

Hill Pond on Spring Creek (Wallenberg Drive) HOA Board of Directors Meeting Minutes
Monday, December 23, 2019 at 1836 Wallenberg Drive

Quorum Established and Meeting Called to Order

The meeting was called to order by President Dave Dornan.

Board members present: Diane Crews, Doug Hinerfeld, and Dick Thomas.

Board member absent: Tom Noel.

Guest: Rick Hoffman.

Approval of Minutes

A motion was made by Doug Hinerfeld and seconded by Dave Dornan to approve the minutes of the November 14, 2019, HOA Board meeting; the motion was approved unanimously.

Old Business

Rick Hoffman reported that the final questions related to the **Covenants Advisory Committee's** deliberations were sent to Pete Dauster, the attorney, who feels that the Committee may be overthinking some of the issues. President Dornan reminded the Board that the Covenants are how the HOA lives as a community, that there needs to be flexibility in regard to the variability of future events, and that not everyone will be happy with the final product.

President Dornan also pointed out that the Committee, which is a volunteer group, has worked very hard and while they are not as far along as they or the Board were hoping they would be at this point, life gets in the way and the end product is in sight. There are a number of people who are waiting for the revisions in order to move forward with proposed projects, but the Covenants revision needs to be approved before the appropriate rules and regulations can be generated. President Dornan recommended that Pete Dauster prepare a draft of the rules and regulations which would then be fine-tuned by the Board.

Diane Crews distributed copies of the **Operations Manual** to Board members and noted that this document should be updated as often as necessary to keep it current with the on-going functions of the Board. It was agreed that she would also send a copy to Bonnie Helgeson, HOA Managing Agent.

New Business

A motion was made by Diane Crews and seconded by Doug Hinerfeld to approve the addition of Larry Paroz to the **Finance Committee**. The motion was approved unanimously.

President Dornan asked Dick Thomas to explain the process for completing the **accounting audit** since he has done this in previous years. Dick said that the beginning and ending bank statements need to be obtained from Bonnie Helgeson and then the payment made to Ram Waste, the HOA fee deposits, and all expenditures must be reconciled with the current balance in the bank account.

President Dornan presented a **proposed budget for 2020**. Part of the discussion was the question of whether to include an amount for a **reserve study** or to postpone that for another year. It was decided that the \$1500 proposed for that study would create a dues increase that would not be acceptable at this time, given last year's increase. There was also a discussion about whether any ash trees in the common area should be treated in 2020 to forestall possible infestation by the emerald ash borer. It was decided that this question would be part of the conversation with a representative from Davey Tree regarding the reserve study. A motion was made by Doug Hinerfeld and seconded by Dick Thomas to approve the budget as shown on the next page. The motion was approved unanimously.

INCOME	\$7,046
Homeowner Dues	\$6,970
Interest Income	\$ 1
Transfer Fees	\$ 75
EXPENSES	\$7,030
Board Meetings	\$ 0
Member Meetings	\$ 250
Bookkeeping Services	\$ 950
Legal/Professional Fees	\$3,000
Office Expenses	\$ 200
Corporation Fee	\$ 10
Common Area Maintenance	\$1,800
Insurance	\$ 700
Signs	\$ 120

Because of the increased cost of maintenance in the common area, i.e., mowing, aeration, sprinkler maintenance, and fertilization, a motion was made by Dave Dornan and seconded by Doug Hinerfeld to set the **dues for 2020** to \$170 from the current \$150. The motion was approved unanimously.

President Dornan presented two proposed **amendments to the Bylaws** as follows:

First proposed Bylaw amendment: To change quorum percentage for Member meetings (not Board meetings). Current wording of Article 2, Section 8 of the Bylaws is as follows:

2.8 Quorum. Except as otherwise provided in these Bylaws, the Declaration, or by law, at any meeting of the Members the presence in person or by proxy of Members entitled to cast at least 50% of all votes entitled to be cast on the matter to be voted upon shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. If a quorum exists at the beginning of any meeting, a quorum is deemed present throughout that meeting despite any subsequent departure of Members.

