

HPRA Member Meeting Minutes

August 19 2017 10:03 am Cedaredge Community Center

Richard Neier called the meeting to order at 10:03 am, quorum confirmed.

In attendance:

Abram Acton - 1

Peter Brown - 3

Rea Ann Loomis - 1

John Sudmeier - 1

Dawn Sudmeier - 1

Mike and Diane Kuene – 1

Shirley Zubowitz - 1

Reese Wagner (Board Member) & Julie Wagner (Secretary) - 1

Richard Neier (President) & Lisa Neier – 8

Gary Hutson (Board Member) & (DJ & Jenn Head) - 1

Larry Serr (Treasurer)

Richard Belden (representing Granby Ditch)

Represented by Proxy:

Robert Nassebene (Aaron Wagner – absent) 0

Betty Bulla (Richard Belden) – 1

Steven Letterhos (Reese Wagner) – 1

Robert Foster (Abram Acton) – 2

26 of 51 members represented (51%)

Quorum = 25%

Member Introductions. Richard introduced himself and Board members Reese Wagner & Gary Hutson as well as secretary Julie Wagner. Aaron Wagner Vice President is absent and noted that Bob Foster our third board member is out of town so Abram Acton is attending on his behalf. Richard also introduced Richard Belden who is attending the meeting for Granby Ditch Company and and as proxy for Betty Bulla. The members continued to introduce themselves as well.

Vote to accept the 2016 Meeting Minutes

Dispensed with reading of the minutes as they are available for review on website.

MOTION - Dawn motioned to approve the meeting minutes, Gary Hutson 2nds. Vote was unanimous.

Dawn's motion carried. 2016 Minutes were approved as submitted.

OLD BUSINESS

Belden Road Completion

Dawn explained the formal process for acceptance of new roads. (1) Request for approval to be submitted. Richard Neier indicates he has the request from Curtis McCracken, David Seubert's representative. (2) The road is built/finished. Reese put in the road (3) Inspection/Acceptance. Reese did not want to inspect and approve road when he was the one who finished it.. After discussion it was suggested to have Richard Belden inspect road as he already maintains HPRA roads and is familiar with the area. Richard Belden, already in attendance, indicates that the road is sufficient to pass an inspection.

MOTION – Dawn motioned to accept Belden Rd into HPRA, Gary Hutson 2nd, vote is unanimous. Motion carried.

Plans for a nicer gate (Abe Acton)

From the 2016 meeting: *“Abram Acton brought up the the idea for thoughts of a nicer gate. He offered to donate half the cost and labor. Dawn mentioned she would not be interested and she suspected that Kathy Gates would not either. Richard told Abram to investigate options available and bring the info to the board”* Abram indicated that he had no new information but was still willing to head up the project.

Discussion regarding Culdesac

From the 2016 meeting: *“Dawn wondered why the county does not maintain tenth of a mile up the road like they are supposed to? There was discussion regarding moving the gate down to the mailboxes. Aaron Wagner said he would check with the County Planning office regarding county maintenance of the culdesac and the gate. Reese Wagner will discuss the same with Dan Sickles at the Delta County Road & Bridge Department.”*

Reese talked to Dan Sickles, the county currently does not have plans to takeover maintenance of the culdesac, etc. If their plans were to change they will survey the area. Chances are if we were to move the gate back down to the mailboxes (so that the entire HPRA membership would be behind the gate) we would had to move it again anyway if the county were to take care of the culdesac and the road a 10th of a mile up. Unfortunately, due to the need for a level area, the current location of the gate works. Dawn mentioned that people will come up here and just happen to through the open gate but get trapped behind gate when trying to leave.

Easement deed – Granby Ditch

Richard Neier passed out copies of the easement deed. He wanted to note that \$150 will be paid annually to HPRA. The Granby ditch Company would like an agreement that states they have permission to access HPRA roads. They already have the right to access their ditches via their own access which at many points goes through HPRA lots. The easement states they will have access to head gates and structures only. Discussion of the non-exclusive verbage, liability issues, lack of termination clause. Reese

stated will they tear up road by using the access they already have by going across the road and up the banks. Pete Brown wondered about ulterior motives. Reese explains that their access easement was in place before our roads were built. Dawn wondered if we needed additional wording addressing liability. Dawn offered to take the easement down to have John Baird review

MOTION – Dawn Sudmeier moves to review easement agreement with lawyer, contingent on spending less than or equal to \$500. Gary Hutson 2nd, vote tallies: 4 for, 12 opposed. Motion fails

MOTION – Mike Kuene moves to approve easement as written, Reese Wagner 2nd. Vote tallies: 15 for, motion carried.

