

DRAFT

PINE MEADOW RANCH OWNERS ASSOCIATION
ANNUAL MEETING
VIA ZOOM VIDEO CONFERENCE

NOVEMBER 11, 2020

In Attendance: George Sears, President; Nick Jackson, Vice President; Michelle Suitor, Secretary; Andrew Pagel, Treasurer; Tom Brace (Area 1); Bennett Wetch (Area 2); Bruce Hutchinson (Area 5); Paul Suitor (Area 6); Scott Boyle (Area 7)

Excused: Nicole Irving (Area 4); Joe Pagel (Area 3)

Ex-Officio: Carol Steedman, KGC Associates; Robert Rosing, HOA Counsel.

Michelle Suitor reported that she sent the Zoom invite to 59 people. Currently, 41 people were online as participants.

George Sears explained the protocol for using Zoom this evening, and how non-Board Member participants could comment. He noted that there would be time at the end of the meeting for individual participants to comment or ask questions about items that the Board would present this evening.

President George Sears called the meeting to order at 6:30 p.m.

Mr. Sears noted that today was Veterans Day and he acknowledged and honored all who have served.

Summary of HOA

Mr. Sears reported that presently there are 808 lots on the Ranch. As of October, 371 lots are landowners only; 298 lots are part-time residents; and 139 lots are full-time residents. He pointed out that 437 of the 808 lots are built out

Mr. Sears referred to a newsletter he received from Dan Heath indicating that 39 parcels of land have been recently sold within the Pine Meadow boundary, and 18 homes have sold.

Mr. Sears stated that the HOA had approved 14 lot improvements plans. Some are new homes, and some are additions to homes, but they were all changes that contribute to how the Ranch continues to evolve. Mr. Sears thought this snapshot says a lot about where they are now versus how the Ranch looked years ago. When he was a cabin

owner in 2000 there were only 80 full-time residents. That number has increased significantly over time, which changes the dynamics of what needs to happen on the Ranch. Mr. Sears noted that a number of properties have been annexed into the Ranch, which also adds pressure.

Mr. Sears thought the most important fact is that the Ranch is evolving, and everyone needs to be sensitive to that fact and understand how that evolution will be managed over time.

Approval – 2019 Annual Meeting Minutes

Mr. Sears reported that due to a technical glitch they were unable to record the 2019 Annual Minutes. Therefore, there were no actual Minutes. Mr. Sears pointed out that they still had the 2019 Agenda, as well as the Financials that were presented and approved by the owners.

Mr. Sears presented the 2019 Agenda. He noted that the agenda was followed during the 2019 Annual Meeting and many owners provided input on various items. Mr. Sears presented the final proposed 2020 budget. At the 2019 Annual Meeting, the Board also proposed an increase in the dues which was approved by the majority of the owners who were present during the meeting. Mr. Sears apologized for the technical glitches last year.

CC&Rs

Mr. Sears provided an update on the CCRs. He stated that 534 votes were necessary in order to pass the CC&Rs. They received 162 votes in agreement with the revisions to the CC&Rs, and 229 that were against for a total of 395 ballots received. He pointed out that even if all 395 ballots had voted the same, only 395 of the 808 lots engaged in the process and actually voted. Mr. Sears stated that this presents a challenge because if they decide in the future to try again to update the CC&Rs as a way to better manage the overall Ranch, they need to find a way to get more owners involved in the process and encourage people to vote.

Mr. Sears stated that one of the “hot buttons” in the CC&Rs process was whether to allow nightly rentals. There was an amendment to the CC&Rs that asked people to answer yes if they wanted to have nightly rentals. Mr. Sears noted that even though people did not want to approve the revisions to the CC&Rs, 145 owners indicated that they wanted nightly rentals and 214 did not want nightly rentals. Nightly rental is an issue and the HOA needs to figure out the best way to manage it over time, recognizing the desires of those who wish to have nightly rentals and others who do not want the impacts of nightly rentals on the Mountain.

