

SOUTHERN BLUFFS OWNER'S ASSOCIATION

Minutes of June 15, 2019 Meeting

The June 15, 2019 Southern Bluffs Owner's Association was called to order at 10:08 am in the Southern Bluffs Clubhouse by the President, Terry Sadler. Those people in attendance were: Terry & Diane Sadler, Dana Landreth, Pat Norton, Michele McCabe, Nancy Sloan, Linda Howe, Gloria Ricketts, John E. Sperling, Casey A. Wills, Rodney Case, Paul & Sharon Crook, Bob & Vicki Archibeque, John & Karen Sheek, Brian Olsen, (Gary Tanner), Dave Sperling, Jim Smith, Militta Cutright, Susan Bittick, Julia Buff, Raymond & Brenda Keith, Cory & Lindsey McCracken, Don & Nancy Hoffheins, Preston Dillon, Buford Greenfield, Doug Green, Linda Marty, Chantilly Marquez, Tim & Tanya Wilhelm, Bob & Nina Larsen, Larrie & Pat Rule, Mickey & Marsha Rule, Nina Thao, Craig & Pam Robison, Brice Jones, J. Peterson, and E.J. White.

The President introduced the current board members: Diane Sadler, Secretary/Treasurer, Bob Larsen and Craig Robison. Robert Stump joined the meeting a little later.

The minutes of the 2018 HOA meeting were read to the record by the Secretary/Treasurer. Casey moved to accept, Rule 2nd. Minutes were approved.

Proxy's were read to the record. Julia Buff 1, Craig Robison 1, Susan Bittick 2, Rodney Case 3, Diane Sadler 17, Brian Olsen 1.

The President called for the introduction of new owners.

The President announced a change in the agenda: He called upon and introduced Jay Balfore, the Cortez Fire Chief. He gave a brief history of the CFD, the Haz Mat Certification, EMT Basic. The Chief indicated that the FD would train CPR basics. He discussed the access to the subdivision. He prefers no barriers, no trailers near the gate areas. The FD can cut the chains on the gates quickly. He asks where is the critical mass to open more gates – depending on the number of

houses. He thought that SB is a model community and he would like to see house numbers in two places on the house. He would like to see no wood stoves in the subdivision. He would also like to see a knock box for the FD on the clubhouse. Or possibly a key to the clubhouse. He discussed smoke / fire detectors. He warned that weeds /grasses can cause a fire hazard and he would like to see defensible spaces. He suggested closing windows and doors if there is a fire.

Doug Green asks about wood burning stoves. Susan Bittick reads the section from the CCR's Section 75 regarding fireplaces. Craig Robison wonders about space around the Clubhouse. The Chief talks about the Wildfire Adaptive Assessment. Terry thanks the Chief for his presentation.

The President introduced Chuck Forth, the HOA's CPA who handles all of the finances including receipt of moneys and paying all bills. Chuck mentions Tharimae who works in his office is available for questions. He discusses the P & L statement with the utilities being the largest expense. Landscaping. He is asked to check with the City about reimbursement for the 7th Street median. He is asked if a property goes for a tax sale or foreclosure, how much is owed to the HOA? Sadler responds: tax sale nothing, foreclosure 6 months.

The President discusses the dues that are in arrears and that the Board is working on Responsible Governance to better enforce the CCR's and non - payment by owners. He explains that the Board is trying to make wise decisions concerning the money and that the HOA currently has \$23,496.54 in our account.

The President discusses the Proposed Budget, June 2019 – May 2020 and addresses the budget line by line. Diane asks about a separate account for capital expenses. Pat Rules likes it the way it is. Mr. Sperling suggests the possibility of a special assessment for the capital expenses. Terry suggests that he would prefer not having a special assessment or borrowing money but only spend money when we have it. The Board has previously agreed not to spend money on re-sealing the roads until we get through the summer. Mickey Rule suggests that builders pay an assessment for use of the streets. Don Hoffhiens asks if we are not doing street maintenance, what the \$7,500 cost is for. Sadler explains that we are keeping the \$7,500 to make sure that the HOA does not overspend and the

\$7,500 is a budget item for the coming year. Mr. Sperling suggests calling the item maintenance. Terry calls for approval of the budget. Julia moves for approval, Rule 2nds, motion passes.