Garcia Foreclosure

Because of a drug bust on lot M the DEA seized the property. There are complaints that there is a huge “mess” on the property (old beds, trash, etc) Richard Neier offered to go in and clean up the area. Reese mention that Curtis thought this will take a few years to settle and no action can be taken on the property until the foreclosure is settled. John Sudmeier mentioned finding the public notice in the paper regarding court date in May, However, the assessment is still due, current balance = \$ 1,000. Reese Wagner mentioned filing a lien so that when the foreclosure is settled we will get our money. Dawn said she would file a lien and track the status of this property. She will consult with Curtis on the particulars of this type of filing. Dawn will report to the board regarding her progress

Review of Accounting Reports – Larry Serr

MEMBERS WERE PROVIDED WITH CURRENT BALANCE SHEET, CHECK REGISTER, PROFIT AND LOSS STATEMENTS (2016, 2017) AND PRELIMINARY BUDGET FOR 2018. (attached)

Invoices needing approval: Richard Neier spraying \$1,500 Keypad \$221.99 - Approved for payment by membership. A/R Aging Summary - (Past due assessments) – Aaron, Wagner: owes 2 years, Ester Garcia: 2 years, Lance and Pam Foley: one year. Dawn explained that there was a process defined 3 years ago to handle this situation. Julie added that we are to reach out to the members, if there was a favorable response we would work with whatever arrangements were made. If there was not response then liens would be considered. Could not remember if late fees were involved, Dawn indicated that there were. Richard said he will contact Aaron Wagner and Lance Foley to make arrangements for a payment plan and report back to the board. Balance Sheet as of December 31 2016 Larry explained that the \$1,000 Accounts receivable is from 2 unpaid assessments. Deferred income of \$1,500 from a payment made in advance for assessments. As we did not spend the entire amount budgeted for 2016 HPRA had a net income of \$3068.21. Total equity for the members amounts to \$14,844.89. Profit & Loss Budget vs Actual, Jan thru Dec 2016 Is the accounting report which details the surplus from 2016 (\$3,068.21). For instance HPRA spent \$2,125.20 less on the roads, did not spend \$600 budgeted for legal fees as well as \$247 less on insurance and \$115 less for weed spraying. Balance Sheet, as of Aug 18, 2017 This report shows us where HPRA is financially as of today. There is \$22,712.95 in the bank, Accounts Receivable of

\$2,500 was described previous, other current asset: check from Town of Cedaredge for deposit return. Total equity \$14,844.89 from 2016 plus net income 2017 \$10,793.06 = \$25,637.95. This figure will change as we pay out remaining obligations. Profit & Loss Budget vs Actual. Jan thru Dec 2017 This accounting report shows us that we have yet to spend in our budget in the right-hand column. The left-hand column shows us that items we have spent so far in 2017, \$14,593.94 and \$113 for office expenses. Larry made it a point to mention that we have not assessed late fees or interest on unpaid assessments. Amount of interest for the most part in very small and hardly worth dealing with. Check Register – Bank of Colorado Larry provided a register of the HPRA checking account for 2017.

2017-2018 Operating Budget

Discussion regarding estimated expenses for 2017-2018. Larry directed attention to the line items of the Budget for the year 2018. Minutes preparation (\$250), legal fees (\$600), Insurance (\$2,000) and Accounting and Reporting (\$1,200) will remain the same. There was discussion regarding an increase of \$200 for Weed Spraying (\$1,700) and office expenses increase to (\$200) items will remain the same as last year. Road Maintenance & Improvement will need to decrease to \$19,400 to offset increase in expenses. After discussion it was agreed keep the surplus as is and the Assessment should remain \$500. MOTION – Richard Neier moves to approve Operating Budget for 2017-2018 and Assessment of \$500 per unit, Reese Wagner 2nd, vote unanimous, Motion carried.

NEW BUSINESS

Discuss road maintenance and completion

Richard Neier directed the discussion by thanking Richard Belden for his work on our roads. Work completed during 2017 include: general maintenance, culverts installed on Squirrel Rock Rd and High Park Rd, magnesium chloride gas applied on roads to try to control the wash boards as well. It would help if we kept an eye on the ditches and remove rocks as they start to pile up.

