



# Four Hills Ranch POA Board Meeting

December 7, 2019

High Country Fire & Rescue

Williams, AZ

## ATTENDANCE:

THAD JOHNSON, PRESIDENT  
KIM SHUEY, VICE PRESIDENT  
DENNIS VAN ROEKEL, SECRETARY  
ANNMARIE BICE, DIRECTOR  
TOM MAKOFSKE, DIRECTOR (By Phone)  
SHERRIAN BLOOMQUIST, DIRECTOR (By Phone)

## Call to Order

- Meeting called to Order at 12:04pm by President Johnson.

## Adopt Agenda

- **Motion: To Adopt the Agenda**
  - o Moved by Dennis Van Roekel, Seconded by Kim Shuey
    - **Motion approved unanimously.**

## Agenda Item: Approval of Minutes

- No action required. Minutes of the September 7, 2019 minutes were previously approved by an email vote and posted on the website.

## Agenda Item: Past Business

- **Mailboxes**
  - o Vice President Shuey presented a report on the new mailboxes and was pleased to announce that the new system is up and running.
  - o Kim has developed a complete data base of members who have mailboxes, fulltime residents, key information, etc. and will maintain the data base as new mailboxes are sold.
  - o The ten (10) members with mailboxes in the old bank have been moved to the new bank and eleven (11) new boxes have been purchased by other members. There are now eleven (11) mailboxes remaining. As inquiries are received about obtaining a mailbox, the member is given the information provided by the postmaster. Mail delivery will not be delivered to FHR unless the member presents one of the following to the Williams Postmaster:
    - Building permit
    - Certificate of occupancy
    - Conditional use permit
  - o One member has not moved his single mailbox on the East side of Highway 64. Three attempts were made to contact the member with no response. At this point, FHR has exhausted its remedies and it is now the responsibility of the member to contact HMR to resolve the issue.
  - o Another member is working with the Williams Post Office to resolve mail delivery after requesting their mailing address be moved from Williams to FHR. Hopefully the issue will be resolved soon.
  - o Special thanks were expressed to Vice President Shuey for artfully navigating a “messy” issue and for the many hours she dedicated to obtaining a successful result. Thank you, Kim!
    - **ACTION:** Secretary Van Roekel will contact Cliff Hall, HMR President, to determine what, if any, plans exist to install road mix material in the drive-through by the mailboxes.

- **Bank Account Signature Cards**
  - President Johnson reported that he, along with Bill Weiss and Dennis Van Roekel, met at the National Bank in Flagstaff. As determined at the last Board meeting, the former names listed on the account were removed and three (3) new names were added to the account: 1) Thad Johnson, 2) Dennis Van Roekel, and 3) Bill Weiss.
  - Tony Kack was unable to attend so his name was not added. With Tony's subsequent resignation from the Board, no further action is needed on the signature cards.
  - The names on the accounts were changed to provide greater clarity to differentiate between the two (2) Four Hills Ranch accounts and the two (2) joint accounts with Howard Mesa Ranch.
  
- **Annexation of Land Locked Properties**
  - President Johnson presented the amended draft for the "Annexation of Land Locked Properties" policy that now includes a road impact fee of \$5,000.
  - Thad contacted the individual who had inquired about the possibility of annexing property to Four Hills Ranch and provided the individual a copy of the document. FHR has not received any response, as of this date.
  - Following the Board's discussion, the Board determined that the draft would not be formally adopted by the Board and the document would be revisited in the event a response is received from the individual or any other person expressing an interest in annexing land to FHR.
  
