



NORTHMOOR ACRES HOMEOWNERS ASSOCIATION

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Annual Meeting March 21, 2015
Minutes

Call to order: The 42nd Annual Meeting of the Northmoor Acres Homeowners Association held at the Johnstown community center was called to order at 9:14 A.M. by Northmoor Acres Homeowners Association President Susy Ruof. There are 65 lots in person and proxy. A quorum requires 72 lots in person and by proxy so we do not have a quorum. President Ruof explained that we would now adjourn and wait for 15 minutes and reconvene. The number of members necessary for a quorum will now be half or 36.

President Ruof pointed out that there are some handouts that everyone should read through while we wait for a verification of quorum. People were asked to check their phone numbers and email addresses on the sign-up sheets at the door.

Call to Order Second Meeting/Verification of Quorum. There are 65 lots in attendance represented by members present and proxies and a quorum was achieved. The meeting was called to order for the second time 9:29 A.M. by President Ruof

Introduction:

President Ruof outlined meeting etiquette and the procedure to be followed for the meeting: Robert's Rules of Order will be followed to the best of our ability. The order for items in the agenda will be followed and if members have items that they wish to bring up, please fill out the Items from the Membership form - those will be discussed at the end. President Ruof will ask for a motion and a second, and then a discussion may be held. A vote on the motion will follow. Discussion and conversation will be limited to 3 minutes to allow everyone a chance to speak. The membership was reminded that members may express opinions about the Association or Board business but no personal attacks, profanity or shouting will be tolerated. There are some handouts: Northmoor's meeting policy and an updated burn permit handout from Weld County.

Welcome: President Ruof welcomed the membership. New members were recognized. Colby and Amy Bock who live on Northmoor. Chuck and Kerry McCollum/Willis on Northmoor. Jim and Karen Overlin on Northmoor. Bryan and Carol Mason/Calvert on Northmoor. Lisa and Phil Dell/Palak on Northmoor.

Introduction of Board and Review of the year:

- Thanks to the Board of Directors. The Board of Directors was introduced and a brief background was given for each Board member. Very hardworking Board, we belong to CAI an association that helps us with education and offers resources to help us with good governances. The members on the Board have a combined total of 150 years in the subdivision. Board Directors present were: Cindy Eldenburg, Deb Coulson, Kim Gardner, Ginny Hersch, Mike Martin, Shawn Rieke and Susy Ruof. Director Bill Skeldum could not attend. The spouses of the Board members were thanked for their support and help.
- Other Thanks: Past Board Director Joanne Stroud was recognized and thanked for her 18 years of service to the community.
- Past Board Director Sabrina Schnitzler was recognized and thanked for her service on the Board and as Director of Events and chair of the Neighborhood Committee for the past year.
- The ACC was thanked for its service to the community. ACC Secretary Joanne Stroud was thanked for her service on the ACC and the work they have done to update and clarify the ACC guidelines. The ACC members will be recognized by the ACC secretary later in the meeting when the report is given.
- Jim Russo was thanked for his service to the membership as the bookkeeper, webmaster and consultant to the Board.
- The Neighborhood Committee was thanked and Deb Coulson was recognized for her work on the Committee, planning events, setting up meeting signs, organizing the garage sale, and preparing a regular newsletter. The committee members will be recognized later.
- Tim and Ginny Hersch were recognized for helping with the refreshments and setting up the meeting room.
- Thanks to the Greenbelt Committee and the members, including Dave Klink and Terry Schowalter, who help by mowing the greenbelt paths and rights of way.
- Thanks to Mitch Cheek who allows us to use his water for the greenbelt trees.
- Thanks to Dick Braneki for working with Weld County and the Town of Berthoud concerning the bridge repairs needed after the September 2013 floods. His hard work resulted in the repairs being made more quickly.
- Jerry and Kathy Carson were thanked for greeting members at the door and checking them in.

Review of the Year:

- The Board is continuing to have the greenbelt trees sprayed for pine bark beetles, watering the greenbelt, removing dead trees and filling holes, one prairie dog was spotted off the property but none on the property, mosquito donuts placed in pond, broken tree in picnic area cut down.
- Oil and gas issues have taken up a large amount of time. The Oil and Gas committee will be giving a report later in the meeting.
- Neighborhood Committee planned and organized numerous events this year. There will be a report later in the meeting.
- Greenbelt mowed for free this year by a farmer that took the hay.
- Leased all of our water shares last summer.

