

RECORD OF PROCEEDINGS
MINUTES OF THE THREE SPRINGS MASTER ASSOCIATION
REGULAR MEETING

June 21st, 2017

5:30PM

ATTENDANCE

Directors in Attendance:

Kurt Prinslow, President (KP)

Tim Zink, Treasurer (TZ)

Jon Penny, Secretary (JP)

Residents in Attendance:

Joanie Hupp

Barbara Martin

Kathy Holmes

Bonnie Rozean

Jeff Rozean

Others in Attendance:

Frankie White – Clark, White, and Associates

HOMEOWNERS FORUM

There was no one present that wished to speak during the homeowner's forum.

APPROVAL OF MINUTES

KP presented the minutes from the Residential Association Regular Board Meeting held March 15th, 2017 and the Residential Association Special Board Meeting held on May 18th, 2017. Upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

FINANCIAL REPORT

Frankie White presented the Financial Report and Accountant's Report for the Master Association.

BUDGET AMENDMENT RESOLUTION

TZ explained history of original Housing Agreement and then the new agreement/Resolution and the 90-days to pay from 5/22 (due 8/22) in the amount of approx. \$181K per contractual obligations, which is over the approx. \$162K in the budget. They are designated funds only for

Affordable housing in Durango. In the future, two payments per year, clearing account. It's a 40-yr agreement. No minimum payment. TZ explained budget process (adopting, then member vote timing). Board will make estimate in budget. Bonnie R. asked if Board has asked if they've considered accrual instead of cash basis financials. TZ said we have not. Frankie explained how the new agreement is different and how now we'll show it as a Liability as the transfer fees are received. \$181K due on or before August 22nd. It'll just stay on the Balance Sheet and won't hit the P&L and/or budget. Will set a date for the Special Meeting. Upon motion duly made by KP, seconded by JP and unanimously carried, the Board approved the Resolution.

UPDATE ON ASSOCIATION MANAGEMENT

KP explained AREM is no longer compliance officer. The Board, with support from the developer, has taken on the code compliance in the meantime. We have reached out to some local and regional management companies to see if they're interested. We're gathering info now. TZ – this development has grown. Is taking more and more time. We sent an RFP to multiple companies, only one response. We then reached out to a bigger company out of Denver. They are all inclusive solution. We're still evaluating and we'll then make a recommendation. KP – explained more about how much time it's taking us from the board members and others on the development team. KP said the Denver group manages many large master-planned communities. Call centers. Onsite person full-time. Example, irrigation, snow removal. If we move forward, we are looking into spreading some of the costs to multiple entities (e.g. Metro District). Bonnie question: Would they hire local or bring someone in. TZ said they prefer to hire local and then train. Frankie mentioned that a local company contacted her and they would have to hire. Frankie said she thinks it would be wise to hire the bigger company to prepare for the future. She explained the disconnect when AREM would cite the violation and it wouldn't get communicated to her company. That would be eliminated with one company. In her opinion, she thought it would be wise to go with someone who has experience with this size of community. You can go through another AREM situation. Kathy Holmes mentioned that Three Springs will be biggest subdivision in the county with an HOA since there is no HOA in Forest Lakes – they tried but it got too big for anyone to manage. KP said they can even do events that the developer currently manages. Barbara Martin asked if fees would increase. TZ, yes, they would and we are considering costs/benefits for sure. KP we're weighing the benefits versus the costs. Kathy said we are very inexpensive compared to other subdivisions. Barbara, Joanie, Bonnie, and others said they would be willing to pay more for the increase in services/management. TZ said we'll have recommendation at a Special Meeting.

DISCUSSION AND ADOPTION OF A POLICY AND PROCEDURE – ENFORCEMENT OF THE DECLARATION, BYLAWS, OR RULES AND REGULATIONS

KP presented the Policy and Procedure – Enforcement of the Declaration, Bylaws, or Rules and Regulations. He explained how this simplifies the process. TZ noticed that the numbering was 1, 2, 4 on the form and needs to be corrected to 1, 2, 3. TZ mentioned the board's attorney (from Denver who works with multiple subdivisions) prepared this document.

Upon motion duly made by JP, seconded by TZ and unanimously carried, the Board approved the Policy and Procedure – Enforcement of the Declaration, Bylaws, or Rules and Regulations as presented and with the correction of the numbering.

DISCUSSION AND ADOPTION OF A POLICY AND PROCEDURE REGARDING DISPUTES BETWEEN THE ASSOCIATION AND UNIT OWNERS

KP presented the Policy and Procedure Regarding Disputes Between the Association and Unit Owners. KP explained that this encourages means other than litigation to resolve disputes. Upon motion duly made by TZ, seconded by JP and unanimously carried, the Board approved the Policy and Procedure Regarding Disputes Between the Association and Unit Owners as presented.

ADJOURNMENT

There being no further business to come before the Board; and upon motion duly made, seconded and unanimously carried, the meeting was adjourned.

OPEN FORUM

No one chose to speak at the Open Forum.

NEXT MEETING

The next scheduled quarterly meeting of the Board of Directors is scheduled for Wednesday, September 20th, 2017.