- **Hobby Farms on Four Hills Ranch**
  - Vice President Shuey presented the modified draft of the "Guidelines for Farms in Four Hills Ranch".
  - Following discussion by the Board, the Board took the following action:
  - **Motion: To adopt the "Guidelines for Farms in Four Hills Ranch."**
    - Moved by Kim Shuey, Seconded by AnnMarie Bice.
    - **Motion approved unanimously.**
  
- **Improved Dues Billing**
  - Secretary Van Roekel presented a description of the current dues collection process as well as recommendations for possible changes.
  - One of the past problems was that not all members received a billing statement. Extensive work was completed by Board members during the past six (6) months to establish a complete and accurate list of members and mailing addresses.
  - The Board discussed the current process and suggested several changes for the future. The results of that discussion are described in the Agenda item "Board Resolution: Assessment Collection Process."
  - The Board discussed a new section in the Coconino County Parcel Viewer called "Recent Sales" that may assist the POA in obtaining accurate information when ownership of a parcel changes. The POA needs this information to ensure an accurate list of members and addresses.
  - Kudos were expressed to President Johnson about the "Welcome Letter" that is sent to new members. The POA has received positive feedback about the letter and the information provided to new members has been well received.
    - **ACTION:** Secretary Van Roekel will work with Bill Weiss to revise the billing statement to be consistent with the changes in the collection policy.
    - **ACTION:** President Johnson will explore possible changes in the member data base to obtain an exact number of members compared to the number of parcels in FHR.
  
- **Website Revisions**
  - Director Bice presented the update and expressed thanks to President Johnson for his efforts in assisting in the development of the new website.
  - AnnMarie is planning to develop a phone "friendly" version of the website.
  - AnnMarie described many of the changes and Board members offered suggestions for the website: Remove links to Facebook and twitter, enlarge the pay online section and make it the first option, add winter driving and winter living tips.

- A section on the home page will be designated for **Special Announcements** or **Alerts** and will be changed regularly. Board members are encouraged to send suggestions for alerts to all Board members. AnnMarie and Thad will have the responsibility to post special announcements and alerts on the website.
- A **Comment** section for members will be provided on the “Roads” and the “Building” sections of the website. All comments will be sent to the Board. Approved comments will be posted and receive a response.
- Work is nearly completed on the “Pay Pal” section – this will provide members the opportunity to pay their annual assessment via the website rather than by mail. When completed, Bill Weiss will have access to Pay Pal to process members’ payments.
- President Johnson reviewed websites of other POAs and found several helpful ideas. Thad contacted the President of the Cedar Mountain Heights Association and asked if it was possible to use some of their website information on the FHR website. The President agreed – thank you Cedar Mountain Heights!
- Once work is completed on the site and approved by the Board, FHR members will be directed to the new site.
  - **ACTION:** Board members are encouraged to continue to view the new website and send suggestions and ideas to AnnMarie and Thad.
  - **ACTION:** Once work on the site is complete, the Board will take action to approve the new website with an email vote.

### **Agenda Item: Roads**

- **2019-2020 Common Roads Expense Report**
  - Secretary Van Roekel reviewed the Common Roads Expense Report with the Board. The fiscal year for the Common Roads is May 1 – April 30 of each year. There is \$6,016 remaining in the budget for road maintenance. Additional bladings will be completed in January and again in March or April.
  - The Common Roads Reserve account has a balance of \$7,245.37 as of 11/30/19.
  - The Board discussed Snot Hill, a source of much grief for members using Jackrabbit Trail. Part of the problem is that water runs down one side of the road and then crosses the road at the bottom of the hill. This stretch of the road needs special attention and requires road mix material suitable to solve the problem.
    - **ACTION:** Secretary Van Roekel will work with Steve Fuller to obtain options and costs for a special project on Snot Hill.
- **2019 FHR Road Expense Report**
  - Secretary Van Roekel reviewed the FHR Road Expense Report. Excluding the road repairs for the W. Bright Sky and Painted Rock Trail Crossings, the POA has spent \$56,345.30 of the \$77,600 budget, thus \$21,2564.70 remains.
  - The POA spent \$2,350 in December for snow removal. Special thanks to Steve Fuller for his prompt response to getting the roads plowed quickly after the storm.
- **West Bright Sky / Painted Rock Crossing Repair Update**
  - Thus far, \$30,044.42 has been spent on the repairs for the W. Bright Sky and Painted Rock Trail crossings and \$24,955.58 remains in the budget. The Board’s priority is to make sure the repairs are completed in December.
  - The POA has spent \$86,389.72 thus far in 2019 on road maintenance, including the FHR roads and the repairs for the crossings. The total does not include expenses for the Common Roads.
- **Short-Term 2019 Four Hills Ranch Road Plan**
  - President Johnson reviewed with the Board the “Four Hills Ranch 2019 Road Survey.” The survey was conducted by Thad Johnson, Kim Shuey, and Steve Fukiage.