Mr. Sears clarified that the CC&Rs initiative that was in place last year failed on October 1, and they would not be proceeding with that particular project.

Projects on the Ranch

Mr. Sears reported that Jody has been very busy working on projects. He presented a list of the projects Jody had already accomplished.

Mr. Sears stated that the HOA hired a new Assistant Ranch Manager, Porter Hellander.

Mr. Sears highlighted a few of the projects that were completed, which included crack sealing of Tollgate Canyon. He noted that Tollgate Canyon was due for a slurry seal this year; however, because of availability and scheduling that was delayed until May 2021. The list also showed different areas where gravel was laid this year.

Mr. Sears noted that Jody did a lot of grading on the Ranch, but because it was such a dry season, they had to stop before all the roads on the list were graded. The equipment they use for grading is metal and create sparks when it hits rocks, and Jody felt it was unsafe to continue grading while it was so dry.

Mr. Sears noted that asphalt repair was done on lower Tollgate Canyon Road in order to preserve the asphalt paving. He reported that the HOA needed to purchase a new plow for the Ford dump truck for winter plowing.

Mr. Sears remarked on the unique wind storm this year and the number of trees that were lost. It was a challenge and he praised Jody and the Water Company managers for getting out as quickly as possible to clear the roads. Mr. Sears pointed out that the downed trees increased the size of the burn pile to the point where they could not add anything more. Once they get clearance from Summit County and the Forest Service, the pile will be taken down through the burning process.

Mr. Sears stated that due to snowstorms, Jody had begun snowplowing on the Ranch.

Elections

Mr. Sears commented on the elections the candidates that the membership would be asked to vote on. The voting documents will be sent to everyone via mail and people can vote on the Area Rep for their area, as well as the President and Vice-President. There will be a time limit for returning ballots and that information will be provided in the voting materials.

Mr. Sears invited the individual candidates to briefly introduce themselves.

Area 1

Dwaine Anderson was a candidate for Area 1. However, he was not online for the Zoom meeting.

Hunter Morton was also a candidate for Area 1. Mr. Morton stated that he has lived on the Ranch for three years and he thought he would volunteer for the Area 1 Representative when he saw that Area 1 did not have a representative at the time. He works at Olympic Park and he loves being on the Ranch.

Mr. Sears pointed out that Area 1 Rep is a three-year position. Based on the staggered model they use, some can serve the full-three years, but others may not be able to serve their full term and fulfill the term remaining.

Area 3

Jill Wilson was a candidate for Area 3. She was not online for the Zoom meeting.

Mr. Sears noted that if elected, Ms. Wilson would serve for one year because the first two years of the term were served by someone who could not complete his 3-year term on the Board.

Area 7

Scott Boyle was a candidate for Area 7. Mr. Boyle stated that he has been involved with Pine Meadow Ranch since 1977 when he purchased his lot. Mr. Boyle stated that he was involved with the HOA Board and the Water Board in the beginning of the Ranch. He would again like to be involved with what happens on the Ranch to help continue in a positive direction.

Vice-President

Nick Jackson was a candidate for Vice President. Mr. Jackson stated that he lives in Area 1 on the Forest Meadow side. He and his wife moved to Pine Meadow a year and a half ago. They love being in the Ranch and recently brought up their two horses. Mr. Jackson stated that he has served as the Vice-President this past year to complete the remainder of Tom LeCheminant's term. He has tried to seek out transparency and representation. As a relative newcomer, he sees his biggest job is listening to what is needed on the Ranch. Mr. Jackson stated that he would be honored to serve a full-term

as Vice-President. A number of long-standing issues need to be addressed and he looked forward to being involved.

Vice-President

Tom LeCheminant was also a candidate for Vice President. He was not online for the Zoom meeting.