- Updating/writing a number of policies: ACC, etc. Thanks to homeowners who do send feedback when a new policy is sent out for review.
- On the lawsuit, the bankruptcy was dismissed and collection efforts are continuing.
- Got a new computer and software for the bookkeeper, which has improved efficiency.
- Dick Braneki has been working with the County for repairs and improvement to the roads (11, 42 and 44). President Ruof called Berthoud, we are not high on their list so it might be a while before any chip sealing will be done on them.
- Trash guidelines were updated and are posted on the website.
- New phone notification system, “pay as you go”, is working well, set up by our Vice President and IT person, Cindy Eldenburg. Suggestion made to repeat the message at least once so that the message gets past answering machine outgoing messages.
- We had a number of public safety notices to homeowners through the phone notification system – break-ins on south west side - reminder to keep houses and cars locked; also about dead pigeons (they had a virus which is not harmful to humans).

Reports:

Secretary’s report: A draft of the minutes of the 2014 annual meeting held on March 22, 2014 was distributed by email and U.S. mail and again at the beginning of the meeting. The minutes were reviewed by the membership. It was moved by Roy Rutt to accept the minutes, Mitch Cheek seconded. The minutes were approved unanimously.

Treasurer's Report:

The report was prepared and presented by Director Coulson – Treasurer Bill Skeldum could not attend – he had a death in his family. There were seven charts to be reviewed reflecting actual results as of January 31, 2015. All members received the reports in their meeting packet and also in the packet that was mailed to them. Our fiscal year is different than the calendar year and runs from July 1 to June 30. Regarding the reports, explained that a parenthesis is a take away from Northmoor’s cash position - either an under-collection or an over-expenditure. No parenthesis is an add to Northmoor’s cash position – either an over-collection or an under-expenditure.

- Chart 1 – Final Budget Report for fiscal year July 1, 2013 – June 30, 2014 by category including trash. This is a report on the status of last fiscal year’s budget. Highlights: Litigation fee recovery of \$1044. Excellent year to lease Northmoor’s water - received \$4,777 (over two years). Discussed the effect of timing for both ACC and Insurance expenses and water income – when checks are received or money spent affects what fiscal year it is shown in.
- Chart 2 - Current Year Budget for fiscal year July 1, 2014 to June 30, 2015 by category including trash. Included actual results through January 31, 2015 and projected results through June 30, 2015. Oil and gas expenditure for legal fees was briefly discussed, may be sizable. We anticipate being able to lease our water again for the amount of our assessment. Pointed out the column of late fees – new this year.

- Chart 3 – Litigation Financial Summary. Collection is continuing, legal expenses associated with that are now minimal. HOA attorney balance remaining \$22,622.
- Chart 4 - Balance Sheet, details current assets and liabilities including HOA attorney bills, trash contract, and court judgment balance. This chart gives a financial picture of the subdivision.
- Chart 5 – Cash Flow Statement. Shows current cash on hand (\$17,951) and what our cash on hand would be if HOA attorney had to be paid in full today (-\$4,670).
- Chart 6 – Presentation of the Proposed Budget for fiscal year 2015-2016. Assessments will increase by 3%. Will likely spend more than we take in. A lot of unknowns this year with the oil and gas. Water assessments expected to increase. Neighborhood committee will fund two events – reducing costs. Put in money for new ACC computer, current one is antiquated. Income taxes will be more complicated with oil and gas monies so CPA expected to cost more.
- Roy Rutt made a motion to approve the budget, Mitch Cheek seconded. There was discussion regarding water income and assessments. We were able to recover 62% of our water expenses. Bob Hughes feels that the water is not a good investment. It was explained that we have a committee exploring the water. The motion to approve the budget passed unanimously.

Architectural Control Committee Report: President Ruof gave background and explained that the ACC operates under the Board of Directors. To maintain ACC accountability, their decisions must be objective, provide consistency, and be the same for everyone. All structures must be approved. Joanne Stroud, Secretary of the ACC was introduced and gave her report. The ACC processed 34 approvals this last year. Question about whether there were any denials - a few were denied. Those involved greenhouses. These are not considered harmonious and we are worried that they would not be maintained. There is a committee looking into greenhouses because there is interest in the community. Secretary Stroud acknowledged and thanked the members of the ACC including Barbra Ding, Deb Coulson, Ginny Hersch, Dave Klink, Chuck Krueger, and Art Szallar. Secretary Stroud invited any interested homeowner to attend an ACC meeting or to serve on the ACC. ACC Secretary Stroud outlined the procedure for submitting an approval. See annual ACC report for details.

Committee Reports: Director Coulson reported that she was the Chairperson of all committees except the ACC. She has had a great opportunity to meet and work with neighbors and feels that neighbors working together helps the community.

