

# Crystal Lakes Road and Recreation Association

Annual Meeting of the Membership

June 10, 2017

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## MINUTES

### I. **CALL TO ORDER**

The meeting was called to order on Saturday, June 10, 2017 at 2:02 p.m. at the Crystal Lakes Water and Sewer Building in Red Feather Lakes, CO. The meeting was chaired by Board President Jim Narva.

Directors Present:	President	Jim Narva
	Treasurer	Bryon Fessler
	Secretary	Casey Meadows

Absent (Excused):	Member at Large	Doug Durica
	Vice President	Cheryl Poage

Others Present:	Randall Roberts	Association Manager
	Kathy Visser	Association Office Staff

#### A. **Meeting Conduct**

Mr. Narva reminded the Members of the meeting code of conduct, which included an Owner Forum at the end of the meeting to address topics not included on the agenda. Members who wished to address the Board were asked to state their name and filing/lot.

#### B. **Proof Of Notice**

A copy of the notarized certificate of mailing of the meeting notice was available for all owners with the meeting handout materials. The notice was mailed to all Members via U.S. Mail on May 5, 2017 and certified. The notice was sent in accordance with Article VIII, Section 3 of the Association's Bylaws and the Colorado Common Interest Ownership Act (CCIOA), not less than ten nor more than fifty days in advance of any meeting of the unit owners. There was no challenge to the notice.

#### C. **Establish Quorum**

Fifty-nine (59) or more units were represented in person. In accordance with the Association's Bylaws, Article VIII, Section 7. Quorum. Fifty memberships, in good standing, present in person shall constitute a quorum at all Association meetings.

#### D. **Welcome**

Jim Narva welcomed Members to the annual Association meeting.

#### E. **Purpose Of Meeting**

Jim Narva advised that the purpose of the meeting is to hear updates from the Board, Staff and Committee Chairpersons; approve previous meeting minutes, provide a financial year-end recap, provide owner education and review the budget for the new fiscal year.

#### F. **Introductions**

Jim Narva introduced the current Board Members, and the Crystal Lakes Association Manager, Randy Roberts.

### II. **APPROVAL OF MINUTES**

Management distributed copies of the previous year's annual meeting minutes, which were also posted on the website. ***A motion was made by 05025A and seconded by 08101 to approve the Annual Meeting Minutes from June 11, 2016 as written. The motion passed unanimously.***

# Crystal Lakes Road and Recreation Association

Annual Meeting of the Membership

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---

## **GUEST INTRODUCTION**

Jim Narva, Association President, introduced Brock McArdle, District Wildlife Manager for Colorado Parks and Wildlife, for a brief presentation. Several property owners asked questions regarding wildlife.

## **III. STATE OF THE ASSOCIATION**

**Jim Narva, President:** Mr. Narva discussed the numerous projects underway and the Association's focus on good financial governance. The monthly meeting minutes are posted on the Association's website and are accessible for owners.

- Mentioned the focus on deferred maintenance and the reserve fund.
- Continued review and analysis of documents in place for the Association through use of the Policy and Documents Committee.
- Compliance with CO State law.
- Wildfire mitigation includes 100 acres of greenbelt to be cleared beginning this summer.
- Transition from Hammersmith to Westwind Management Group effective January 1, 2017. Westwind handles accounting services for both associations and a Professional Employer's Organization (PEO), CoAdvantage, is handling payroll, related taxes and benefits.
- Reserve study is done every 5 years by policy, and a revised study was done this year.
- Our financial investments are with a wealth management group (and are seeing a return on the conservative and liquid investments required for reserve funds).
- Audit was completed this year and received an unqualified opinion (clean audit) from Schumacher & Associates, Inc.
- Slash Depot is in 3rd year of operations.
- A hard line is being drawn for collections with a very conscientious, consistent and fair approach.
- New security efforts are underway with the hiring of a new security person with a primary focus on trespassing and OHV operators.

**Bryon Fessler, Treasurer:** Mr. Fessler reported on various aspects of the Association's finances:

- Transition was given "A" grade for the Board's tireless involvement, and Randy's help with the new changeover.
- Audit was "clean" – no internal control violations and no necessary adjustments.
- Operating reserves: \$142,311 is the current balance, intended to cover three months of operating expenses.
- Financed equipment: there is no financed equipment now.
- Deferred maintenance: we now have \$189,000 in this category, which has reduced from recent years but continues to be an area of focus for the Board.
- Special assessments: there are no current special assessments.
- Reserve shortfall: We have gone from a shortfall of over \$522,000 in reserves. We are now at a shortfall of less than \$200,000, minus the deferred maintenance, which makes us still short \$480,000. Objective is to have fully funded reserves with zero deferred maintenance.
- Overhead fee: have reached a workable agreement with CLWSA at \$35K for FY 2017-2018.
- Prepaid assessments: early payments can mean the Association may be spending money today that is really intended to cover future service obligations.
- Delinquent accounts: 48 property owners are delinquent, equating to 3% - an association "best practice". However, delinquent account balances are higher overall than they should be due accumulating over several years. We must continue fair and consistent collections, with a focus

## Crystal Lakes Road and Recreation Association

Annual Meeting of the Membership

June 10, 2017

---

on addressing delinquencies in a timelier manner per the revised Collection Policy, to prevent such large balances from developing in the future.

- Owner education: we have met our annual obligation to provide education and cover many of these topics in the monthly newsletter that is sent out.

**Casey Meadows, Secretary:** Mr. Meadows reported on:

- Slash Depot update: In 2015, we set aside about \$12,000 for subsidy and used \$9,414 of that to run the operation. In 2016, our subsidy was over \$2,000. In 2017, we raised the price per cubic yard to try to have breakeven operations, which should be the target per Association governing documents.