- The purpose of the survey was to identify specific needs for the coming year.
  - The Road Survey was shared with Steve Fuller to assist in his planning for 2020. In addition, President Johnson met with Steve Fuller and traveled the roads to review the needs identified in the survey. Thad informed Steve Fuller that if possible, within the budgetary guidelines, to begin work now on the issues identified in the survey in addition to the regularly scheduled road maintenance.
  - The Board discussed options of how to accomplish as much road maintenance in 2019 as possible, including the option of using additional contractors to do work in December.
  - The survey also identified six (6) missing signs at three locations. Following the Board discussion, the following action was proposed.
  - **Motion: To approve up to \$500 for the purchase of signs.**
    - Moved by Kim Shuey, Seconded by AnnMarie Bice
    - **Motion approved unanimously.**
    - **ACTION:** Vice President Shuey agreed to order the signs.
    - **ACTION:** President Johnson will contact Steve Fuller to review a desired list of road maintenance items to be completed in December and the POA's budget capacity for the work. Thad will ask Steve to assess how much of the work he has the capacity to complete. If Steve determines he does not have the capacity to do the work, Thad will explore other possible solutions.
- **2019 Net Income & Reserve Targets**
- Secretary Van Roekel reviewed with Board a report titled "Reserves – 2019 Year End Estimates". The report was developed at the request of President Johnson and with his assistance.
  - The report listed the YTD Income, YTD Expenses, and estimated Revenue/Expenses for December. The analysis provided an estimate of the POA's 2019 Net Income.
  - In May 2019, the Board approved using up to \$55,000 of Reserves for the emergency road repairs needed as a result of the unusual rain and snow that caused extensive damage to FHR roads. Throughout the year, the Board has closely monitored the revenue/expenses to ensure the Association's fiscal integrity is not negatively impacted by spending Reserves.
  - Based on the estimated 2019 Net Income, the report projected the 2019 Reserves balance.
    - **ACTION:** Secretary Van Roekel will provide the Board with regular reports on the Association's progress in achieving the financial goals established by the Board.
- **Draft 2020 Four Hills Ranch Road Mission**
- President Johnson led the discussion of the mission of the 2020 Four Hills Ranch Road Plan. The purpose of the discussion was to gain Board consensus for planning FHR road maintenance.
  - The FHR strategy is to maintain roads as passable as possible year-round for members and emergency vehicles. There are three (3) basic categories of FHR roads based on usage and need.
    - Primary or Arterial Roads – Main roads that all members use to access their property.
    - Secondary Roads for Full-time Residents – Roads used by members living full-time or close to full-time on the ranch and members doing construction.
    - Secondary Roads – Roads that members use to access their property.
  - The FHR priorities, schedules, and frequency of maintenance in 2020 will be determined by the categories of the roads.
    - Hot Spots – Specific locations where vehicles could get stuck or damaged due to road conditions will be repaired as needed.
    - Arterial Roads – These roads have the greatest use and as a result, need to be bladed, ditched, and road mix applied 3-4 times annually.
    - Secondary Roads serving Full-Time Residents – The heavy use of these roads requires blading, ditching and road mix application at least annually to maintain the integrity of the road base and surface.
    - Secondary Roads – These roads, although used less often, need to be bladed, ditched, and road mix applied at least every other year or when requested by members.

- **ACTION:** The Board will determine the specific details of 2020 FHR Road Plan after an assessment has been made of the work completed in 2019.

