



# Four Hills Ranch POA Board Meeting

December 11, 2021 – Via Zoom Meeting

## ATTENDANCE:

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

ABSENT: ANNMARIE BICE, DIRECTOR

## Call to Order

- Meeting was Called to Order at 9:06 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

- **Motion: To Approve the Minutes of the September 11, 2021, meeting.**
  - o Moved by Tom, Seconded by Kim. **Motion approved unanimously.**
- While reviewing the September meeting minutes, the Board identified two action items that require follow-up:
  - o **ACTION: Thad agreed to call the county animal control on a lot with large animals in a small, unsheltered pen, if the owner does not comply by the thirty (30) day deadline outlined in our letter.**
  - o **ACTION: Dennis agree to send the last page of the approved Bylaws to AnnMarie, and she agreed to use Adobe Sign to obtain signatures from all board members.**

## Agenda Item: Roads

- **FHR/HMR Common Roads Update**
  - o The Board reviewed the detailed report of the budget and expenditures thus far in the Common Roads Fiscal Year, May 1, 2021 – April 30, 2022. Due to increased costs, the three (3) bladings and repairs completed thus far have depleted the Common Roads budget. As a result, there are no funds remaining for the 4<sup>th</sup> blading scheduled for February.
  - o FHR and HRM have begun discussions about the amount of funds needed in the 2022-2023 Common Roads Budget, May 1, 2022 – April 30, 2023. Options discussed were a 10%, 18%, and a 26% increase. It is anticipated that based on fuel costs, the hourly rate will increase again this coming year from \$140/hr. to somewhere in the range of \$150 - \$170 per hour. HMR will become the Primarily Responsible Association beginning on May 1, 2022 and will continue in that role for three (3) years.
  - o Following the discussion, the Board determined that the 26% option best fits the needs of both Associations and recommended that the increased cost be built into the 2022 FHR Budget.
  - o The Board expressed concern that the Common Roads would not be bladed again until the next fiscal year. Options were considered and following the discussion, the following action was taken:
    - **Motion: To approve 60% (\$2,520) of the estimated cost (\$4,200) for an additional blading of the Common Roads in February using the 2022 FHR Road Maintenance Budget and request HMR to pay the remaining 40%. (\$1,680)**
      - Moved by Kim, Seconded by Tom. **Motion approved unanimously.**
    - **ACTION: Thad will reach out to HMR with the shared cost proposal for an additional blading of the Common Roads in February.**

- The Board expressed its thanks to Richard Durnez for the excellent work on the roads this past year and acknowledged the many positive comments received from owners regarding the improved road conditions.
- **2021 FHR Road Plan Quarterly Report**
  - The Board reviewed the detailed Quarterly Road/Budget report. Thus far, the Association has expended \$54,982 of the \$82,200 budget and plan to spend the remaining balance prior to the end of the fiscal year.
  - Board members were requested to identify areas that need additional road mix material. Brushy Canyon Trail needs additional road mix material in the areas where the repairs were completed earlier in the year. A second potential area was North Star and Clear View Creek where earlier repairs were made.
    - **ACTION: Dennis agreed to meet with Richard to inform him of these needs and to emphasize that the Association is not interested in making the roads wider but rather to concentrate on ditching for proper drainage and creating a solid road surface. Further, if Richard is approached by an owner for needed work on the roads, Richard should tell the owner to contact the Association and inform them that he not authorized to do any work without Association approval.**
- **2022 Draft FHR Road Plan**
  - The Board reviewed the draft Road Plan for 2022. Primary Roads, including Quarter Moon Trail and Pipe Creek Loop, will be bladed quarterly and Group 3 Secondary Roads will be bladed during the 1<sup>st</sup> Quarter.
  - Group 3 was last bladed in 2020 and Wild Honey Drive was not bladed completely, and a ranch road leading to the tank was bladed in error.
    - **ACTION: Kim agreed to meet with Dennis on Wild Honey Drive to point out where the road should be bladed.**
    - **ACTION: Dennis agreed to then meet with Richard to point out the requested blading pattern.**
  - The 2022 4HR Road Groups map was provided to Board members.

**Agenda Item: Financial Reports**

- **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 11/30/21, exceeds the projected annual income by \$20,609.42.
    - 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 2009.
    - Expenses, as of 11/30/21, totaled \$93,668.28 with a balance of \$26,031.72 for remaining 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 target for Reserves at the end of the Fiscal Year is \$146,640, representing 120% of the annual budget.
  - The Board reviewed the actual revenue and expenses in 2021 and the projected revenue and expensed for December 2021, including the outstanding expenses for road maintenance completed but not yet paid.

