



Four Hills Ranch POA Board Meeting

December 1, 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 12:10 pm by President Sherrian Bloomquist.

Agenda Item: Adoption of the Agenda

- **Motion: To Adopt the Agenda**
- Moved by Kim Shuey, Seconded by Thad Johnson.
 - o **Motion approved unanimously by voting members and agreed to by the Alternate.**

Agenda Item: Updates/Discussion

- **Cluster Mailboxes:**
 - o FHR has been informed by Cliff Hall, President of the HMR POA, that Howard Mesa East has agreed to allow FHR and HMR to move their two existing boxes to the West side of Highway 64. FHR has already approved the purchase and installation of a 16-door CBU Mailbox cluster (Please see Minutes from the September 8, 2018 Board of Directors Meeting.) FHR requested HMR to coordinate with FHR in the moving and installation of the existing mailboxes as well as the installation of the new unit.
 - o HMR POA has scheduled another meeting on December 15, 2018 to develop a timeline for the project and has invited the FHR POA Secretary to attend.
 - o The Board asked whether the Williams Post Office has been contacted about the possibility of moving the mailboxes and asked Dennis to contact Cliff for clarification.
- **Non-Compliance Lots**
 - o The Board has informed the owners of potential violations of Coconino County regulations and no further action is needed by the Board.
 - o Individual FHR property owners may file complaints with the County if they wish the County to act.
- **Travel Trailers.**
 - o At the last Board meeting, 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.
 - o A post was developed and posted on the website listing County regulations and includes information on travel trailers.

- **Break-Ins**
 - As requested at the September Board Meeting, a notice has been posted on the website that provides information and suggestions of what to do if owners experience similar incidents in the future.
 - In addition, a notice will be included in the 2018 Annual Report. The Report will be posted on the website in January 2019.

- **Portable Buildings**
 - The POA CC&R's specify that "all uses shall be in compliance with Coconino County zoning and building requirements."
 - As requested, a notice has been posted on the website providing Coconino regulations relating to portable buildings and other structures.

- **County Regulations**
 - As requested at the last Board meeting, a post was developed and posted on the website listing Coconino County regulations that impact property owners on Four Hills Ranch.
 - Thad agreed to do more research on the regulations and the apparent conflict that exists between some regulations.

Agenda Item: Sign Replacement

- Vice President Kim Shuey has ordered the next set of road signs and they will be delivered on or about December 20, 2018.
 - The cost of the signs is \$778.35 plus shipping.
 - Steve Fuller, the FHR road contractor, will be contacted by Dennis about installation of the signs; hopefully all sign installations can be completed by the end of January.
- The Board discussed whether there was a need to post speed limit signs.
 - HMR has posted several 30 mph speed limit signs and the Board considered that if signs were posted, how many would be needed, where they would be located, potential cost, etc.
 - Following discussion, the Board determined to investigate the possibility of purchasing three signs that would be attached to the signs posted at each of the three entrances to Four Hills Ranch.
 - Thad agreed to do the initial research to determine the size, wording, and cost of the signs and report back to the Board.

Agenda Item: 2018 Four Hills Road Plan & Budget

- Prior to the meeting, the Board members were provided the Road Maintenance Log through the last invoice received on 11/21/18. The Board also received the latest report on the Road Plan Budget and Expenses.
- As of 11/30/18, expenses total \$77,463.75 which includes all blading and road mix material in 2018. The Board adopted a provision in the 2018 Road Plan requiring that all funds in the budget be expended within 2% of the amount budgeted. That goal was achieved and in fact, total expenses were within .5% of the budgeted amount. Further, the Board determined that if additional revenue is received in 2018, those additional resources will be used for road maintenance, specifically road mix material.
- The Board also discussed current practices and possible changes in how the POA responds to concerns expressed about the roads on the public website.

Agenda Item: Planning for the 2019 Four Hills Road Plan

- After reviewing the results of the 2018 Road Plan, the Board had an expansive discussion of what the POA wants to achieve in the 2019 Plan. The Board discussed priorities and the scope of the work for the coming year as well as how to maximize the amount of resources allocated to road maintenance.
- The Board had earlier received a detailed report developed by Board members Kim Shuey and Thad Johnson that included a complete review of the roads, damage caused by the heavy rains, as well as possible sites for the installation of new culverts.

- The Board also considered comments made about the roads at the June 2018 Annual Meeting and how to incorporate those concerns into the 2019 Road Plan.
- Several issues were raised that will require further research:
 - o Espee Road is maintained by the County; what is the approximate cost per mile to develop and maintain a road surface similar to Espee Road? (Board members also questioned whether it was feasible to something different on Big Elk Road from Highway 64 to the railroad tracks.) One owner attending the 2018 Annual Meeting asked whether it would be feasible to pave Big Elk Road and the Board decided to do the research needed to respond with an approximate cost.
 - o What other road materials are available to use in selected problem spots and what is the cost of these alternative approaches?
 - o What is the appropriate width for roads on Four Hills Ranch and is it cost effective to widen all the Arterial roads? Secondary roads? Should we focus more on the quality of the road surface rather than the width?
 - o Dennis agreed to contact Steve for information related to the questions posed.
- Based on our discussions and input from Steve, Dennis agreed to develop a draft of the 2019 Four Hills Ranch Road Plan and share it with the Board. The draft Plan should incorporate the following concepts:
 - o Priorities for 2019
 - Improve road bed elevations, surfaces, and ditching.
 - Improve the quality of road mix material.
 - Address “Hot Spots”
 - Clean all blocked culverts
 - Request the road maintenance contractor to recommend priority locations for new culverts and cost estimates based on size of culvert needed and work involved.
 - Repair roads damaged in 2018 by heavy rains and erosion.
 - o Scope of the Work
 - Blade Arterial roads quarterly.
 - However, the Board suggested that Steve, as the road contractor, be given the flexibility to skip sections of road that clearly do not need blading. Clear instructions need to be given to blade operators to include this concept as well as not allowing owners to individually request the expenditure of funds for road work or road mix material.
 - Blade selected Secondary roads annually that serve construction sites and homeowners to maintain the integrity of the road surface.
 - Blade all other Secondary roads at least every other year.
 - o Maximize the budget allocation to road maintenance.
 - Projected to increase to \$77,660 with \$57,500 for 460 hrs. and \$20,160 for 1,008 cu. yds. of Road Mix material