### **Agenda Item: Financial Reports**

- **2019 Four Hills Ranch Quarterly Financial Report**
  - Secretary Van Roekel presented the Quarterly Financial Report through 11/30/19.
  - YTD Revenue, as of 11/30/19, is \$124,328.18 and exceeds budgeted revenue by \$12,328.18.
  - YTD Expenses, as of 11/30/19, are \$118,963.26 and exceed budgeted expenses by \$11,963.26. The expenses include the \$30,044.42 from Reserves authorized by the Board for road repairs.
  
- **Delinquent Accounts Report**
  - Secretary Van Roekel presented the Owners Balance Report. As of 11/30/19, 36 accounts remain delinquent totaling \$104,258.22.
  - Good news: The current number of delinquent accounts is three (3) less than on 12/31/18 and the total amount owed is \$12,977.38 less than on 12/31/18.
  - Since the Board's efforts began in 2016 to significantly reduce the number and amount of delinquent accounts, the total number of delinquent accounts has decreased from 53 to 36 (32% less) and the total amount owed has decreased by 4%.
  
- **Legal Action on Unpaid Dues**
  - Secretary Van Roekel presented a worksheet sent to the POA attorney to be used to send letters to 21 members with accounts delinquent for three (3) years or more.
  - The letters informed the members of potential legal actions if the account was not paid.
    - Four (4) members responded to the letter and the POA will receive \$11,132 for unpaid past year dues as a result.
    - Of the remaining seventeen (17) recipients, six (6) members did not respond, ten (10) do not have a current mailing address, and one (1) member lost the property through foreclosure. The new owner did pay the 2019 dues.
    - The Board will continue to work on this issue and explore any and all legal remedies that are available to the POA.
    - **ACTION:** President Johnson will contact the President of the Cedar Mountain Heights POA to establish a meeting for Thad and Dennis to learn more about legal options used by that POA.
  
- **2020 Four Hills Ranch Projected Budget**
  - Secretary Van Roekel presented a draft of the 2020 Four Hills Ranch POA Budget.
  - Following the Board's discussion, the following action was taken.
  - **Motion: To approve the proposed 2020 Four Hills Ranch POA Budget.**
  - Moved by Kim Shuey, Seconded by AnnMarie Bice
    - **Motion approved unanimously.**
    - **ACTION:** President Johnson will post the 2020 Budget on the website in December, as required by the Bylaws.

### **Agenda Item: New Business**

- **Possible Dues Increase in 2020 or 2021**
  - Based on the 2020 Budget adopted by the Board, President Johnson opened the discussion of a possible annual dues increase in 2021.
  - The Board discussed the date and amount of past annual dues increases and the impact on the budget of increased costs over the years.
    - There has been only one (1) increase in annual dues since 2009. That increase occurred in 2014 when annual dues were raised from \$226 to \$236, a 4% increase.