- **ACTION: Once outstanding road maintenance invoices are received, Dennis agreed to do further analysis of the projected revenue/expenses and report back to the Board by December 15, 2021, with a spending plan for the remainder of 2021.**
- **Delinquent Accounts**
  - As of 11/30/21, delinquent accounts total 24, down 2 compared to the 26 at the end of 2020.
  - Total balance of delinquent accounts is \$69,513, down \$9,567 compared to \$79,080 at the end of 2020.
  - The Board reviewed a list of all current delinquent accounts as of 11/30/21. Fifteen (15) of the 24 delinquent accounts are delinquent for only their 2021 dues and were sent a Demand Letter on September 9, 2021, as required by the Association's Collections Policy.
    - **ACTION: Dennis agreed to provide our accountant with the list of accounts delinquent for only 2021 dues, and based on the Collections Policy, request that liens be placed on each of the properties.**
- **2022 Draft FHR Budget**
  - A draft 2022 FHR Ranch POA Budget was sent to Board members prior to the meeting in addition to the 2022 Basic Expense Budget that was posted on the website on or about December 1, 2021.
  - The Board discussed 2021 revenue and expenses YTD and the proposed 2022 budget. The projected revenue for 2022 is \$130,200, an increase of \$8,000 increase over the 2021 budget. Expenses for 2022 were based on the Association experience in 2021.
  - Following the discussion, the Board took the following action:
    - **Motion: Move to approve the 2022 Four Hills Ranch POA budget.**
      - Moved by Kim, Seconded by Dennis. **Motion approved unanimously.**
- **Proposed Changes in Accounting Services for 2022**
  - Proposed changes in the billing for accounting services were included in meeting materials that were sent to the Board prior to the meeting.
  - The Board reviewed each of the proposed changes and came to consensus that the proposed changes were acceptable to the Board.
  - The POA accountant suggested that the transfer fee be increased to \$125, beginning in 2022, from the current \$100 fee.
    - **Motion: To approve the proposed changes in the cost of accounting services for 2022.**
      - Moved by Tom, Seconded by Kim. **Motion approved unanimously.**
    - **Motion: To update the Collections Policy to reflect the increase of the transfer fee to \$125 from \$100.**
      - Moved by Kim, Seconded by Tom. **Motion approved unanimously.**

#### **Agenda Item: Old Business**

- **Foreclosures**
  - Thad provided an update of the foreclosure process used on the Association's longest delinquent account. The owner sent a 2<sup>nd</sup> proposal on how to pay the past due amount to avoid foreclosure.
  - The Association countered with a final and last proposal, that if accepted, the Association will stop the foreclosure, as long as all conditions of the proposal are accepted and met.
    - **ACTION: Dennis agreed to review the remaining list of long-time delinquent accounts and make a recommendation on whether any other properties that should be considered for foreclosure and report back to the Board at the March meeting.**
- **CC&R Enforcements**
  - Thad provided an update on the lawsuit the Association is filing for non-compliance with the CC&Rs.

- **Road Signs – Update**
  - Kim reported that all ordered signs have arrived, and volunteers will determine an appropriate for installation.
  - The Board discussed needed signage for the coming year and the potential cost of the signs. Based on the discussion, it was agreed that the 2022 Budget should be adjusted and budget \$3,500 for signs in 2022.
    - **ACTION: Dennis agreed to make the modification to the previously adopted budget and send the revised budget to the Board.**

**Agenda Item: New Business**

- **4HR Road Map Update**
  - The county has moved away from lot numbers and is using APN numbers. The older HMR and FHR maps use lot numbers and the Association’s CPA also uses lot numbers as account numbers.
  - The Board discussed the pros and cons of the Association making changes to our current system.
    - **ACTION: Thad agreed to contact Coconino County GIS to see if we could obtain a map with APN numbers.**
  - The website currently encourages folks to update their POA information, and it was suggested that we should also encourage folks to update the county records as well.
    - **ACTION: Thad agreed to update the website and to move the message to the top of the page to make it more visible.**
- **2022 Annual Meeting Update**
  - Postponed discussion of the 2022 Annual Meeting until March.
  - The terms of Thad, Kim, and AnnMarie end in 2022. The Board had a brief discussion regarding the preparation of the materials sent to owners prior to the Annual Meeting.
    - **ACTION: Dennis agreed to forward to Thad the materials used in 2021.**
    - **ACTION: Thad requested Dennis to add the Annual Meeting to the March Board Meeting agenda to plan the meeting announcements, presentation, election, and logistics.**
- **2021 Annual Report**
  - The report needs to be ready to go in January to be included in the mailing of the 2022 annual billing statements.
    - **ACTION: Dennis agreed to forward information on road repairs and accomplishments for possible inclusion in the 2021 Annual Report.**
- **Mailbox Update**
  - Kim reported that an additional mailbox was purchased leaving just six (6) mailboxes still vacant. The Board may need to add another bank of mailboxes next to the existing banks.
  - Four (4) of the mailbox locks are not working properly and need to be repaired or replaced.
    - **ACTION: Kim agreed to order one new lock to better determine whether the old ones can be repaired or will need replacement.**
  - Question was raised how we accounted for the cost of the two (2) new mailbox banks we purchased in the past.
    - **ACTION: Dennis agreed to research how we handled the purchase in the financial reports and forward the information to the Board.**

**Agenda Item: Board Administration**

- **Future Meeting Dates**
  - Next Board Meeting will be held on March 12, 2022, via Zoom, @ 9:00 a.m.

**Agenda Item: Adjourn**

- **Motion: To Adjourn**

- Moved by Dennis, Seconded by Tom. **Motion approved unanimously.**

**Meeting Adjourned at 11:26 a.m.**