Agricultural status for land owners, tax break

Richard asked Bob Foster to research this subject for HPRA.. Richard passed out information provided by Bob Foster (see attached). Richard explained that he had leased his land to Dakota Darnell to run his cows on. Richard provided letters signed by Dakota to provide to Delta county assessors office to hopefully affect the home-owners agricultural status. Colorado law states the land owner must fence the cows out. Richard stipulated with Dakota that if a HPRA calls regarding cows damaging property Dakota is to come and get his cows agreement to get cows out by 10/7/17

Property Owner Vehicle Tags for 2018

Do we want to continue? There were comments regarding sending a memo to inform the membership to require tags during hunting season September though January 31. Everyone agreed that we should write our name and the current year on the tags. We should use up the tags we have and discuss at next meeting.

Snow Plowing

Robert Foster asked that Richard Neier bring up the issue of plowing snow on the upper end of High Park Rd. Reese explained the challenge of plowing during the winter. The Bylaws state that this issue is up to each individual land owner.

Weed Spraying

Richard asked for comments on weed spraying , if there was anything he needed to do differently, etc. There were no comments.

Operation of Gate and New Code for 2017-2018

Still having problems with the new keypad. Mike and Reese have agreed to work on this problem Discussion regarding hard-wiring the keypads to the main battery. Mike mention he had a friend he would have look at the gate as well

The new gate code was discussed and new code agreed on

Meeting date for 2018

Next year's meeting date: August 18. 2018

Granby Trail Update

Dawn and John Sudmeier attended a meeting regarding Delta County Trails Plan. There was higher importance placed on developing existing trails, low priority of creating new ones. Dawn agreed to keep HPRA informed on this subject as it develops.

Loomis – New structure

Rea Ann Loomis asked if a yurt was an approved structure. Richard directed her to present the information to the board for approval.

Elect a Board Member

There are three board members finishing their terms this year: Richard Neier, Reese Wagner and Robert Foster

MOTION – Mike Kuene moves to nominate Richard Neier to the board for a 3 yr term, Diane Kuene 2nd -
Vote unanimous. Motion carried.

MOTION – Diane Kuene moves to nominate Mike Kuene to the board for a 3 yr term, Lisa Neier 2nd -
Vote unanimous. Motion carried.

MOTION – Richard Neier moves to nominate Abram Acton to the board for a 3 yr term, Diane Kuene 2nd -
Vote unanimous. Motion carried.

Status of current board members:

Abram Acton, board member – 3 years remaining

Aaron Wagner, Vice President – 1 years remaining

Mike Kuene, board member – 3 years remaining

Richard Neier, board member – 3 years remaining

Gary Hutson, board member – 2 years remaining

A president will be elected at the board meeting following the potluck today

Secretary:

Do not call secretary with problems, call the board.

MEETING ADJOURNED 12:37

Minutes submitted by Julie Wagner

Note – Abram Acton was voted President of HPRA at the Board of Director's meeting directly following the Member Meeting on August 19, 2017

High Park Road Association

Meeting Agenda

August 19, 2017

10:00 a.m.

Type of Meeting: Annual Meeting

Meeting Facilitator: Richard Neier

Invitees: HPRA Members

Call to order

Member sign in * Determine Quorum -Members introduction

Approval of minutes from last meeting

Old Business

- Beldon Road Completion Plan
- Abram Acton was to investigate plans for nicer gate
- Aaron was to check with County Planning regarding maintenance of the culdesac. Reece was to discuss with Delta County Road & Bridge Department
- Granby Ditch and Reservoir Company would like to have an Easement Deed
- Garcia Property Foreclosure /Assessment

Financial Report

- a) Review Actual Expenses to Budgeted
- b) Approve Operating Budget

New Business

- a) Discuss road maintenance and completion
- b) Agricultural status for land owners to have a tax break
- c) Property Owner Vehicle Tags for 2017
- d) Snow Plowing
- e) Weed spraying 2018
- f) Operation of Gate and New Code for 2017-2018
- g) Meeting date for 2018
- h) Adjournment

HIGH PARK ROAD ASSOCIATION
BUDGET FOR THE YEAR 2018

	BUDGET-2017	EST. EXPENSES-2017	BUDGET-2018
INCOME			
Assessments-51 units	(@\$500) \$25,500	(@\$500) \$25,500	
EXPENSES			
Roads- maintain & improve	19,650	19,650	\$19,400
Minutes- preparation	250	250	\$250
Weed spraying/mowing	1,500	1,500	\$1,700
Insurance	2,200	2,000	\$2,000
Legal fees	600	600	\$600
Accounting & reporting	1,200	1,200	\$1,200
Office expenses	100	150	\$200
Total expenses	25,500	25,350	\$25,350
SURPLUS-For the year	0	150	
CASH AND RECEIVABLES-Y. E. 2016	16,345	16,345	N/A
CASH AND RECEIVABLES-Y. E. 2017	16,345	16,495	16,345
CASH AND RECEIVABLES-Y. E. 2018-projection			