President

George Sears stated that he was appointed to serve as president a few months ago when the previous president stepped down for personal reasons. He agreed in principle to serve through the end of her term, which was through the end of next year. Mr. Sears stated that his vision of the Ranch is very clear. They have a tremendous opportunity to continue to keep the Ranch how they all envisioned it to be, and also to use the talents of everyone on the Ranch. He has been amazed in the last two years to learn how much talent exists. People are really engaged, and they want to make sure the Board is managing the process effectively. He believed everyone shares that desire and to make sure it happens. Mr. Sears remarked that the challenge is that they are a volunteer board, and they are all engaged in the process by spending time to represent everyone. He would like that process to continue to find the best way they can to serve the Ranch overall. Mr. Sears stated that his commitment is making sure they are moving in the right direction, improving communications, and making sure everyone has the opportunity to engage with the Board and the Board with the members.

Mr. Sears noted that all the open positions can have write-in votes. If anyone wishes to be volunteer, there is always the possibility to be a write-in candidate if they have enough support from others on the Ranch.

Mr. Sears stated that the Board will continue to encourage individuals to volunteer in different areas. A lot needs to be done and there is a lot of opportunity to serve each other.

2021 Budget

Andrew Pagel, the HOA Treasurer, walked through the 2021 Budget. Mr. Sears pulled it up on the screen and highlighted the key points.

Mr. Pagel emphasized that the dues would not be increased. The annual assessment would remain at the current \$450 per lot.

Mr. Pagel anticipated that the 2021 budget would remain similar to the 2020 budget

because there were no foreseen increases in expenses. Mr. Pagel noted that the variable income was fairly normal, and majority is from the construction assessment fee.

Mr. Pagel stated that the primary expenses are payroll, road, base, aggregate, and snowplowing. He noted that the HOA spent approximately \$3,600 in legal fees to have Robert Rosing, the HOA attorney, attend the monthly meetings. The remaining legal expense amount was spent on defensive positions due to litigation. Mr. Pagel stated that the HOA was able to keep the legal expenses to a minimum and he projected that the legal costs would remain the same in 2021. He pointed out that the Board set monthly not to exceed soft limit thresholds on legal fees unless the attorney makes the request and the Board votes to approve the excess amount.

Mr. Pagel stated that the increase in fixed expenses for insurance because investigation by Nick Jackson, George Sears, and Robert Rosing found that the D&O liability insurance needed to be greatly increased. This became evident due to previous litigation pushed against the HOA Board.

Mr. Pagel reviewed the reserved budget, noting that the Board agreed to put \$50,000 of excess income from the CoVid Cares Act and the variable income from the construction assessment fees into a reserve fund. They also voted to put \$23,000 in the reserve fund to cover a tri-annual expense which is the repaving of Tollgate Canyon Road every three years. Going forward, they will continue to put any additional variable income into the reserve fund. Mr. Pagel stated that they budget low for variable expenses on purpose in order to cover their expenses. They do not want to rely on variable income in case there is an economic downturn. Money will come out of the reserve fund every three years for the \$66,000 re-asphalt project. After the contribution there will be \$280,000 in the reserve fund.

Reserve Analysis

Mr. Sears stated that at the last Annual Meeting they committed to having a professional reserve analysis done because it would give them a better feel of what they should be planning for in the future. Mr. Sears reported that a professional reserve analysis was done in September of this year. By law, the HOA is required to have a reserve analysis performed every six years and updated in the third year of the six-year cycle. Mr. Sears presented a slide showing the components and factors that go into the analysis, which are the key elements the HOA deals with on a daily, monthly, and annual basis in terms of what needs to be done.

Mr. Sears stated that standards are used in a reserve analysis. The company doing the analysis does not take into consideration other issues that the Board may take into consideration over time, such as equipment purchase or other unusual expenses. They

go through the process and only look at the average current costs and what those might be on an inflated basis. They also look at it as though the HOA would replace items with new versus repair. Mr. Sears pointed out that the analysis may or may not provide clarity on exactly where they want to be, but it gives a good idea of the challenges to expect.