The President discusses that the Board is reviewing the adoption of Responsible Governance Clauses. The HOA Attorney has provided guidelines for the Board's consideration and adoption. There is discussion about the document and some members have requested a copy of the document. Pam suggests that the Secretary send out the R.G. in progress. Bob Larsen and Casey Wills have a discussion about the CCR's.

Bob Larsen was asked to look into finding a local HOA management company as possibility of running the HOA. Jennifer Woods suggests that it is just another middleman that cost money. Craig is happy to do enforcement as long as no one gets offended. It is ask if we can hire someone who lives here to do the management that doesn't need a license.

Owner's agenda items are brought up by the President:

Woods Landscaping, Jennifer and Edwin Woods are introduced. Jennifer suggests that text, email or a call to her if anyone sees a problem. Edwin proposes killing the Russian olive and Jennifer talks about the application of pre-emergent for the cheat grass, the mowing down 7th St. Water conservation has been adopted by the city. A rain sensor for the subdivision is about \$500. They are doing weed control of asphalt – not to exceed \$600. There is discussion about a rain sensor. Craig has a lot of experience with Edwin and he will be the "boots on the ground" to monitor. Don Hoffheins would like Jennifer to look into a soil monitor. Jennifer talks about the dry content in the soil – watering less frequently. Jennifer suggests that Woods can do snow removal. We currently have Sprinkler Pros. We will get an estimate from Jennifer.

Doug Greene suggests re-opening discussion with the City. Possible trade undeveloped lots for maintenance.

Jennifer Woods offers to prorate the annual bill. Sadler expresses appreciation

but would prefer to pay monthly to keep better track of the money and expenditures.

Susan had an Owner's Agenda Item of maintenance of homeowner's lawns. There is discussion at to time lines for completion and contractors completing landscaping. Mr. Sperling suggests that the solution to most of the problems could be solved by raising the fees but nobody wants this. He suggests that some neighbors will always be eyesores.

Gated Community – Rodney discusses the possibility of putting the gates back up. He says “most” people the he's talked to moved into the subdivision because it was gated. Sadler indicates that the gates were removed in 2010 and given to the Sewer District. Case estimates the cost of \$3,000 to install the gates and another \$3,000 to complete the project. Rodney discusses moving the gates on 7th St.

Case also suggests that he has a problem with the HOA Attorney. The concern is that our attorney, Bud Smith, was the attorney for the original developer.

There is continuing discussion about the ongoing cost of maintaining a gated community. Linda How talks about the traffic late at night if the gates are open. Mickey discussed fixing the gates to use just a clicker. Pam Robison suggests that we ask the ownership what they want. Sadler explains that the ownership previously did not want the expense or the hassle of having a gate. Bob Archibeque expressed his appreciation of living in the community and that he believes that it is a safe community. It is suggested that we do a poll about the gates. Jim Smith moves that there is no change to the gates, Karen 2nds. Mickey Rule & Rodney Case have differing opinions about the numbers of residents in the SB subdivision that would like the gates to be open. Karen suggests that we have a City representative come and clarify. Preston talks about the impact of gating the community. He suggests that the City will never take back the streets. Motion passes.

Street Lights – Mr. Sperling suggests putting the lights back on. He is in favor of swapping out the sodium bulbs to LED. Rodney has revisited the solar light now is about \$2,000 to \$2,200 per light.

Planning / Architectural Committee – Casey Wills suggested that he volunteered to serve but Sadler says only two people previously expressed interest so no committee was formed. It was suggested that a Committee be appointed and the Board agreed. Volunteers were requested and Buford Greenfield, Karen Sheek, Casey Wills, Lindsey McCracken and Pat Norton were appointed by the Board.