Water Committee: The Water Committee suspended work because most of the members are the same as the oil and gas committee and there was too much work this year on oil and gas.

Governing Documents Committee: Director Coulson presented the report and introduced the committee which included Kim Gardner, Mike McGinty, Robert Sprague and Joanne Stroud. Governing documents are over 40 years old, committee will make recommendations to the Board about suggested changes, streamlining the Blue Book. If Board approves, it will go to the homeowners to vote on changes to any of the Governing Documents. Depending on the document, approval may be needed from 75% of Membership (90 lots).

Neighborhood Committee: Committee was started in 2012. Last year, had Easter egg hunt, garage sale, car show, picnic, several farmer's markets, and Halloween on Catclaw. Committee members were Audry Bothun, Kim Coulson, Carol Lowe, Sabrina Schnitzler, Jesse Strack and Terry Showalter.

Oil and Gas Committee: Director Coulson presented the report and introduced the committee which included Amy Bock, Kim Gardner, Ben McFarland, John O'Brien and Robert Sprague. Held two well-attended Q & A oil and gas meetings in early January. At the main Oil and Gas Meeting held January 17, 2015, the membership voted unanimously to support the Board negotiating and executing a lease. As of March 12, 2015 Northmoor Acres HOA signed a lease with Kerr McGee.

Bonus will be \$2,000 per acre and 18% royalty for 4 years with option of 2-year extension. The HOA controls 211 acres so \$422,000 will be the amount of the bonus. Some of the bonus money will be used to pay the income taxes, attorney fees, accountants and reserves.

Northmoor Acres is about 12% of the Whisper Rock wells which affects about 60 acres on the southern end of the subdivision. Two old wells need to be plugged on Northmoor Acres property.

Explained the various points the Board is working through including that non-profits are prohibited from making distributions. HOA will have to pay state and federal income taxes on the total amount of income received. Will need to understand what kind of HOA expenses can be deducted from the income. Northmoor is in a very unique position and we have been told we are ½ of 1% of all HOAs in the U.S., so we are forging new ground.

11 members own their own minerals. The terms of their leases will be the same as the lease for Northmoor Acres. Royalty payments won't be made until drilling and fracking has started.

Discussion: Bob Hughes asked if Northmoor could assign all the minerals back to the individual homeowners. Explained that the tax implications would be very large based on a valuation of the entire mineral estate. Those taxes would have to be paid by the HOA (the homeowners) before any transfer could be implemented. Effort is being made to understand how and if the money can be shared with the homeowners. Round of applause for the committee's work effort.

Election of Directors: There are 9 members that serve on the Board of Directors for Northmoor Acres and every year one third (3) of the positions become available as the terms end. This year Ginny Hersch and Kim Gardner (who took Joanne Stroud's position when she resigned) - are up for reelection - they have both agreed to serve another term. Sabrina Schnitzler has resigned - her position was also up for reelection this year and needs to be filled by nomination at this meeting. Outlined Board duties. President Ruof asked if there were any nominations from the floor or if anyone would like to serve on the Board. Nominations from the floor: Kathy Carson nominated Roy Rutt who has agreed to serve. Ben McFarlane was also nominated, but declined. Deb Coulson nominated Robert Sprague who has agreed to serve but who not able to attend the meeting. There are four people running for three positions. May not vote for the same

person three times. Nominations were closed. Elected were Ginny Hersch, Kim Gardner and Roy Rutt. Thanks to the members that counted the votes.

Announcements:

President Ruof made several short announcements:

- Please update your information so that we have current records.
- Keep your vehicles and houses locked. We have had some break-ins in the subdivision.

President Ruof introduced Director Eldenburg who made a presentation to the members on the possibility of getting a management company. The Board needs help with the work load and guidance.

Items from Membership:

Bob Hughes wanted to speak concerning trash pick-up and regarding the letter that the Board sent out with updated guidelines. He wants all his trash picked up. He doesn't think the trash company can charge extra. President Ruof asked for a show of hands for any other members who had concerns about trash – there were six people who were also concerned. Asked anyone who has a problem to come up and give us their names so the Board could talk individually with them to get more information. Bob suggested we should just raise the rates for everyone so all the trash would be picked up. President Ruof noted that one issue considered by the Board was that people who don't put out much trash shouldn't have to subsidize people who put out a lot. There had been a committee a few years ago who studied the issue and they recommended staying with our current company.

It was moved, seconded and approved to adjourn the meeting.

Meeting adjourned at 11:21 a.m.

Northmoor Acres Homeowners Association Secretary
Ginny Hersch