Mr. Sears stated that a reserve analysis is a budgeting tool to help ensure that adequate reserve funds are available to perform future reserve projects. He noted that this particular summary states that when the HOA is truly fully funded they would have \$1 million in a reserve fund. Mr. Sears was unable to say whether that statement was true and actual. However, the starting reserve balance is accurate and consistent with the thought process of where they should be over time. Mr. Sears remarked that the analysis is a 30-year window, and they could not actually know what it should be in 30 years, but the algorithms would help establish what the HOA may experience and what they may need to do.

Mr. Sears stated that as an HOA they have been very frugal. When they need equipment, rather than purchase something brand new, they find very good used units that can be refurbished, and that changes the expense base. The reserve model they look at is something that will be a combination of the two. Mr. Sears pointed out that he was only showing two examples of the charts that were included in the analysis. The importance of the analysis is that it provides a road map to help guide the Association over time. He clarified that it is only a budgeting tool. It does not need to be funded. The Board chose to fund it this year and they will be looking at it over time. Each year the Board is responsible for letting the membership know the balance of the reserve fund and the projected issues that might be coming in the future.

Mr. Sears used the road grader as an example. Jody thinks the grader has a life span of between 5-7 years and they will need to look at replacing it within that window.

Mr. Pagel agreed with Mr. Sear's explanation. He stated that going into next year the Board will look at the previous 2016 reserve analysis that was created, versus the new 2020 projections, and try to come up with numbers and yearly contributions that make the most sense for the type of equipment they purchase for the Ranch and the expected costs of that equipment.

Bennett Wetch asked if the deliverable from the analysis firm was a static document or whether they also received a spreadsheet to play with the variables and adjust them to match the dynamics that Mr. Sears described. Mr. Sears replied that the Board will have the challenge of deciding the best way to use the overall analysis. The deliverable is a PDF, but it would not be difficult to convert the PDF into an Excel spreadsheet. He pointed out that no one knows what the future will bring, which is why they are required

to update the analysis every three years. Mr. Wetch thought it would be beneficial if they could obtain the spreadsheet that supports the PDF. Mr. Sears stated that they could ask for that spreadsheet.

Membership Open Forum

Mr. Sears noted that the chat feature was not working. Anyone wishing to speak should raise their hand on Zoom and unmute to comment.

Janelle stated that last year they talked about trying to reduce how much money they needed in the budget from construction fees in order to reach a point where the HOA can be fully funded by the Association dues without relying on variable income. She asked Mr. Pagel if they were able to reduce the amount that was allocated in the budget for 2021 with that goal in mind, or whether the amount was the same as last year.

Mr. Pagel replied that as of now, the budgeted amount in 2021 is the same as 2020 because they were hitting 45% or less of the actual projections. He explained that they account for approximately \$45,000 of variable income, but on average it exceeds \$85,000. They kept the 2021 projection the same to try to maximize the reserve analysis contribution. Depending on how it goes next year, they would like to reduce that amount even further.

Michael understood they purchase used equipment to be frugal, but he wanted to know why they do not purchase new equipment and take advantage of rebates and/or warranties.

Mr. Pagel thought Michael had a great point. He explained that it depends upon the year. They did not purchase any equipment this year; however, with the current low interest rates, it would be a good time to purchase new equipment if necessary. Mr. Pagel stated that whenever equipment is needed in the future, they will definitely do an analysis to see if it makes more sense to purchase new equipment versus used.

Gina assumed everyone had seen her post on Facebook. She has a lot of problems with crime at her property. To date she already had over \$1100 worth of personal property stolen off her lot on Maple Place. The police told her they were overwhelmed at this time with theft in Park City and Summit County in general. The police suggested that if people in the neighborhood are experiencing a lot of crime, they should hire private security. Gina asked if that was an idea that could be entertained in the future. She is very isolated in Maple Place and last year and this year her theft was costly. She was concerned about next year when she builds her cabin.

Mr. Pagel stated that he personally has not experienced any theft on his property. He

asked if the other Board members have had problems with theft. None of the Board members indicated problems with theft.

Gina stated that it is a free-for-all on Maple Place. Water, wood, and everything else she puts on her property gets stolen.