**Randy Roberts, Association Manager:** Mr. Roberts reported on various aspects of the Association's management.

- Complimented the Board on improvements to the financial situation.
- Discussed the HMI transition to Westwind Management and the addition of qualified staff.
- Mentioned the facilities staff, office staff members and volunteers by name and position.
- Organization model implementation, with Randy accountable to the Boards, and staff accountable to Randy. Accounting services and payroll, taxes and benefits provided through contracted business partners.
- Discussed the effort to learn and consistently improve services and execution, including the Road Maintenance Plan and the damage caused by the last big snowstorm.
- Working with the Board's direction on priorities.

**Owner Comment:**

06035: Thanked the Board and Association Manager for the positive changeover and "lightyear" improvements he's noticed.

#### IV. **2017-2018 BUDGET**

Bryon Fessler presented the 2017-2018 Board-approved budget. A copy of the budget was included in the meeting notice and available at the sign-in table. He reviewed both revenue and expenses, and thanked the current Board members for their financial diligence. He answered specific questions about budget line items, reserve money and raising the dues incrementally from the Members in attendance.

#### V. **BALLOT RESULTS**

A. **Board Election Results:** The Board announced the results of the mail-in-ballot.

- a. 513 valid ballots returned and counted:
  - i. 368 votes for Andrew Burt
  - ii. 310 votes for Jim McConnell
  - iii. 297 votes for Steve Dirmeyer
  - iv. 286 votes for Nick Marouf
  - v. 214 votes for Kevin Schwindt

B. **Introduction of New Directors:**

- a. Andrew Burt (3-year term)
- b. Jim McConnell (3-year term)
- c. Steve Dirmeyer (2-year term)

## Crystal Lakes Road and Recreation Association

Annual Meeting of the Membership

June 10, 2017

---

### C. Board Officer Election:

***Motion was made by Jim McConnell and seconded by Andrew Burt to nominate Bryon Fessler as President. The motion was approved unanimously.***

***Motion was made by Steve Dirmeyer and seconded by Jim McConnell to nominate Cheryl Poage as Vice President. The motion was approved unanimously.***

***Motion was made by Jim McConnell and seconded by Bryon Fessler to nominate Steve Dirmeyer as Secretary. The motion was approved unanimously.***

***Motion was made by Bryon Fessler and seconded by Jim McConnell to nominate Andrew Burt as Treasurer. The motion was approved unanimously.***

### VI. COMMITTEE UPDATES

- **Greenbelt Committee:** Milo David, Chair, updated everyone on mitigation efforts and requested volunteers for “Adopt-a-Trail” Program. He discussed responsibilities of these volunteers. Also discussed the new Map Committee.
- **Policy and Documents Committee:** Herb Hanlen, Chair, reported on completing the policies for the CCIOA, the procurement policy for fire mitigation, the conflict of interest policy also for fire mitigation, and the OHV policy with a consensus from the membership. The current policy being worked on is the ACC requirements which will be completed by the new Board members.
- **Recreation Committee:** Terri Meadows, Chair, reported on recreation activities including the “Summer of Fun at Crystal”, including attendance at special events. Terri requested more volunteers to help with the current event planning, and the current refurbishing of the new Community Center.
- **Fire Pit Committee:** Bob Chesnut, Chair, reported on approved fire pit re-inspections, being performed by filing.
- **Fishing Board:** Bryon Fessler reported for Lou Phillippe on the shortage of fish and how that has been solved by reaching out to many hatcheries for stocking. CLRRA has partnered with Crystal Springs but with a higher rate for them to bring fish to Crystal Lakes. Also reported on the Wounded Warrior Fishing Derby in July. Bryon answered questions from members.
- **Road Committee:** Jack Goodell, Chair, discussed improvements with new Association Manager coming on-board.

### VII. OWNER EDUCATION

**Management Model:** Jim Narva presented on the new hybrid model of management, including local management of employees who are almost 100% property owners and residents in Crystal Lakes. Employee payroll, taxes and benefits are contracted by the Association through CoAdvantage. Accounting is through Westwind Management, who works with our attorneys for collections. Gast, Johnson and Muffly is the attorney firm employed by the Association. Schumacher & Associates, Inc. is our auditing firm.

**Crystal Lakes Road and Recreation Association**

Annual Meeting of the Membership

June 10, 2017

---

**VIII. OUTSTANDING VOLUNTEER OF THE YEAR**

The Board announced the Outstanding Volunteer of the Year. Many Members of the community continually go above and beyond to make Crystal Lakes an enjoyable place to live and this award recognizes those extraordinary volunteers. The Board announced that the 2017 Outstanding Volunteer of the Year award presented to Herb Hanlen, Policy and Documents Committee, and Bryon Fessler, financial management, and Sharon Fessler, website and graphic design. Herb was provided with a \$100 gift certificate, and their names will be placed on the plaque displayed in the Community Center.

**IX. MEMBER FORUM**

Property owners asked various questions:

<b>Filing/Lot</b>	<b>Owner Questions/Comments</b>
07033	Question re shoulders on 73C. Is County planning to seed the area? Response: Possibly but not known.
13123	Wildfire mitigation: can he have the timbers loaded on his property from the Greenbelt mitigation project instead of taken away. Response: Follow up with Randy Roberts, Assn. Mgr.

**X. ADJOURNMENT**

***A motion was made by Jack Goodell and seconded by Herb Hanlen to adjourn the meeting. The motion passed unanimously.*** The meeting was adjourned at 4:27 p.m. The Board invited property owners to attend the CLRRRA Annual Dinner held in the Community Center at 5:00 p.m.