



Four Hills Ranch POA Board Meeting

September 11, 2021 – Via Zoom Meeting

ATTENDANCE:

THAD JOHNSON, PRESIDENT
KIM SHUEY, VICE PRESIDENT
DENNIS VAN ROEKEL, SECRETARY-TREASURER
ANNMARIE BICE, DIRECTOR
TOM MAKOFKSKE, DIRECTOR

ABSENT:

Call to Order

- Meeting was called to Order at 9:00 a.m. by President Johnson.

Agenda Item: Adoption of Agenda

- **Motion: To Adopt the Agenda as presented.**
 - o Moved by Dennis, Seconded by Kim. **Motion approved unanimously.**

Agenda Item: Approval of Minutes

- The June 2021 Minutes were previously approved via email and posted on the website.

Agenda Item: Roads

- **FHR/HMR Common Roads Update**
 - o The new contractor for road maintenance is Durnez Concrete & Construction, owned by Dan Durnez. Richard Durnez will remain as the blade operator for road maintenance in Four Hills Ranch and the Common Roads. The hourly rate has increased from \$135/hr. to \$140/hr.
 - o The Board reviewed the Common Roads budget/expense report that was included in the board materials sent to the board prior to the meeting. The Common Roads were bladed in May and August for a total cost of \$10,140.
 - o The balance in the account, as of 8/31/21, is \$6,914.53. The fiscal year for the Common Roads ends on April 30, 2022. Beginning on May 1, 2022, Howard Mesa Ranch POA will be the Primarily Responsible Association until April 30, 2025. The transition process will include a discussion of whether an increase in the Common Roads annual assessments for HMR and FHR need to be increased.
 - o The Board discussed a potential joint project with HMR to address Jackrabbit Road where it goes through Red Lake Wash. Although this section of the road is in HMR, it is primarily used by FHR owners. A tentative joint meeting for FHR and HMR representatives and the contractor has been scheduled for September 24, 2021. The purpose of the meeting is to identify options to improve the crossing that will last for years, the cost for repairs, and a funding agreement between FHR and HMR to pay for needed repairs. Common Roads maintenance costs are usually split 60/40 with HMR. In this case, it may be necessary for FHR POA to pay more than the traditional 60% of the repair costs.
 - o **ACTION: Thad will continue efforts to establish the meeting. Once determined, Thad will send the Board information on the time/place – all board members are invited to attend, if possible.**
- **2021 FHR Road Plan Quarterly Report**
 - o The Board reviewed the Road Plan Quarterly budget/expense report that was included in board materials sent to the board prior to the meeting.
 - o Group 2 Secondary Roads were bladed in February and the Primary Roads were bladed in February, April/May, and August.

- As of 8/31/21, total expenses for road maintenance and road mix are \$31,965, thus \$50,295 of the \$82,200 annual budget remains in the account.
- The Board discussed plans for the remainder of the year. The Primary Roads will be bladed again in the 4th Quarter and several potential hotspots were identified for attention during the 4th Quarter.
 - Hill just east of W Bright Sky Rd – road surface is rough and needs to be bladed.
 - Intersection of Mineral Wells and Garnet Mine Road – gravel has washed off the road and the culvert appears to be rising.
 - Cataract crossing - In the past, the culverts handled the water but this year it ran over the road. After the meeting on September 24, the contractor will be asked for ideas to address the ongoing issues.
 - Amore Canyon Drive – question was raised whether the current road is in the correct location. Further investigation is needed to verify the location to determine if the road needs to be moved and the cost to move it, if necessary. It may be necessary to hire a surveyor to accurately determine the proper location.
 - Pipe Creek Road – there is a great deal of grass on the road that needs to be addressed.
 - **ACTION: Dennis will coordinate with Richard to plan the work to be completed during the remainder of 2021.**

Agenda Item: Financial Reports

- **2020 Financial Summary Report**
 - The Board reviewed the Reserve Balance as of 12/31/20 as a percentage of the 2020 Annual Budget. The Reserve Balance was \$136,511.18 which represented 122% of the 2020 Annual Budget.
 - In 2021, the dues increased from \$236 to \$260, increasing the budget from \$112,000 to \$122,200.
 - As of 1/1/21, \$136,511.18 Reserve Balance represented 112% of the 2021 Annual Budget. The Board previously set 120% as the target for the Reserve Fund.
- **2021 FHR Quarterly Report**
 - The Board reviewed the Quarterly budget/expense report that was included in the board materials sent to the board prior to the meeting. Several items in the report were highlighted.
 - Income, as of 8/31/21, exceeds the projected annual income by \$10,981.
 - Unanticipated expenses in 2021
 - HCFR increased their fee to \$5,000 from \$4,500. The increase was necessitated by an increase in cost for HCFR's insurance.
 - Legal costs exceeded the budgeted amount due mainly to the costs incurred to take foreclosure action on an owner who has not paid dues since 2006.
 - Expenses, as of 8/31/21, totaled \$62,370 with a remaining balance of \$57,466.40 for budgeted expenses.
- **2021 Financial Projections/Targets**
 - The Board reviewed the projected revenue and expenses for the remainder of 2021 and the projected net income for the year.
 - The 2021 budget projected a net income of \$2,500 for the year. The current excess revenue over budgeted revenue of \$10,981 plus the additional projected revenue for September – December project a net income of \$18,345 at the end of the year.
 - The Board reviewed immediate needs of the POA that could be addressed using the remaining \$50,295 in the road maintenance account as well as the excess revenue over budgeted revenue.
 - Following the discussion, the board agreed to the following priorities for the use of the funds:
 - 1) Fund the “special project” for Jackrabbit Road.
 - 2) Blade the Primary Roads in November, repair the identified hotspots on W. Bright Sky Trail and the intersection of Mineral Wells & Garnet Mine Road, and Cataract Crossing repair.
 - 3) Use any remaining funds to increase the net income over the projected \$2,500.