Mr. Wetch was sorry to hear of her theft problem. The fact that it is a repeat occurrence on only her particular property, he suggested that she look into whether someone might be targeting her specifically. Gina pointed out that over 1,000 gallons of water was stolen from Joe and Mary Hansen. The people who live down the street from her also had items stolen. She thought it was due to their street being very isolated making it an easy target for theft.

Mr. Wetch believed there were logistical issues related to hiring security, aside from the funding issues. He thought there would also be pushback from other owners on the idea of a roving security guard.

Mr. Sears asked Gina if she had considered installing hidden cameras to try and capture someone who might be stealing. Gina replied that she recently installed cameras, but there were no cameras in place at the time of the theft. She also posted "No Trespassing", however, in the last month she has had trespassers on her property again. Mr. Sears asked if Gina thought the intruders were owners on the Ranch. She answered no. He asked if there was a particular time of day or day of the week that the theft or trespassing occurs. Gina replied that it occurs at random times. She has posted pictures on the Facebook page, but no one knows who they are or has identified them. She put a lock on her meter after her neighbors saw someone hooking up barrels to steal water off her meter. She understood that locking the meter was against the rules, but she cannot pay for thousands of gallons of stolen water.

Mr. Pagel asked if Gina had turned off her meter so they cannot get the water. She answered yes, but they cut the lock and turned the meter on to get the water. She then put a lock on the meter and also on the spigot.

Gina asked if the Board was aware that an illegal subdivision was being built behind her lot outside of the Ranch. Someone was building an RV Park with four RV spots and he dug two wells. Ms. Suitor was aware of it and recommended using the word "illegal" very carefully because the property is not in the HOA.

Robert Rosing understood that Gina had said she knew where the people who stole the water were coming from. Gina stated that they are not on the Ranch. A man who owns acreage and rents out dry camping spots for the summer. There is no water or sewer, and the campers steal water from Pine Meadow Ranch. They also stole 55 gallons of

diesel from Linda. She had sent a letter to that property owner saying that if she catches anyone stealing, she would sue him, but she has not seen anyone up there this year. Mr. Rosing believed that facilitating large-scale water theft would qualify as a nuisance. Gina noted that the campers also have open fires. If anything catches on fire it would burn down the entire Ranch.

Mr. Pagel thought it would be beneficial for Mr. Rosing to investigate what steps the HOA could take since that property is not part of the HOA. Mr. Rosing offered to look into it.

Paul Suitor thought the Health Department would probably get involved with the dumping of the sewage. Mr. Rosing agreed that various departments in Summit County might be concerned about some of the behavior.

Mr. Sears suggested that Gina take pictures and document what she sees and share those pictures with the Board whenever it occurs. Pictures will help the HOA if they ask Summit County to acknowledge the fact that there is an issue.

Mr. Bennett stated that this was an awful situation and out of the realm of being addressed by an HOA. He definitely thought Summit County should be involved to address a multi-faceted issue.

Mr. Pagel and Mr. Rosing were concerned that the police were unwilling to get involved. Mr. Rosing suggested that either the Association or individual property owners organize and attend a Summit County Council Meeting and raise the issue. He thought it was absurd for the police to not get involved on theft issues.

Mr. Pagel asked Gina if the campers access those lots through HOA property. Gina answered yes. Ms. Suitor reiterated that she was aware of the lots in question and she would send the Board an email.

Mr. Sears thanked Gina for bringing it to the Board's attention.

Matt Brown stated that there is an easement on Lower Forest Meadow that goes through private land. He asked if the HOA has access to repair that easement where the horses are on Forest Meadow Road. Mr. Sears replied that the HOA has an easement on all of Forest Meadow Road. The Board was currently trying to work with the owners, and it has been a challenge. They started a dialogue on how best to move forward to find a way to make improvements. Mr. Sears understood there was a history with those owners, but the important thing is that dialogue has started. He clarified that the HOA has the easement, but they were still working through some of the issues.

