

2015 Annual Meeting Minutes
Buckskin Heights Road Association

August 30, 2015

(Approved 9/15/15; Amended & Approved 4/20/16)

4:00 pm at Mary Ann Long's Basement Garage, 8220 Gray Squirrel Ct

Members:

Present: Chuck Pettee, Sue Weber, John Appelman, Terry Schuyler

Association Members: Roll was called and 25 lots were represented by end of meeting.

Quorum present (min. 10 lots) Yes

Proceedings – Meeting called to order at 4:05 pm. by Chuck Pettee, President.

Welcome – Attendance and review Agenda

The Proposed Meeting Agenda was reviewed by Chuck Pettee and roll was called by Terry Schuyler. 25 lots were present and quorum was met to proceed with remainder of meeting.

Proposed Meeting Agenda

1. Welcome; attendance; review agenda
2. Review of the Board-approved 2014 Annual Meeting Minutes
3. Treasurer's report
4. Road grading and road conditions, Gate report
5. Vote on possible increase in road associate dues, currently \$350/year
6. Update on Community Wildfire Protection Plan (CWPP) by Paul Hesson
7. Open floor for additional BHRA-related items
8. Nomination and election of BHRA board members
9. Vote on proposed addition to the Bylaws, Article II (Board of Directors), Section 1 (Duties), Part J: "Review, approve and publish the minutes of the annual meeting on the Association website in a timely manner."
10. Set date for next year's meeting
11. Adjourn

Adoption of Minutes from the 2014 Meeting

The 2014 Annual Meeting minutes had been previously adopted by the BOD. The minutes were handed out to all present. Chuck explained the issue of the BOD approving the minutes with just a review here. Motion was made to approve all previous minutes. Approved.

Treasurer's Report See copies attached below.

Sue Weber handed out and reviewed the BHRA Treasurer's Report. It consisted of 1) the audited 2015 expenditures/income report details, Audited by Paul Hesson and Linda Bilsing, and 2) the Board-approved 2015 budget and updated actual expenditures/income.

Sue Weber reviewed the line items on the 2015 budget update and balance sheet highlighting the major expenditures, which are Improvements with Road Base and Annual Maintenance (grading costs). Sue explained the issue of trying to spend down the budget each year to zero.

Dick Dixon asked about delinquent dues and when dues were paid, where does it show up in the balance sheet. Sue explained where it shows up in the balance sheet. 65/67 properties are up to date and current. Liens have been placed on the long term delinquent properties.

Question was asked about taking delinquent members to small claims court, there has been precedent. Discussion on the effectiveness and cost of pursuing this approach. Sue explained the whole process of legal fees and filings. Chuck explained the subjective judgment and the worthiness of taking it to small claims.

Question about what happens when a member combines multiple lots. Sue explained that there is an exception for Associations and Dues. So BHRA can still collect per lot regardless of legal combining of lots.

Sue explained the BOD can take hardship and payment issues into consideration for discrete payment installment plans on an individual and as needed basis.

Sue Weber called for a vote and all agreed to accept the Treasurer's report as written. Motion was seconded and membership approved the Treasurer's report as presented.

Road Grading & Road Conditions – Chuck Pettee read the road report submitted by Bob Faris below:

Road Report – 2015 Buckskin Heights Road Association Annual Meeting

The maintenance of our road is split into two portions. The first is the grading of the road. Up until March, we had a grading contract with Bucknum Grading LLC (Steve Bucknum, one of our residents) for monthly grading of the road. This was done year around and did not necessarily coincide with times when the road was wet. The grader used had a straight blade that did not allow the road to be crowned. When Steve left in March, the contract was terminated and we did a search for a new grader and operator.

We decided on Roadrunner Grading to grade the road on an as needed basis. The cost is about 1.5-2 times what we had been paying Steve, but the equipment is much better suited for our needs with a grader that has an angled blade that can be adjusted. The first grade was planned for May, to coincide with spring rains. Most of the road below the gate was graded and there was almost too much moisture, but I think there was a real improvement and the road was crowned. The next grade was planned for July to work with the application of new road base. This grade was not done because our preferred type of road base (recycled asphalt) was not available. Instead, a grade was made in August, when recycled asphalt became available.

The primary portion of our road maintenance budget is the annual application of road base. The decision was made to use only recycled asphalt, rather than other types of road base, due to a number of factors.

