

**HIDDEN RIVER RANCH ASSOCIATION
BOARD OF DIRECTORS MEETING
THURSDAY, MAY 11, 2017 – 2:00 P.M.
318 ELK AVENUE, CRESTED BUTTE, CO 81224**

Present: Roger Cesario
Tracy Wentz
Rob Harper, Toad Property Management
By Phone: Rob Green
Brent Allen
Nick Chirekos

Rob Harper called the meeting to order at 2:01 pm and said the purpose of the meeting was to discuss the financial report and draft 2018 budget. Rob Green said an updated budget had been distributed prior to the meeting and road repairs and record snowfall had caused overruns during 2017 and the association no longer had money in reserve. Rob Green explained the work on the road had been a large expense which would normally only occur every 8 or 10 years and said Jay had estimated \$1,200 for ongoing annual road maintenance expenses.

Rob Green said he had distributed a spreadsheet showing snow removal and snowfall over a period of years to try to show a range for future budgeting purposes. Rob said snow plowing was the second biggest expense for the association and had a large impact on the budget but expenses could not be accurately predicted prior to the start of the winter. Tracy said East River Ranches had paid approximately 60% less than Hidden River despite Hidden River having half the distance of roads. Tracy questioned if the association could afford the luxury of the 24 hour plowing with a Bobcat or if it needed to be a contractor who had larger equipment and could work more efficiently and quickly.

Brent said rain during the winter made it harder and more expensive for the Bobcat to remove snow and cautioned that East River Ranches would be paying more on road maintenance due to the heavy equipment they used for snow removal.

Roger said during the 10 year period shown on the spreadsheet there were three years with bigger snowfall totals than the 2017 winter and the association needed to be ready to respond to another big winter. Roger suggested having the roads cleared by heavy equipment and Jay continue to clear individual driveways with the Bobcat.

Tracy said Bill Lacy was presently searching for a snow blower for a front-end loader. Tracy said the front-end loader snow blower would be able to complete the work at a quicker rate and damage to the surface of the road would be less than a front-end loader with a plow.

Rob Harper said the association had been underfunded for several years and had been spending reserves for operating expenses. Nick said it was not possible to get through the remainder of 2017 without a dues increase or a special assessment and from the figures it appeared as if \$2,500 was the right number for annual dues unless association expenses were significantly reduced.

Roger said reducing expenses needed to be discussed and not just focusing on an increase in annual dues. Roger suggested reducing the mosquito control, porcupine control and weed control. Brent suggested approaching some of the vendors and asking for a reduction in services and/or costs. Nick said even with a reduction in expenses there would still have to be a dues increase to \$1,250 for the second half of the year as the snow removal had already caused a deficit of \$12,000 or \$13,000.

After a long discussion it was agreed Rob Harper would approach the following vendors:

1. Mosquito control – ask if signed contract could be reduced to \$2,700 with the service adjusted accordingly.
2. Ask Keith to keep weed control to \$2,250 and Jay to cease all weed control so services are not duplicated.
3. Porcupine control to be reduced if possible although cost was minimal and no significant savings could be made.
4. Ask Bill Lacy if a snow blower for a front-end loader would be purchased and obtain hourly pricing and proposed snow removal schedule.
5. Ask Jay how snow removal costs could be reduced and if Jay would be interested in just snow blowing the individual driveways with the Bobcat if it was determined heavy equipment would be the preferred snow removal method.
6. Ask Jay to clarify all future invoices by clearly listing work performed together with dates.

Tracy agreed to talk to East River Ranches and ask if they had mosquito control or if they were benefitting from the Hidden River spraying. Tracy and Roger agreed to assist Rob in contacting vendors if necessary.

Brent expressed concern about a grader tearing up the new road and said a snow blower on a front-end loader would be acceptable. It was generally agreed Lacy, or any other contractor with a large machine, would only clear snow once a day and drifting snow and berms would be an issue.

Tracy summarized the discussion saying that dues would be \$2,500 per year, the budget would remain the same and attempts would be made to reduce expenses. It was agreed to meet again on May 25, 2017 at 9:00 am to discuss how expenses could be reduced.

Rob Green said the Board would address the Betz tree and willow removing and cutting at the next meeting. Rob Harper said the 9 Governance Policies would need to be discussed and accepted at the annual meeting and any Board questions on the Governance Policies could be discussed at the next meeting. It was agreed Jill Norris would be asked to participate in the annual meeting.

Rob Green said the final submittal of the water decree had gone to the judge and water referee and now it was just two signatures away from being completed. The meeting adjourned at 3:40 p.m.

Submitted by Rob Harper, Toad Property Management, Inc.

Approved by: Rob Green, President