- **Delinquent Accounts**
 - As of 8/31/21, delinquent accounts total 33, up 7 compared to the 26 at the end of 2020.
 - Total balance of delinquent accounts is \$78,393, down \$687 compared to \$79,080 at the end of 2020.
 - Fifteen (15) Demand Letters out were sent out on 9/9/21 for owners delinquent in 2021. If payment is not received by October 9, 2021, the POA will file a Notice and Claim of Lien on those properties.
 - Kim reported that 40 properties in FHR were sold in 2020, and 27 were sold so far in 2021.

Agenda Item: Old Business

- **Foreclosures**
 - A notice was sent to the owner on August 2, 2021, stating that FHR intends thirty (30) days from the date of the letter to foreclose the liens it has recorded and take possession of the properties.
 - No response was received as of 9/2/21 and FHR contacted our attorney to authorize taking the next step. The FHR attorney will draft the complaint during the week of September 13th and send it to the POA for approval. Once approved, the complaint will be filed with the court in Coconino County.

- **CC&R Enforcements**
 - An owner on FHR complained that another owner was violating the CC&Rs. The items mentioned were keeping animals in a small enclosure, running a generator 24/hr. per day, trash blowing to adjoining properties, and reckless driving on the roads.
 - A letter was sent to the owner informing them they have thirty (30) days to comply. If they fail to comply, legal action, including a lawsuit, could follow.
 - Question was raised whether the county animal control could do something in regard to the proper care of the animals.
 - **ACTION: Thad agreed to call the county animal control if the owner does not comply by the thirty (30) day deadline.**

- **Bylaw Amendments**
 - At the request of an owner, the final draft of the amended and restated bylaws was posted on the website for comment following the June Annual Meeting.
 - No responses were received.
 - **Motion: To approve the First Amended and Restated Bylaws of the Four Hills Ranch Property Owners Association.**
 - Moved by Dennis, Seconded by Kim. **Motion approved unanimously.**
 - The last page of the amended and restated bylaws is a signature page for all members of the board.
 - **ACTION: Dennis agree to send the last page to AnnMarie, and she agreed to use Adobe Sign to obtain signatures from all board members.**

- **Travel Trailers & RVs on Ranch Policy**
 - The Board previously received and reviewed the draft policy on Travel Trailers & RVs on FHR.
 - The draft was posted on the website in June and no responses were received.
 - Following review of the draft, the Board took the following action:
 - **MOTION: To approve the Travel Trailers & RVs on Ranch Property Policy**
 - Moved by Dennis, Seconded by Kim. **Motion approved unanimously.**

- **New Road Signs**
 - The new signs have been ordered and should arrive next week.
 - **ACTION: Larry, Thad, Todd, AnnMarie and Ken volunteered to assist in the installation of the signs after they arrive.**
 - Group 1 road signs will be replaced in 2022.

- **Landlocked Properties**
 - The POA has received several inquiries from perspective buyers and provided each with the Association's policy on Annexation of Properties. The policy clearly outlines what a new owner needs to do if landlocked property is purchased. So far, no owner had proceeded to purchase the property.
 - Although a new owner can file a lawsuit to gain legal access, the cost to do so is far greater than adhering to the Association's Annexation of Properties policy.

Agenda Item: New Business

- **2022 FHR Budget & Dues**
 - The Board discussed whether an increase in dues was warranted for 2022. In 2021, dues were increased to \$260 from \$236, the first increase in dues since 2014. Following the discussion, the Board determined that an increase in dues for 2022 was not needed and the issue will be reassessed in 2022 as part of the 2023 budget development process.
 - The POA Bylaws require the Association to provide owners with a 2022 Basic Budget at least thirty (30) days prior to the end of this fiscal year.
 - The Board reviewed a draft of the 2022 Basic Budget. Proposed changes from 2021 include increasing the budget for the cost of HCFR by \$500 and decreasing the Contingency Fund by \$500. Once arrangements are made for the 2021 Annual Meeting, adjustments may be needed in the amount budgeted for the Annual Meeting. Following the discussion, the Board took the following action:
 - **MOTION: To approve the 2022 Basic Expense Budget.**
 - Moved by Dennis, Seconded by Tom. **Motion approved unanimously.**
 - **ACTION: Dennis agreed to forward the Basic Budget to Thad, and he will post it on the Four Hills Ranch website.**

Agenda Item: Board Administration

- **Future Meeting Dates**
 - The Board agreed to schedule the next Board Meeting on December 11, 2021.
 - The Board considered possible dates for the 2021 Annual Meeting. Following the discussion, the following action was taken.
 - **MOTION: To hold the 2022 Four Hills Ranch POA's Annual Meeting on June 11, 2022, from 10:00 a.m. – 12:00 p.m.**
 - Moved by Kim, Seconded by AnnMarie. **Motion approved unanimously.**
 - The Board discussed possible sites for the meeting and determined that the Annual Meeting would be both an in-person meeting as well as a virtual meeting.
 - **ACTION: AnnMarie agreed to take the lead and to arrange for a meeting place.**
- **Agenda Item: Adjourn**
 - **Motion: To Adjourn**
 - Moved by Dennis, Seconded by Tom. **Motion approved unanimously.**

Meeting Adjourned at 10.55 a.m.