Chris thanked the Board for their time and efforts. He noted that historically the roads were ready by Memorial Day, which included mag water, but the last couple of years it has been much later. Mr. Sears did not know the specifics for the delayed timing, but the schedule is based on the road conditions and the weather. Mr. Sears stated that there were challenges with the timing of road grading because of the dry weather.

Mr. Pagel recalled a snowstorm in early June which also contributed to a delayed start. The roads need to be completely dry before mag water can be applied. Mr. Suitor stated that there cannot be storms on the horizon because water washes off the mag water.

Tom LeCheminant stated that he was a little late getting on, but he had been listening to the meeting. Mr. Sears asked if Mr. LeCheminant wanted to give a brief introduction as a candidate since he missed the opportunity at the beginning of the meeting.

Mr. LeCheminant stated that most people already know him, and he decided to run to give Nick Jackson an opponent.

Mr. LeCheminant asked to comment on the waste from the campsites above them. When he was Vice-President, he worked with Summit County on the issue. He was told that if he could provide photos or videos of people actually dumping on the ground, Summit County would try to address it. Mr. Sears emphasized the importance of documenting as much as possible.

Michael Carlin noticed that last year they spent \$30,000 to \$50,000 on the CC&Rs. He asked how they could avoid spending such a significant amount when it comes up again. He thought the cost was extremely excessive.

Mr. Suitor informed Mr. Carlin that the Board has had that discussion in other meetings and that large of an expense would not occur again. Mr. Suitor pointed out that the numbers were skewed because that full amount included all legal expenses, not just the CC&Rs. Mr. Jackson stated that several attorneys in the community offered their support with the process next time to lower the legal costs. He believed there was an opportunity to approach the CC&Rs in a different way by leveraging the legal expertise in the community and tapping into their professional legal support only as necessary.

Mr. Sears reiterated his comment earlier in the evening that before the CC&Rs or any initiative could ever move forward, they need to figure out how to get 66% of the owners to participate and vote. It is one thing to create and work hard, but there is no reason to proceed if they do not feel they can get at least 66% of the owners to vote in favor of whatever CC&R model they put in place. Mr. Suitor emphasized that the votes in favor combined with the votes against were still more than 100 votes short of having it go either way.

Karen Post wanted to speak to the issue because she was involved in the process. She agreed that a lot of money was spent, but they also spent a lot of volunteer time and effort. Karen thought they produced a good document, and if someone would revisit that document, she thought they could come up with something that would satisfy more people. Regarding the 67% vote, Karen felt that the Board failed in promoting that document. If they could create a document that the Board supported 100% and could stand behind it in spite of negative comments, she thought they would get the participation needed to get out the message and make an effort to promote it. A lot of time and money was spent on the CC&Rs and she did not think they should let it all go to waste.

Mr. Pagel wanted it clear that the actual amount spent on the CC&Rs was \$52,117.54, which is the sum total of \$64.50 per owner.

George Sutherland stated if they make too many changes to the CC&Rs, everyone will single out the one thing they do not like and will not vote in favor. He personally thought the only change in the CC&Rs they should put forth the first time is just to change how they vote and remove the limitation of a non-vote is a no vote. They need to make it so everyone will vote if they have an opinion on something. Mr. Sutherland thought their hands are tied until they eliminate the non-vote no vote clause to encourage more people to vote.

Mr. Sears did not disagree with Mr. Sutherland; however, before they delve into the CC&Rs again, they need to figure out a way to get a broader set of the owners to be engaged in the process.

Karen noted that State Code actually requires a 67% vote. Mr. Sutherland clarified that he was not suggesting a change to the 67%. His issue was with the wording that keeps people from sending in a ballot because not voting at all is a no vote. Mr. Sears thought everyone had the same objective and the question is how to get there.

Mike Lloyd stated that he moved to the Ranch in 2001 and he served on the Board a couple of times himself. When he was on the Board there was a building moratorium where building had to shut down for a specific period of time for the year, and a certain time when building could occur. After he left the Board the rule was somehow changed and now there is construction throughout the entire winter. Mr. Lloyd commented on the traffic problems in the winter due to construction workers and delivery vehicles. For the last three years many of the full-time owners have been blocked from getting to work. He asked when the moratorium rule changed and why it changed.