- The hourly rate for blading has increased 32% since 2014, liability insurance increased by 52% in 2019, and the annual cost for HCFR increased by 12.5% in 2019.
      - Road Maintenance, Liability Insurance, and HCFR represent 86% of the total 2020 budget.
    - Following the Board discussion, the consensus was that members ought to have an opportunity for input prior to the Board's decision on the 2021 annual dues.
      - **ACTION:** President Johnson will present the budget and dues information at the 2020 Annual Meeting. Members attending the meeting will have an opportunity to provide input and comments.
- **Date Selection for 2020 Annual Meeting**
  - In past years, the Annual Meeting was held in June and the Board avoided Fathers' Day Weekend.
  - Following the discussion of potential dates, the Board selected **June 13, 2020** for the Four Hills Ranch Annual Meeting.
    - **ACTION:** Thad Johnson is responsible for the development of the meeting agenda.
    - **ACTION:** AnnMarie Bice is responsible for 1) Arranging for the meeting site and refreshments, 2) Providing folders with meeting materials for all attendees, 3) Providing copies of FHR maps for the folders, and 4) Providing a laptop and projector.
    - **ACTION:** Dennis Van Roekel is responsible for providing the End of Year Financial Reports for the folders.
    - **All materials to be included in the folders must be received by AnnMarie no later than May 18, 2020.**
- **Public Notice Required for Board Meetings**
  - The Board reviewed ARS 33-1804 to review requirements for notice of meetings to members.
    - **ACTION:** President Johnson or Director Bice will post the notice and agenda for all POA Meetings on the website at least 48 hours in advance of the meeting.
- **Board Resolution: Assessment Collection Policy**
  - Secretary Van Roekel presented a draft for a new "Assessment Collection Policy."
  - The proposed policy makes a significant change in the timeline for providing notice to members with delinquent accounts. In the past, members were not subject to a lien on the property until the account was delinquent for two years. The new policy provides members with notice and claim of lien when the account is 180 days delinquent.
  - The new policy will provide members with delinquent accounts multiple notices to hopefully assist the POA in the collection of Annual Assessments.
  - Board members suggested several changes to the draft that will be incorporated into the document.
    - **ACTION:** Secretary Van Roekel will modify the draft Assessment Collection Policy to reflect the Board's suggestions. The revised document will be sent via email to all Board members and a motion to adopt the policy will be an email vote.
    - **ACTION:** Dennis will work with Bill Weiss to ensure the new Assessment Collection Policy is distributed to all members on the back of the 2020 Statement that is mailed on or about January 15, 2020. The Policy will go into effect 30 days after mailing.
- **Draft 2019 Annual Report**
  - The Board received a copy of the 2018 Annual Report with suggestions for possible changes.
  - The Board discussed several potential changes in the draft 2019 Annual Report.
    - **ACTION:** Thad Johnson is responsible for drafting the Introduction and the President's Letter.
    - **ACTION:** AnnMarie Bice is responsible for drafting the "blurb" describing the highlights of the new website.
    - **ACTION:** Dennis Van Roekel is responsible for, 1) The financial reports including an explanatory note detailing how the decision to use Reserve funds for emergency road repairs impacted the 2019 Net Income, and 2) Sending all Board members a copy of the page titled "News & Notes" that was included in the 2018 Annual Report.

- **The deadline for all Annual Report materials to President Johnson is January 8, 2020.**

- **Treasurer Vacancy**

- President Johnson had previously reported to the Board that he had received a letter of resignation from POA Treasurer, Tony Kack.
- President Johnson expressed his gratitude for Tony's long service to the Board and his service in the role as Treasurer.
- Following the Board's discussion regarding the vacancy, the Board took the following action:
- **Motion: To appoint Dennis Van Roekel as Secretary/Treasurer.**
  - Moved by AnnMarie Bice, Seconded by Kim Shuey
  - **Motion approved unanimously.**

- **Board Vacancy**

- Tony Kack's resignation created a vacancy on the POA Board.
- The Board discussed whether to appoint someone to fill the vacancy or leave it vacant until the election to be held at the 2020 Annual Meeting. The Board will have only one meeting prior to the Annual Meeting and the Board determined that it was best not to appoint someone at this time.
- One member has already notified President Johnson of his intent to run for the Board and Thad encouraged him to do so.

#### **Agenda Item: Board Administration**

- **Future Meeting Date**

- The next meeting of the Four Hills POA will be on Saturday, March 7, beginning at 10:00am.
  - **ACTION:** President Johnson will secure arrangements for the meeting location.

#### **Agenda Item: Meeting Rating**

- President Johnson asked each member to select a single number from 1 – 7 to rate the meeting with "7" meaning the "best meeting ever", and "1" meaning "I'd rather have been at the dentist."
- The scores ranged from 5.93 – 6.0.
- Thad then asked those with the highest score to report "What worked well".
  - Comments were 1) All information was given a week before the meeting, 2) No last minute info was sent out, 3) Good flow to the meeting, 4) New Agenda categories, 5) Well organized, 6) All hot issues addressed in one meeting, 7) Excellent Board, and 8) We didn't get off on tangents.
- Comment from lowest score was, 1) Technology is still a challenge, 2) Would like more info on computer.

#### **Agenda Item: Adjournment**

- **Motion to Adjourn at 2:51pm**

- Moved by Dennis Van Roekel, Seconded by AnnMarie Bice
- **Motion approved unanimously.**