Privacy Fence – Rodney Case suggests a PVC privacy fence be installed along 7th. Because of the cost he suggests that it could be included in future budgets.

Sidewalk on Lots – Rodney Case suggests that vacant lots owned by homeowners should construct a sidewalk. Several owners object to this proposal indicating that if a sidewalk was constructed, they could not develop their lots without tearing up the sidewalk and it would be an expensive hardship on the owner.

New HOA CCR's & Bylaws – Rodney Case suggests that the HOA develop new CCR's and Bylaws. Mr. Sperling suggests that the CCR's don't need to be changed, just enforced.

Mail Box Lighting – Rodney Case suggested that the HOA install new lighting at the Mail Box's. He and the President looked into solar lighting last year and it was very expensive.

New President – Rodney Case suggested that a New President be elected. Diane says that she and Terry have one year remaining on their board seats. Diane announces that she is resigning her board seat effective immediately. Craig's seat is also up for a new term.

Nominations for Craig's seat are made. Rodney case nominates Craig. Mr. Sperling 2nd. Casey Wills suggests Susan Bittick and Craig declines the nomination. Mr. Sperling nominates Susan Bittick, Don Hoffheins 2nd and the motion passes by acclamation. Pat Rule is appointed to complete Diane's one year remaining term.

New Business:

It is suggested that the Plat be put on the website.

Casey Wills suggests selling the Clubhouse.

The Contractor Fee is discussed. It is suggested that a \$500 impact fee be charged to go to maintenance of the roads.

It is suggested that 15 MPH street signs be made.

John Sheek brings up the construction waste on his / City of Cortez property.

There is discussion about concrete wash outs on vacant lots.

Karen Sheek suggests a quarterly meeting.

There being no further business, Mr. Sperling moves to adjourn at 2:06 pm.

Respectfully submitted:

A handwritten signature in blue ink, appearing to read "Diane Sadler", with a long horizontal flourish extending to the right.

7/5/19

Diane Sadler
Secretary/Treasurer

Southern Bluffs Owners Association

Proposed Budget, June 2019 – May 2020

Projected Income:

57 Houses @ \$30/month	\$ 20,520
5 Houses (under construction) @\$30/month	\$ 1,800
6 Potential New Houses @ \$30/month	\$ 2,160
Developed Lots @ \$10/month	\$ 8,040
Undeveloped Lots @ \$2.50/month	\$ 2,310
Vacant tracts	\$ 120
Clubhouse Rent	\$ 600
Mail Box Reimbursement	\$ 500

Total Income **\$ 36,050**

Projected Expenses:

Animal Control	\$ 1,000
Bank Service Charges	\$ 70
Cleaning	\$ 600
Insurance	\$ 3,000
Lawn Maintenance	\$ 7,000
State License & Permits	\$ 100
Clubhouse Supplies	\$ 500
Postage & Mailing	\$ 180
Professional Services	\$ 3,500
Accounting	\$ 2,500
Legal	\$ 1,000
Repairs & Maintenance	\$ 2,000
Snow Removal	\$ 2,000
Utilities	\$ 6,500
Weed Control	\$ 2,000
Taxes	\$ 100
Street Maintenance	\$ 7,500

Total Expenses **\$ 36,050**

9:32 AM

06/13/19

Accrual Basis

Southern Bluffs H O A
Profit & Loss Prev Year Comparison
June 2018 through May 2019