1. Lower cost
1. Binding of the asphalt results in a longer lasting road
2. Less erosion in heavy rains
3. Dust suppression
4. More rapid snow and ice melting

Recycled asphalt was not available until the latter part of July due to high usage by oil drilling companies, due to the heavy spring rains and higher than normal usage by CDOT in rebuilding local roads due to the 2013 flood damage. We were able to get the required material, trucks to haul the material and a grader operator for application in mid-August. Because Roadrunner Grading was not available, we used Foster Dirt for the grader operator. Due to the budget we have, the decision was made to work on the area of the road that is used by all property owners, the 3.5 miles below the gate. Only a few areas had much road base remaining due to several factors.

1. Previous applications of non-asphalt road base did not last,
2. heavy rains eroded the base and
3. the use over the last few years of a grader without an angled blade caused a major loss of base.

The areas of the road that are in very good condition are those where recycled asphalt was previously used and had consolidated.

In August this year, 650 tons of recycled asphalt were hauled and graded over the course of 3 days. The application was directed primarily at the steeper grades of the road that were heavily eroded and the areas that were worn down to rock. This translated to about 4200 linear feet of new road base, but varied in depth depending on the degree of previous wear. Combining the cost of the material, trucking and the grader, this works out to about \$3.75/foot.

The placement went well and the material was spread with a crown on the road to help keep the road base intact. The road below the gate was also graded, *where there was road base present*. The area on Otter directly above the gate where there were potholes was graded as well. No other areas that I found on upper Otter would have benefited from grading due to either the dry road conditions or lack of road base.

It was hoped that the road base would harden with the high temperatures and give a long lasting product. Unfortunately, due to a combination of some people driving too fast and/or not using 4WD, much of the new area, especially on the steep grades, has washboards and base damage. When a vehicle bounces or tires spin, this causes the problem.

The week after the new road base was placed on Otter, a number of property owners along Woodchuck purchased and spread recycled asphalt for that road. 6 loads of recycled asphalt, about 85 tons, were spread along several problem areas of Woodchuck and it is working well and not showing wear. Thank you to the property owners who purchased and spread this extra road base.

Going forward, the grading will be done when the road has soil moisture and is not frozen and can be coordinated with the grader availability. **This will not be on a monthly basis.** Grading when the road is dry or frozen destroys the road integrity and brings up rocks. This has been proven in the past and is also the opinion of both grader operators we have used. I would recommend shifting the budget to allow more road base application and less grading. At the present budget level, we should be able to build up the road base back to an acceptable level below the gate over the next several years and greatly improve the quality of our road, especially where it has the steepest grades.

The gate report is much simpler than the road report. There have been no issues with the gate, other than a failure of the keypad this summer. The keypad was replaced at a cost of \$85 and seems to be working well. The new gate code for both the padlock and the keypad will be effective September 1.

Bob Faris
Vice President BHRA

We have purchased some new remotes for purchase at \$16each.

Road Questions and Issues

- Rick, stated Steve's grader capable to 19 degrees to crown. Says new grader not capable of proper maintenance. Likely can get even less experience person using older machine could do a better job more often. Need more material. 8 inches supposed to be crowned but will never hold the crown. Get away from crowning. Thinks the road base would be better applied shallower and more expansively.
- Terry mentioned that the current situation is experimental and we are learning. Terry agreed with Rick about the older method of more regular and frequent grading.
- Debate over importance of crowning.
- Agreement that Steve's work in the past was well done and we should try to emulate it.
- Could be an emulsifier available to consolidate the road base better. We could look at this and possibly Chip Seal.
- Chuck suggested people can write in ideas.
- Andrew mentioned that each load has its own characteristics. Varies quite a bit

- What can be done to repair the current application. Cannot really be reworked.
- Dry nature of the loads we got are the biggest issue.
- Paul Hesson asked if we could get a load of base dumped so residents can access to fill pot holes. Rick motioned to drop one load next time likely at Erin's location on South Side of property. Motion approved.

Proposed increase in dues

- An Informational presentation with historical accounting and options was presented by Terry, with hard copies distributed for members to follow along. The slide relative to the potential effect of the incremental increases is presented below:

What contributes to condition of our road ?

