Eldenburg has resigned from the Board. President Ruof outlined Board duties and discussed the commitment needed.

Director Coulson presented the five candidates for the Board of Director positions along with their biographies. There were no nominations from the floor. Elected were Ben MacFarlane, Chuck McCollum, Shawn Rieke and Robert Sprague. Thanks to the members that counted the votes.

President Ruof asked members to sign up for committees – Governing Documents, Property, Neighborhood, Architectural Control.

It was moved, seconded and approved to adjourn the meeting.

Meeting adjourned at 12:05 pm.
Northmoor Acres Homeowners Association Secretary
Ginny Hersch