



Four Hills Ranch POA Board Meeting

September 8, 2018

High Country Fire and Rescue House

Williams, AZ

ATTENDANCE:

SHERRIAN BLOOMQUIST, PRESIDENT (By Phone)
KIM SHUEY, VICE PRESIDENT
DENNIS VAN ROEKEL, SECRETARY
TONY KACK, TREASURER (By Phone)
THAD JOHNSON
TOM MAKOFKSKE, ALTERNATE (By Phone)

Call to Order

Meeting was called to order at 12:07 pm by President Sherrian Bloomquist.

Agenda Item: Approval of Minutes

- **Motion: To Approve the minutes of the June 9, 2018 Board of Directors meeting.**
- Moved by Thad Johnson, Seconded by Kim Shuey.
 - o **Motion approved unanimously by voting members and agreed to by the Alternate.**

Agenda Item: Updates/Discussion

- **Cluster Mailboxes:**
 - o The Board was informed that six (6) of the mailboxes in the current cluster are not being used. When first installed, owners could purchase a mailbox for a one-time payment of \$100 and the box then remained with their parcel. Currently, the Board does not know if the current owners are still interested in maintaining the mailboxes and several owners have made inquiries to Board about adding additional mailboxes.
 - Dennis will contact the six (6) owners to ask if they want to maintain their mailboxes. If not, the owners will be refunded their \$100 payment and the mailboxes will be made available to other owners for a one-time \$100 payment.
 - o Discussion was held about the purchase of a new cluster of mailboxes. Research indicates a new 16-door CBU mailbox can be purchased for \$1,439 and free shipping.
 - Sherrian, President, will investigate the purchase of the mailboxes and specifics of shipping.
 - Once details are obtained, Thad will contact a contractor to determine installation costs.
 - o **Motion: To approve the purchase and installation of a 16-door CBU Mailbox cluster. Owners may purchase a mailbox for a one-time payment of the total cost (cluster of mailboxes plus installation) divided by 16.**
 - o Moved by Thad Johnson, Seconded by Dennis Van Roekel
 - **Motion approved unanimously by voting members and agreed to by the Alternate.**
- **Non-Compliance Lots**
 - o **Motion: To move into Executive Session to discuss legal matters.**
 - o Moved by Tony Kack, Seconded by Kim Shuey
 - **Motion approved unanimously by voting members and agreed to by the Alternate.**

Executive Session

- **Motion: To rise and report from Executive Session**
- Moved by Thad Johnson, Seconded by Kim Shuey
 - **Motion approved unanimously by voting members and agreed to by the Alternate.**

- **Travel Trailers**

- The Board agreed to focus on individuals who attempt to live in travel trailers on a permanent basis noting that the county requires that they must be fully permitted.
- It was suggested that the Board develop a post for the website with the URL for county regulations to fully inform owners of county requirements.
- Thus far, there have been no complaints of owners who use travel trailers or recreational vehicles on a temporary basis. Temporary permits can be purchased from the county for up to 6 months.

- **Break-Ins**

- A notice will be posted on the website that provides the following information:
 - Several incidents of vandalism, thefts, and suspicious activity have been reported over the past months.
 - If you experience any such incident, call the County Sheriff, NOT the POA.
 - Inform the POA of any problems even though the POA is not responsible for monitoring personal property.
 - Visit your property regularly, secure belongings, and consider placement of monitoring cameras on your property.
 - Update your contact information so neighbors can contact you to report any incidents.
- A notice will also be placed in the Annual Report sent out in January.

- **Open Range Laws**

- A notice will be posted on the website to provide owners with relevant information.
- <https://extension.arizona.edu/sites/extension.arizona.edu/files/pubs/az1533.pdf>

- **Increasing Annual Dues**

- The Bylaws require that any increase in annual dues must be determined at least 30 days prior to the end of the calendar year and a written notice sent to all owners.
- The Board reviewed the past increases in the annual dues that occurred in 2007, 2009, and 2014 as well as the budgets and net income for the years 2013-2017.
- The consensus of the Board was that no increase in the annual dues is needed for 2019.
- The Board will continue to carefully monitor the budget and expenditures to maximize the use of the annual revenue.

- **Increasing the Road Budget**

- The large amount of rain received during the monsoon season caused considerable damage to roads throughout FHR requiring additional expenditures over and above the annual Road Plan budget.
- The road budget has increased by \$32,716 since 2016, a 67% increase, and the Board expects to increase the road budget again in 2019 by approximately \$5,000.
- This increase was made possible by 1) a decrease in legal fees expended by the Association, 2) monitoring expenditures very carefully to maximize funds available for road maintenance, and 3) decreasing the net income to a positive, but lower percentage of actual revenue.
- The Board recognizes that our work to clear delinquent accounts, carefully monitor and regulate expenditures, and working for a small, positive net balance has enabled FHR to significantly increase our road budget without increasing annual dues.

- **Research on Road Material**

- The Board engaged in a discussion of a long-term picture of maintaining the FHR roads.