- **Weather** (heavy rains, dry spells)
- **Increased traffic** (more drives per lot, new homes)
- **Speed of traffic** (washboard)
- **2 WD vs. 4 WD** (washboard)
- **Construction traffic** (heavy equipment vehicles)
- **Material available to grade** (wash off)

Factors not within control of the BHRA

Historical Budget for Maintenance and Road Base* since 2012

Year	Total Annual Revenue \$350/ Lot	Maintenance/ Grader Budget *	%	Road Base Budget **	%	# of Loads
2012	\$ 22,400.00	\$ 9,200.00	41%	\$ 14,000.00	63%	51
2013	\$ 22,400.00	\$ 9,300.00	42%	\$ 13,430.00	60%	48
2014	\$ 22,055.00	\$ 9,325.00	42%	\$ 11,275.00	51%	41
2015	\$ 22,750.00	\$ 9,325.00	41%	\$ 11,440.00	50%	41
* Assumes 120 hrs per year at \$75/ hr						
** ave \$275/ load of road base						

* Since applying recycled Asphalt

Effect of proposed dues increase on Grading and Road Base budgets 2016

Option	Status for 2016	Annual Dues Lot/yr	Total Annual Revenue	Maintenance/ Grader Budget *	Road Base Budget **	# of Loads	Difference from 2015
2015		\$350	\$ 22,750	\$ 9,325	\$ 12,797	43	-
0	No Change***	\$350	\$ 22,750	\$ 9,325	\$ 11,725	39	-4
1	Up \$50	\$400	\$ 26,000	\$ 9,325	\$ 14,975	50	7
2	Up \$100	\$450	\$ 29,250	\$ 9,325	\$ 18,225	61	18
3	Up \$150	\$500	\$ 32,500	\$ 9,325	\$ 21,475	72	29
* Assumes no change in grader budget from 2015							
** ave \$300/ load of road base							
***assumes \$1700 admin costs remains the same as 2015							

This chart compares the effect of various increments of increased dues on the quantity of road base for 2016 compared to the 2015 budget. It assumes no increase in the maintenance/grader expenses at this time. The ratio of road base to grader expenses could vary depending on circumstances and costs

Note: option #3 does not exist and was a mistake in the slide-

- Rick Stahl asked if option #0 could include the use of existing level of funds but allocated differently than in the presentation (i.e. look for alternatives to the higher cost blade grader). It was explained that the example projected use of funds was based on current 2015 cost to present an apples to apples comparison on the effect of various increments of increased dues. Regardless of how the funds may be distributed in 2016, the effect on Total Annual Revenues from each proposed increment is included in the slide.

- Chuck also explained that the VP position on the BOD primarily determines the road maintenance and road base placement issues. Suggestions for future road maintenance ideas can be emailed to Chuck or Bob for review and consideration for the remaining funds, or members can run for a Board position to have greater influence on 2016 BOD decisions. The assignment of the VP Officer is held during the first meeting of the new BOD scheduled within a month of the Annual Meeting.
- A Motion was made to increase dues to \$500 (option #4 in presentation) – A vote of hands showed only 5 members in favor (not a majority) - Motion did not pass - failed.
- A Motion was made to increase dues to \$450 (option # 2 in presentation). No vote was made directly. This Motion was then amended to conduct a private paper vote for options # 0, 1, and 2. (0\$, \$50, and \$100 increase respectively). A vote of hands approved the amendment and paper tabs were passed out to all eligible members. Private ballots were collected and tallied.
 - First ballot cast scored with 22 paper votes received
 - 9 votes for option #0
 - 4 votes for option #1
 - 9 votes for option #2
- The results of the first ballot did not reveal a simple majority (more than half the votes cast) for any option, so a second private paper ballot was conducted eliminating option #1. Votes would be cast for option #0 or #2 (no increase or \$100 increase)
 - 22 paper votes received
 - 10 votes for option #0
 - 12 votes for option #2
- At this point a mistake was made by the officers running the meeting: The motion was declared to have passed with a majority vote, in violation of the Article V, Section 1(b) of the BHRA Bylaws. As a result, since there was not a 2/3 majority, as required by the Bylaws, the dues for 2016 will remain at \$350/lot.

Update on Community Wildfire Protection Plan (CWPP)

Paul Hesson gave a quick update and his report is presented here.