Scott Boyle stated that several of the water lines go through the middle of the road and

the more that roads are driven on in the winter the farther the frost line is pushed down from heavy trucks. That was one of the reasons why the HOA put a moratorium that said building could only occur June 1st to October 1st. No building occurred from October 1st through May 31st. It was done for the safety of the trucks and workers, as well as to protect the water lines.

Mr. Rosing recalled trying to address the issue of the contractors and builders coming up during the winter with vehicles that are not capable of driving on the roads. He believed the moratorium was eliminated before he was retained by the HOA. Mr. Rosing could see no reason why they could not implement that rule again and it was something the Board could discuss.

Mr. Sears informed Mr. Lloyd that he noted it as an action item for the Board to consider.

Chris, Lot FM C-63, stated that when they plow, it would be nice if the plowers would not leave an abrupt stop where they stopped plowing. He had difficulty getting to his lot last year trying to get over a vertical 4' berm. He was certain that the plowers were not instructed to do that, especially with the blowers they use now. Chris stated that he lives on Deep Forest on Lot C-63. His neighbor across the street has someone else plow and they stop right after his driveway, which is just before his.

Mr. Wetch stated that the Board discussed the nature of the community plow routes at a recent Board Meeting. In the past, the community plow drivers would register with the HOA so they knew who was plowing where and could adhere to some basic standards to keep owners from getting walled off from the properties. Mr. Wetch clarified that the Board had already started that discussion and he believed the topic should be prioritized.

Mr. LeCheminant stated that as a plower, he understood they were supposed to leave a ramp at the end of the roads to avoid an abrupt dropoff. He has been doing that on Elk Road and going up Pine Meadow Drive for years. Mr. Wetch agreed that the more established plowers have been doing it for a while. However, due to turnover and the lack of socialization of the standards, he has seen places where roads get walled off. Mr. Sears noted that at one time the plowers had to sign a contract with the HOA and provide liability insurance, but those requirements were eliminated a number of years ago. He stated that those requirements are being addressed again for a number of different reasons. It will not be in place for this winter but he assumed there would be some direction that would be given next year.

Ms. Suitor noted that a lot of people who privately plow do not want to make their routes public for fear of liability issues. Sue Smith was coordinating all of the emergency

responder volunteer training. She intended to add that item to the agenda for the next Board meeting.

Hunter Jackson thought Facebook appeared to be the preferred means of communication. He personally has a number of reasons for not engaging with Facebook unless absolutely necessary.

Ms. Suitor stated that as the HOA Secretary, she tries to be diligent about communicating in different manners. They do have an official HOA Facebook page, but it does not get a lot of traffic. She noted that there are 12 different Facebook groups related to Tollgate Canyon, the roads, lifestyle, life at 8,000 feet. Ms. Suitor stated that one of the questions on the survey was the communication method owners preferred. She noted that the communication by email was the overwhelming response. Ms. Suitor emphasized that Facebook was not the primary way the HOA communicates with its members.

Mr. Suitor thought it should be noted that there is a Facebook page that says it is the official page, but it is not the official HOA page.

Mr. Wetch pointed out that at the last meeting the Board discussed that the email list was historically used for very limited purposes; however, over time owner expectations and requests have evolved where now the owners prefer email as the primary form of communication. Mr. Wetch stated that he and Ms. Suitor were working on increasing communications through email. Mr. Sears emphasized that the Board would be working on enhanced communication capabilities to better communicate with the owners.

Elections

Mr. Sears stated that because voting cannot occur through Zoom, they were capturing all the information and Ms. Suitor was working hard to make sure she has all the email addresses with names and lot numbers. They will use that list to email the members, and they can vote from that email on a number of items. He noted that at the Annual meeting the members have the responsibility to vote on the Budget that Mr. Pagel reviewed this evening. They will also be asked to approve the Minutes from last year, which is problematic because there was no recording so there are no written Minutes. He pointed out that they did show the agenda and the financials from last year. The last item is the fee assessment schedule which shows the annual assessment is not being increased and the current fees will not change.