Rational for change: Proposal is to present to Membership a change in the Bylaws to lower the quorum percentage to an amount determined by the current Board. When the new Bylaws were presented two years ago for Member adoption, an amendment came from the floor to raise the quorum higher than 25% as recommended by the then current Board. The intent of the amendment was to ensure that Members be well represented at the meetings. However, often

Members are unengaged or too busy to come to meetings. The unintended consequence is that meetings too often may not achieve a quorum in order to do needed business. In fact, at the 2019 meeting, phone calls had to be made to recruit people so that a quorum could be achieved.

Second proposed bylaw amendment: To change manner in which mid-term board vacancies are filled. Current wording of Article 3, Section 5 of the Bylaws is as follows:

3.5 Vacancies. Vacancies on the Board of Directors, caused by any reason other than the removal of a Director by a vote of the Members, shall be filled in the following manner. The Board of Directors shall within 2 weeks propose in writing (may be electronic), a nomination for the vacant position to all Members. Then all Members will have 2 weeks to return ballots to the Board. Requirements for quorum and voting shall follow specifications in Articles 2.8, 2.9, & 2.16 with ballot counting performed by a neutral party. If the nominee is not elected by the Membership, the process of nomination and voting shall be repeated until the position is filled.

Each person so elected or appointed shall be a Director for the remainder of the term of the Director so replaced. Any vacancy caused by removal of a Director by a vote of the Members shall be filled as provided in Article 3.6 below.

Rational for change: Proposal is to present to Membership a change in the Bylaws as to how vacancies on the Board are to be handled. When the new Bylaws were presented two years ago for Member adoption, an amendment came from the floor that led to the process outlined in Article 3. Section 5. The intent was to guard against a dictatorial board abusing its power by stacking the board with cronies. However, the process outlined is cumbersome and not well suited to the realities of volunteer boards. Also, there are checks and balances in our governing documents for membership to remove directors if they are stacking the board with cronies.

Proposed change in wording: 3.5 Vacancies. Vacancies on the Board of Directors, caused by any reason other than the removal of a Director by a vote of the Members, shall be filled by a vote of the remaining Board Members. Each person so elected or appointed shall be a Director for the remainder of the term of the Director so replaced.

Any vacancy caused by removal of a Director by a vote of the Members shall be filled as provided in Article 3.6 below.

Following a discussion of the proposed amendments, a motion was made by Dick Thomas and seconded by Doug Hinerfeld to reduce the quorum in Article 2, Section 8 to 35%. The motion was approved unanimously.

A motion was made by Diane Crews and seconded by Doug Hinerfeld to approve the proposed change in wording for Article 3, Section 5 as shown above. The motion was approved unanimously.

President Dornan introduced topics related to the February 5th **Annual Meeting** including the need to notify the membership not less than 10 days nor more than 50 days before the meeting. He also emphasized the need to communicate to the membership the reasons why the date and

time are being changed, specifically because of the need to bring the meeting in sync with the budget year. Ways to encourage the membership to attend were discussed including email, door-to-door, and mail box postings. Dick Thomas volunteered to deliver reminders to each household.

President Dornan reminded the Board that Exhibit A of the Bylaws provides a rotating nomination process for board vacancies. It was noted that an inadvertent error at the 2019 Annual Meeting caused an owner from 1920 Wallenberg to be nominated instead of an owner from 1941 Wallenberg. This mistake occurred in the transition from old documents to our new Bylaws. The nominees for the upcoming vacancies in the Board are an owner from each of the following addresses: 1808 Wallenberg, 1917 Wallenberg, and 1941 Wallenberg. Board members will be contacting each household to determine if the nominations are accepted.

The Board went into executive session to discuss matters that require confidentiality under the Colorado Common Interest Ownership Act.

The next meeting was scheduled for January 16 at 5:30 p.m.

Adjournment

A motion was made by Doug Hinerfeld and seconded by Dick Thomas to adjourn; the motion was approved unanimously.