- *2014 2015 Colorado State Forest Service Grant*
 - *\$4,400 reimbursed June 2014 for chipping*
 - *\$2,475 reimbursed for chipping June 2015*
- *Wildfire Community Preparedness Day May 2, 2015*
 - *sponsored by the National Fire Protection Association*
 - *Competitive grant with 338 project entries from 37 states*
 - *Our project was a defensible space and roadside thinning for Marcella Mendell our 87 year old member*
 - *We were one of 65 award winners of \$500 funded by State Farm Insurance*
 - *Project was executed on May 2 with 20 people supplying 104 hours*
 - *Thanks to the project manager Pam Robinson*
- *2015 2016 Colorado State Forest Service Grant*
 - *\$10,000 matching grant for our labor in fire mitigation \$25.10 per hour*
 - *Let's get busy with the fall mitigation keep track of your hours worked*
 - *We will be organizing a community effort for additional roadside thinning stay tuned for big tent announcement*
- *At the conclusion of our meeting today I will give a 15 minute demonstration of a class A Foam fire suppression system Demonstration in front of the garage*

Nominations for BHRA Board

- Board vacancies available – 3 openings. Sue Weber and John Appleman are not eligible.
- Paul Hesson nominated Don Willette. Joe Hesson nominated Rob Gonzalez. Sue Weber nominated Paul Hesson. Motion to accept candidates passed. The new BOD members will meet at the first BOD meeting to delegate new Board positions.

Motion by Board to amend the bylaws Article II, Section 1 (Duties),Part J

“Review, approve and publish the minutes of the annual meeting on the Association website in a timely manner.” Intent to have timely manner be defined within the next two months.

Approved

Next Meeting: The 2016 Annual meeting will be held on Sunday, Aug. 21, 2016 at 4:00 pm. Location TBD. Agreed by unanimous vote.

Meeting Adjourned at 6:05 pm.

**Buckskin Heights Road Association
Board Meeting Annual Update
August 30, 2015**

EXPENSE/INCOME SUMMARY							NOTES
A	B	C	D	E	F	G	
Category	2014 Actual	Approved 2015 Budget	2015 Actual To Date	2015 Budget Remaining (Budget-Actual)	2015 Projected Expenses & Income 9/1/15 to 12/31/15	2015 Projected Total Expense & Income	
Bank Fees	\$17	\$20	\$0	\$20	\$0	\$0	
Gate Maintenance	\$163	\$150	\$402	(\$252)	\$0	\$402	Grader Operator Expenditure...
Grader Operator	\$9,950	\$9,325	\$5,933	\$3,393	\$2,900	\$8,833	Jan-Mar 2015: 3 Bucknum gradings, 20hr=\$1,500 (Jan grading, 10hr=\$750 paid in 2014); May 2015: 1 Road Runner grading, 3/4 lower road, 9.5hr= \$1,378; Aug 2015: 1 Justin Foster Dirt grading/spread base, 22hr=\$3,055.
Grant Expense	\$4,400	\$5,600	\$2,475	\$3,125	\$0	\$2,475	
Insurance	\$1,108	\$1,140	\$0	\$1,140	\$1,140	\$1,140	
Legal/Financial	\$90	\$50	\$10	\$40	\$40	\$50	
Mailings	\$112	\$50	\$185	(\$135)	\$0	\$185	
Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	
Road Base	\$14,085	\$11,440	\$12,797	(\$1,357)	\$0	\$12,797	Road Base Expenditure About 43 loads of recycled asphalt @\$300/load (asphalt \$140/load, trucking \$160/load)
Homeowner Road Base	\$2,132	\$0	\$0	\$0	\$0	\$0	[2014=64(54+10HO), 2013=56(48+8HO), 2012=51, 2011=33(25+8HO), 2010=43, 2009=55, 2008=52]
Signs & Culverts	\$0	\$0	\$0	\$0	\$0	\$0	
Supplies	\$5	\$100	\$0	\$100	\$25	\$25	
Expense Subtotal:	\$32,061	\$27,875	\$21,801	\$6,074	\$4,105	\$25,906	
Dues & Late Fees	\$24,670	\$22,750	\$23,195	(\$445)	\$0	\$23,195	Dues Income
Interest	\$2	\$2	\$1	\$1	\$0	\$1	64 of 67 properties (60 of 63 owners) paid \$350 in full, 95% compliance; \$510 in donations; \$285 balance
Grant Income	\$4,400	\$5,600	\$2,475	\$3,125	\$0	\$2,475	2014 dues+late fees
Remote Control Sales	\$145	\$0	\$33	(\$33)	\$0	\$33	3 properties/3 owners delinquent; liens to be filed in September.
Homeowner Road Base	\$2,200	\$0	\$0	\$0	\$0	\$0	
Other	\$0	\$0	\$0	\$0	\$0	\$0	
Income Subtotal:	\$31,417	\$28,352	\$25,703	(\$2,649)	\$0	\$25,703	
Cash Flow Balance:	(\$644)	\$477	\$3,902			(\$203)	Cash Flow Gain/Loss... We aim to have a cash flow gain/loss of \$0 each year.