	<u>Jun '18 - May 19</u>	<u>Jun '17 - May 18</u>	<u>\$ Change</u>	<u>% Change</u>
Ordinary Income/Expense				
Income				
Clubhouse Rent	360.00	720.00	-360.00	-50.0%
PO Box Fees	400.00	100.00	300.00	300.0%
HOA Dues-House Lots	21,239.92	17,430.00	3,809.92	21.9%
HOA Dues-Vacant Lots	7,412.66	8,402.30	-989.64	-11.8%
Total Income	<u>29,412.58</u>	<u>26,652.30</u>	<u>2,760.28</u>	<u>10.4%</u>
Gross Profit	29,412.58	26,652.30	2,760.28	10.4%
Expense				
Mailbox Expense	0.00	2,965.13	-2,965.13	-100.0%
Repairs and Maintenance	153.75	482.95	-329.20	-68.2%
Animal Control	0.00	290.00	-290.00	-100.0%
Annual HOA Meeting Expenses	0.00	315.29	-315.29	-100.0%
Bank Service Charges	82.80	85.00	-2.20	-2.6%
Cleaning	592.50	618.25	-25.75	-4.2%
Insurance - nonemployee	2,362.16	244.49	2,117.67	866.2%
Lawn Maintenance	8,003.50	7,961.24	42.26	0.5%
License and Permits	10.00	10.00	0.00	0.0%
Office supplies	0.00	75.00	-75.00	-100.0%
Other Miscellaneous Expenses	150.00	0.00	150.00	100.0%
Postage and Delivery	165.00	537.05	-372.05	-69.3%
Accounting	2,390.00	2,390.00	0.00	0.0%
Street Maintenance	680.00	30,000.00	-29,320.00	-97.7%
Supplies and Materials	0.00	481.39	-481.39	-100.0%
Taxes	139.56	138.84	0.72	0.5%
Utilities	11,974.51	7,993.69	3,980.82	49.8%
Total Expense	<u>26,703.78</u>	<u>54,588.32</u>	<u>-27,884.54</u>	<u>-51.1%</u>
Net Ordinary Income	<u>2,708.80</u>	<u>-27,936.02</u>	<u>30,644.82</u>	<u>109.7%</u>
Net Income	<u><u>2,708.80</u></u>	<u><u>-27,936.02</u></u>	<u><u>30,644.82</u></u>	<u><u>109.7%</u></u>

9:31 AM

06/13/19

Accrual Basis

Southern Bluffs H O A
Balance Sheet Prev Year Comparison
As of May 31, 2019

	May 31, 19	May 31, 18	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
Dolores State Bank	22,928.62	17,251.52	5,677.10	32.9%
Total Checking/Savings	22,928.62	17,251.52	5,677.10	32.9%
Accounts Receivable				
Accounts Receivable	92,100.00	89,388.30	2,711.70	3.0%
Total Accounts Receivable	92,100.00	89,388.30	2,711.70	3.0%
Other Current Assets				
Allowance for Uncollectible AR	-84,315.00	-78,635.00	-5,680.00	-7.2%
Total Other Current Assets	-84,315.00	-78,635.00	-5,680.00	-7.2%
Total Current Assets	30,713.62	28,004.82	2,708.80	9.7%
Fixed Assets				
HOA Owned Lots				
Lot 234 Vacant Land	10.00	10.00	0.00	0.0%
Lot 233 Vacant Land	10.00	10.00	0.00	0.0%
Lot 121 Vacant Land	10.00	10.00	0.00	0.0%
Tract Clubhouse	10.00	10.00	0.00	0.0%
Tract Park Area	130.00	130.00	0.00	0.0%
Total HOA Owned Lots	170.00	170.00	0.00	0.0%
Total Fixed Assets	170.00	170.00	0.00	0.0%
TOTAL ASSETS	30,883.62	28,174.82	2,708.80	9.6%
LIABILITIES & EQUITY				
Equity				
Retained Earnings	28,174.82	56,110.84	-27,936.02	-49.8%
Net Income	2,708.80	-27,936.02	30,644.82	109.7%
Total Equity	30,883.62	28,174.82	2,708.80	9.6%
TOTAL LIABILITIES & EQUITY	30,883.62	28,174.82	2,708.80	9.6%