Agenda Item: 2018-2019 Common Roads

- The Board received the Budget and Expenses Report for the Common Roads for May 1, 2018 – November 30, 2018.
- As of 11/30/18, with 58% of the fiscal year gone, 19% of the budget has been expended. The roads were recently bladed, and that invoice is expected in December.
- HMR contacted FHR about a discussion of adding another road to the list of Common Roads to provide an additional access point north of the Big Elk entrance. The Board discussed possible concerns that would have to be addressed as the conversation continues:
 - o How long is the road and what are the estimates for preparation and annual maintenance?
 - o Will ADOT require a modification to Highway 64 to add a turn lane (like the Big Elk entrance) and what is the projected cost? Who is responsible for the costs?
 - o The Road Maintenance Agreement specifically names the Common Roads (Big Elk, Latigo, and Jackrabbit) as well as the required process that must be followed to change that provision of the Agreement. The Board is not willing to violate the Agreement.

- **2019-2020 Common Roads Annual Plan**
 - o Beginning on May 1, 2019, the Four Hills Ranch POA will again assume the responsibilities of the Primarily Responsible Association and continue that role until April 30, 2022.
 - o After the first of the year, plans will be developed to conduct the Transition Meeting between HMR and FHR.

Agenda Item: Financial Reports

- **Four Hills Ranch POA Finances**
 - o As the end of the year rapidly approaches, the POA is closely monitoring the monthly financial reports from the POA accountant.
 - o As of 11/30/18, the FHR POA has received 99% of the budgeted revenue and expenses, including projections for December, total 98% of the actual revenue received.
 - o The Board's goal is to have the Net Income for the year to be less than \$4,000 and at this point, it looks as if that goal will be reached. The purpose of having a low positive net income is to maximize POA resources for uses serving the membership.
- **2019 Basic Budget for Four Hills Ranch POA**
 - o The POA Bylaws require that the Board of Directors to present a basic budget of revenue and expenses for the next year prior to the end of the current fiscal year.
 - o The Board approved, without objection, the budget as presented and directed that the budget be posted on the website.
- **2019 Detailed Budget for Four Hills Ranch POA**
 - o As in past years, the Board develops a detailed budget as the means of monitoring the monthly financial reports. The budget is developed annually based on actual expenditures of the current year as well as any known factors in the coming year that may impact revenue and expenses.
 - o The Board approved, without objection, the budget as presented.
 - o Quarterly reports are presented to the Board as the revenue and expenses are monitored on a monthly basis.
- **2018 Compilation Letter:**
 - o For more than a decade, the Board has employed an outside accounting firm to create a Compilation Letter that is provided to the owners at the Annual Meeting.
 - o The accounting firm that provided FHR with the Compilation Letter no longer provides that service and therefore President Bloomquist inquired of other accounting firms to determine 1) if another firm was willing to provide the service, and 2) the estimated cost.
 - o The results of the inquiry found that the cost would triple. The Board began discussing the history of why the practice was instituted and whether the need still existed as well as the value of the service in relation to the cost.
 - o After a lengthy discussion, the Board determined not to engage an outside firm for the purpose of developing a Compilation Report. The 2018 report will be drafted by the Board of Directors and the financial statements included in the report will be provided by the accounting firm currently employed by the POA.

Agenda Item: Delinquent Accounts

- An update was provided to the Board regarding the status of delinquent accounts.
 - o As of 11/30/18, there are 41 delinquent accounts compared to 37 at the end of 2017.
 - o Good news - Several longer-term delinquent accounts have been paid in 2018.
 - o Reminders were sent to owners in September and October to encourage payment.
 - o Six (6) owners had liens placed on their property in November 2018.

- The importance of closely monitoring delinquent accounts was stressed due to the direct relationship between revenue and the POA's ability to maintain roads, etc. without the need to raise annual dues.
- Statements for 2019 will be sent to owners in January and all unpaid charges from 2018 and previous years will be included on the new statement.

Agenda Item: 2019 Annual Meeting Planning

- The Board, at a previous meeting, decided to hold the 2019 Annual Meeting at the Grand Canyon Railway Hotel based on the many positive comments at last year's meeting.
- The Board determined the date of the Annual Meeting will be June 8, 2019.
 - o Meeting Time: 1:00 pm – 3:00 pm, social time to follow.
 - o Refreshments and soft drinks will be provided.
 - o Thad agreed to make the reservation with the hotel and contract for the room and refreshments. Dennis agreed to send Thad information from last year about the cost and contact persons.
- Based on the meeting date, specific dates will be selected for mailing the 1st and 2nd Meeting Announcements to all members of the POA.

Meeting Adjourned at 2:21 pm.

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