ASSET SUMMARY						
A	B	C	D	E	D	E
Category	2014 Actual Ending Balance	Budgeted 2015 Ending Balance	2015 Actual To Date Balance			2015 Projected Ending Balance
Checking Balance	\$952	\$1,429	\$4,853			\$749
Savings Balance	\$5,035	\$5,037	\$5,036			\$5,037
Total Assets:	\$5,986	\$6,465	\$9,889			\$6,465

Projected Checking Ending Balance...
We now need a minimum checking ending balance of about \$700 to cover expenses in January (no grading in January; \$100 for January mailings, \$300 to avoid bank fees; and \$300 margin of error).

Buckskin Heights Road Association Treasurer's Report for FY2014 With Approved 2015 Budget January 13, 2015

EXPENSE/INCOME SUMMARY

NOTES

A	B	C	D	E	F
Category	2013 Actual	2014 Approved Budget	2014 Actual	2014 Difference (Actual-Budget)	2015 Approved Budget
Bank Fees	\$28	\$15	\$17	\$2	\$20
Gate Maintenance	\$28	\$100	\$163	\$63	\$150
Grader Operator	\$9,450	\$9,325	\$9,950	\$625	\$9,325
Grant Expense	\$0	\$0	\$4,400	\$4,400	\$5,600
Insurance	\$1,076	\$1,100	\$1,108	\$8	\$1,140
Legal/Financial	\$80	\$100	\$90	(\$10)	\$50
Mailings	\$216	\$100	\$112	\$12	\$50
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Road Base	\$13,200	\$11,275	\$14,085	\$2,810	\$11,440
Homeowner Road Base	\$0	\$0	\$2,132	\$2,132	\$0
Signs & Culverts	\$0	\$0	\$0	\$0	\$0
Supplies	\$0	\$50	\$5	(\$45)	\$100
Expense Subtotal	\$24,078	\$22,065	\$32,061	\$9,996	\$27,875
Dues & Late Fees	\$22,010	\$22,050	\$24,670	\$2,620	\$22,750
Interest	\$3	\$3	\$2	(\$1)	\$2
Grant Income	\$0	\$0	\$4,400	\$4,400	\$5,600
Remote Control Sales	\$32	\$0	\$145	\$145	\$0
Homeowner Road Base	\$0	\$0	\$2,200	\$2,200	\$0
Other	\$0	\$0	\$0	\$0	\$0
Income Subtotal	\$22,045	\$22,053	\$31,417	\$9,364	\$28,352
Cash Flow Balance	(\$2,033)	(\$12)	(\$644)	(\$632)	\$477

Budgeted Grader Operator Expenditure
Reflects grader operator contract valid through September 2016; assumes fuel remains below \$4.40/gal). Actual 2014 expenditure (\$9,950) included 13 payments (Jan14 through Jan15).

Budgeted Road Base Expenditure
About 44 loads of recycled asphalt @\$260/load [2014=64(54+10HO), 2013=56(48+8HO), 2012=51, 2011=33(25+8HO), 2010=43, 2009=55,

Budgeted Dues Income
Assumes 65 of 67 properties pay \$350 annual dues (2 chronic delinquencies; no foreclosure delinquencies)

Cash Flow Balance...
...for 2015 is targeted to maintain a budgeted \$1,400-\$1,500 ending checking balance.

ASSET SUMMARY

A	B	C	D	E	F
Category	2013 Ending Balance	2014 Budgeted Ending Balance	2014 Actual Ending Balance	2014 Difference (Actual-Budget)	2015 Budgeted Ending Balance
Checking Balance	\$1,598	\$1,586	\$952	(\$634)	\$1,429
Savings Balance	\$5,032	\$5,035	\$5,035	\$0	\$5,037
Total Assets	\$6,630	\$6,621	\$5,986	(\$634)	\$6,465

Budgeted Checking Ending Balance...
...for 2015 (\$1,429) is the 2013 ending balance (\$952) plus the net budgeted 2015 cash flow balance (\$477). It includes \$750 for January grader operator contract; \$50 for January mailings; \$300 to avoid bank fees; and a \$329 margin of error.

Fiscal Year 2014 Data Respectfully Submitted for Audit by:

Fiscal Year 2014 Data Audited and Approved by:

Suzanne Weber

Suzanne Weber, Treasurer August 2011 - December 2014

February 26, 2015

Date

Linda Bilsing *3/2/15*

Linda Bilsing, BHRA Member Date

Paul Hesson *2/27/15*

Paul Hesson, BHRA Member Date