

PINE MEADOW RANCH OWNERS' ASSOCIATION  
BUDGET MEETING

November 9, 2023

In Attendance: George Sears, President; John Adams, Vice-President; Chris Moore, Secretary; Andrew Pagel, Treasurer; Joe Pagel (Area 3); Katie Winters (Area 4); Shaun Baker (Area 5); John Kleba (Area 6)

George Sears called the meeting to order.

Andrew Pagel presented the proposed 2024 budget and indicated the 2024 proposed assessment of \$1,021 based on a survey and majority vote. He provided a breakdown of the assessment. Mr. Pagel stated that the proposed annual assessment is \$700 which is the \$100 increase from \$600. The \$100 increase was due to inflationary costs, as well as trying to expand services and projects that are done every year, including road projects. One goal is to work towards putting more money in the reserve account. The reserve account has helped to keep them financially stable, but this years the fund is being depleted for emergency road repair.

Mr. Pagel talked about winter payroll to pay the employees overtime to remove snow. Mr. Sears noted that the new equipment will give the HOA capacity that they have never had before, even in a reasonable snow year.

Mr. Pagel stated that after factoring in inflation increases, wages increase, materials, and all other line items, they were left with a balance of \$93,107 of remaining income.

Mr. Pagel remarked on some of the projects John Adams has talked about in the past and they would also like to do more trials with the Perma-Zyme. Mr. Pagel outlined the next two projects they would like to do. He explained how they came up with the numbers. They were trying to make the areas fairly good size and affordable. Culverts and drainage was also a budgeted line-item increase. Next year they would like to utilize HOA equipment and manpower and do the culvert projects one by one.

Mr. Pagel explained that a long-term strategy by slowly increasing the annual dues is to actually have fixed sets of revenue towards the reserve accounts. Currently the annual dues pay for the operating expenses and the variable income from the construction assessments fees to put money into the reserve accounts. He stated that they never change the predicted income from construction assessments. Every year it is budgeted at \$42,000. Mr. Pagel remarked that to boost that number, they will be proposing a \$3.50 per square foot fee over 3500 square feet for new builds.

Mr. Pagel reviewed comparisons from 2019 to 2022. Instead of spending the overages they saved the money and over time built up \$495,000 in the reserve. After removing \$100,000 for the current road improvement work and \$230,000 for the cost of the blower, minus the \$59,685 deposit they

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put down, once the blower is delivered and once the Lower Tollgate Canyon Road improvements are finished, they will have \$17,000 left out of the initial \$495,000 reserve. Mr. Pagel stated that there was \$166,000 total in the checking account, which was still a significant amount to keep the Ranch operating. He explained that the Board decided to keep the assessment at \$1021 because if they do not get the one-time assessment approved, they can either have \$459,000 in the savings account or \$17,000 in the reserve. If it stays at \$17,000, they will not be able to do any projects next year. If they do get the one-time assessment, they need to keep the reserve the same and begin relying on the Annual Dues. It is a transition from the reactive to proactive phase they are working towards.

Mr. Sears thought it was important to use the word “replenish” the reserve when talking about the one-time assessment.

Mr. Pagel stated that he prepared the historical breakdown because it shows the owners that the Board will not come back every year to ask for more money. Historically they have been very conservative with spending.

Mr. Sears clarified that Mr. Pagel laid the groundwork this evening and the Board needed to agree to the proposal presented so they can put together the final budget presentation for the Annual Meeting. According to the Bylaws, the owners must approve the budget. They will present one vote on the budget and another vote on the one-time assessment at the Annual Meeting on November 14th.

MOTION: George Sears moved to approve the 2024 budget and one-time assessment of \$1021 to be presented to the owners on Tuesday night. Joe Pagel seconded the motion.

VOTE: The motion passed unanimously.

The Board adjourned the budget meeting.

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