- Although cinder and cinder-mix will continue to be the main type of material used, consideration must be given to new developments of materials used to maintain dirt roads such as those in FHR.
 - Looking at the big picture, consideration must also be given to installation of new culverts (and potential cost savings by purchasing in larger quantities) and raising some of the road beds to decrease erosion during the heavy rains.
- **Portable Buildings**
 - The Board was contacted regarding the placement of portable buildings on an owner's property and whether the POA allowed the placement of portable buildings.
 - The Board discussed that it is not really a POA issue but rather a county issue. The county has many regulations about permits, footings for buildings, and the use of any structure as living accommodations.
 - The Board determined that a response will be sent to the owner's inquiry that provides the following information:
 - This is an issue between the owner and the county.
 - Web address for county regulations.
 - <http://www.coconino.az.gov/DocumentCenter/View/7160/Building-Ordinance-2014?>
 - <http://www.coconino.az.gov/624/Building-and-Safety>
 - The POA CC&R's specify that "all uses shall be in compliance with Coconino County zoning and building requirements."
 - Dennis will draft a response to the owner for Sherrian's consideration and approval.
- **Hunters on Private Property (Added to Agenda)**
 - An owner notified the Board that she had encountered on-resident hunters on her land and she notified the Sheriff. The Deputy suggested we meet with Game and Fish to review Title 13 and 17 in state and federal laws regarding trespassers and hunters on private land.
- **Bed & Breakfasts on FHR Land (Added to Agenda)**
 - Some owners on HMR have advertised their land as a Bed & Breakfast location. The CC&R's prohibit use of the land as a private business and the HMR POA is looking into amending the CC&R's to specifically prohibit the use of property as a Bed & Breakfast.

Agenda Item: Delinquent Accounts

- An update was provided to the Board regarding the status of delinquent accounts.
 - As of 8/31/18, there are 48 delinquent accounts compared to 37 at the end of last year.
 - 15 accounts are delinquent for 2018 dues only.
 - Good news - Several longer-term delinquent accounts have been paid in 2018.
 - Reminders will be sent in September and October to owners to encourage payment.
- The importance of closely monitoring delinquent accounts was stressed due to the direct relationship between the POA's ability to have enough revenue to maintain roads, etc. without the need to raise annual dues.

Agenda Item: 2018 FHR Road Plan

- The Budget for road maintenance has \$15,496.25 remaining for the next 4 months.
- The Board determined that any excess funds in the overall 2018 budget will be used for additional work to repair damage done by the heavy rains during monsoon season.
- The Board discussed the installation of additional culverts and is awaiting cost estimates from the road maintenance contractor.
- The Board began the initial planning for the 2019 Road Plan.
 - Identification of "hot spots" to address in 2019.
 - Defining the priorities for 2019.
 - Estimating the budget for road maintenance, repair, and improvements.

Agenda Item: Common Roads Plan

- The current budget for 2018-2019 increased to \$16,600 from \$14,400 in previous years.
 - o \$14,124.53 remains in the 2018-2019 budget.
 - o The roads were last bladed at the end of July.
 - o Comments were made about the condition of Big Elk and Jack Rabbit roads.
- FHR's contribution increased to \$9,960 from \$8,640.
- The Plan allows for 4 bladings per fiscal year and \$3,600 for road mix material.
- Beginning on May 1, 2019 and continuing until April 30, 2022, the FHR POA will be the Primarily Responsible Association. FHR will be responsible for selecting a road contractor and arranging for the work to be done on the Common Roads.
- The operator for the blade on the Common Roads was injured in a car accident. Dennis will contact Cliff to see who is replacing him until his return.

Agenda Item: Sign Replacement

- A list of needed signs has been developed and is ready to order. As soon as the final cost has been determined, the accountant will be notified to issue a check for payment and Kim will order the signs.
- Some signs previously ordered and received have not yet been installed due to the contractor's schedule.
 - o Six (6) posts need to be installed and one of the entrance signs still needs to be moved.
 - o Dennis will contact Steve to determine a timeline for completing that work and the installation of the new signs that will be ordered.

Agenda Item: FHR POA Financial Reports

- As of 8/31/18, the POA has received \$107,597.56 in revenue, 96% of the \$112,000 budgeted revenue.
- YTD Income – YTD Expenses = \$25,475.74.
- Year-End Projections
 - o The Board agreed to a target of excess revenue over expenses of 1% to 4% (\$1,120 - \$4,480). The Board stressed the importance of not only a positive net income but also the importance of having a net income not to exceed 4%.
 - o Actual Revenue during the next four months will be closely monitored to precisely determine the available revenue for the fiscal year.
 - o In addition, expenditures will be closely monitored to ensure that all available funds above the target are spent on road maintenance to add additional resources for repairs caused by heavy rains during the monsoon season.
- Working with the accountant, a new account numbering system for road maintenance has been implemented. The numbering system will include costs associated with both FHR roads and Common Roads. The intent is to make the end-of-the-year financial report for owners more descriptive and easier to understand.

Meeting Adjourned at 2:30 pm.

- **Motion: To adjourn**
Moved by Thad Johnson, Seconded by Dennis Van Roekel
 - o **Motion passed unanimously by voting members and agreed to by the Alternate attending.**