Mr. Sears stated that the day after the meeting the membership will also be receiving the actual ballot by mail to vote for the open officer positions and area representatives.

Carol Steedman, with KGC Associates, noted that a convenience fee for processing a credit card needed to be added to the fee schedule and approved by the members.

Mr. Sears thanked Carol for the reminder. He explained that the number of people who pay by credit card is increasing and that expense was not budgeted. In the future, the HOA will charge a convenience fee for processing use of a credit card. It is a minimal fee. Mr. Suitor pointed out that people can avoid paying the convenience fee if they pay by check.

Mr. Sears stated that once the members receive the email with the items to vote on, they should return the email within a 24-hour window of time to get the count and approvals. The Board will let everyone know the outcome of the vote and approvals.

Someone commented on the convenience fee and recalled that a few years ago the Board discussed whether to make the members pay the credit card fee. At that time, the Board was comfortable absorbing the cost of credit cards because more dues were being paid and they were paid in a timely fashion. She was curious as to what had changed and why the Board no longer thought it was worth absorbing that cost.

Mr. Jackson explained that when people pay with a credit card, some of that money gets taken by the credit card company. The idea is rather than passing that cost to all the other owners, it should be the responsibility of the owner who chooses to pay by credit card.

Carol explained that the credit card convenience fee would start at a minimum of \$1.00 and increase up to 4%. The bigger payments will have a higher fee. It is a variable that is based on amount, location, and type of credit card. Carol pointed out that people who want to avoid the convenience fee can do a bill payment directly through their bank. One example is the processing fee on a \$450 payment would be \$18. The owner would pay by check and that money stays within the company instead of being paid to a bank or credit card.

Mr. Wetch stated that if they pass the cost on to the owners versus the HOA absorbing the cost, they should keep track of whether it reduces the number of payments received and the timeliness of those payments. If it does have that affect, he suggested doing a cost benefit analysis to determine how they want to continue in the future. Mr. Sears thought Mr. Wetch had a good suggestion. Carol would have the ability to monitor it.

Mr. Suitor was not comfortable with the Board absorbing the cost because it gives no incentive to try and keep the dues lower. For example, \$60 per year for one credit card could go towards roads and gravel. Mr. Wetch noted that it is common for businesses to absorb the credit card processing fee and not pass it on to the consumer or owner. He

believed it was worth a cost benefit analysis and keeping track of the numbers necessary to do that analysis so the Board can make a data informed decision. Mr. Pagel thought Mr. Wetch and Mr. Suitor both had good points. He and Carol will look at the projections from this year to see how much it varies if the owners vote to pass the convenience fee on to the members who use credit cards.

Aaron asked if the Board had evaluated other merchant processors to see if there are better rates. He recalled that non-profits could get better rates. Mr. Pagel asked Carol to look into possibly reducing the processing fees.

Carol stated that she looked at the 2019 credit card charges and did a spreadsheet to get an average between different cards. She also looked at other discount options, but the tracking is not as good. For example, multi-lot owners may use Zell, but it did not identify what lot number had paid. It only provides a name, and if someone does not put in the right owner name for that lot it takes extra research and time to figure out who and what lot to apply the actual payment. Carol did not recommend losing the tracking ability. She noted that her service billing also includes time to process the credit card payments and that would impact her time as well. Those who use credit cards will need to weigh out whether it is worth paying the fee to use the convenience of a credit card.

Mr. Sears thanked everyone for their willingness to participate on a new system due to CoVid. He hoped they would be able to meet in person next year. Mr. Sears reminded everyone to watch for the email to vote on the items discussed. He encouraged everyone to reach out to their Area Reps if they have any questions or issues.

The Annual Meeting of the Pine Meadow Ranch Owners Association
adjourned at 8:04 p.m.