12:48 PM
08/18/17

High Park Road Association
A/R Aging Summary
As of August 18, 2017

	<u>Cu...</u>	<u>1 -...</u>	<u>31...</u>	<u>61...</u>	<u>> 90</u>	<u>TOTAL</u>
Aaron Wagner	0.00	0.00	0.00	0.00	1,000.00	1,000.00
Esther Garcia	0.00	0.00	0.00	0.00	1,000.00	1,000.00
Lance and Pam Foley	0.00	0.00	0.00	0.00	500.00	500.00
TOTAL	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>2,500.00</u>	<u>2,500.00</u>

High Park Road Association
Balance Sheet
As of December 31, 2016

	<u>Dec 31, 16</u>
ASSETS	
Current Assets	
Checking/Savings	
Bank of Colorado	15,344.89
Total Checking/Savings	15,344.89
Accounts Receivable	
Accounts Receivable	1,000.00
Total Accounts Receivable	1,000.00
Total Current Assets	16,344.89
TOTAL ASSETS	<u>16,344.89</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Deferred income	1,500.00
Total Other Current Liabilities	1,500.00
Total Current Liabilities	1,500.00
Total Liabilities	1,500.00
Equity	
Principal/equity	11,776.68
Net Income	3,068.21
Total Equity	14,844.89
TOTAL LIABILITIES & EQUITY	<u>16,344.89</u>

High Park Road Association
Profit & Loss Budget vs. Actual
January through December 2016

	<u>Jan - Dec 16</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Ordinary Income/Expense			
Income			
Assessments	25,500.00	25,500.00	0.00
Total Income	25,500.00	25,500.00	0.00
Expense			
Accounting and reporting	1,150.00	1,150.00	0.00
Insurance	1,853.00	2,100.00	-247.00
Legal fees	0.00	600.00	-600.00
Minutes-preparation	250.00	250.00	0.00
Office expense	118.99	100.00	18.99
Repair and Maintenance	0.00	0.00	0.00
Road maintenance/improvements	18,174.80	20,300.00	-2,125.20
Weed spraying	885.00	1,000.00	-115.00
Total Expense	22,431.79	25,500.00	-3,068.21
Net Ordinary Income	3,068.21	0.00	3,068.21
Net Income	<u>3,068.21</u>	<u>0.00</u>	<u>3,068.21</u>

	<u>Aug 18, 17</u>
ASSETS	
Current Assets	
Checking/Savings	
Bank of Colorado	22,712.95
Total Checking/Savings	22,712.95
Accounts Receivable	
Accounts Receivable	2,500.00
Total Accounts Receivable	2,500.00
Other Current Assets	
Deposit-Town of Cedaredge	425.00
Total Other Current Assets	425.00
Total Current Assets	25,637.95
TOTAL ASSETS	<u>25,637.95</u>
LIABILITIES & EQUITY	
Equity	
Principal/equity	14,844.89
Net Income	10,793.06
Total Equity	25,637.95
TOTAL LIABILITIES & EQUITY	<u>25,637.95</u>

2:21 PM

08/18/17

Accrual Basis

High Park Road Association
Profit & Loss Budget vs. Actual

January through December 2017

	<u>Jan - Dec 17</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Ordinary Income/Expense			
Income			
Assessments	25,500.00	25,500.00	0.00
Total Income	25,500.00	25,500.00	0.00
Expense			
Accounting and reporting	0.00	1,200.00	-1,200.00
Insurance	0.00	2,200.00	-2,200.00
Legal fees	0.00	600.00	-600.00
Minutes-preparation	0.00	250.00	-250.00
Office expense	113.00	100.00	13.00
Road maintenance/improveme...	14,593.94	19,650.00	-5,056.06
Weed spraying	0.00	1,500.00	-1,500.00
Total Expense	14,706.94	25,500.00	-10,793.06
Net Ordinary Income	10,793.06	0.00	10,793.06
Net Income	<u>10,793.06</u>	<u>0.00</u>	<u>10,793.06</u>

High Park Road Association

8/18/2017 1:56 PM

Register: Bank of Colorado

From 01/01/2017 through 08/18/2017

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
02/02/2017	JE	Peter Brown	Deferred income	Assess. rec'd on 12-5...	1,500.00	X		13,844.89
02/11/2017	1132	Julie Wagner	Office expense	P O Box rent-reimb.	58.00	X		13,786.89
02/25/2017		Assessments	-split-	Assessments		X	12,500.00	26,286.89
02/25/2017		Gary and Patricia Hutson	Undeposited Funds	assessment		X	500.00	26,786.89
03/18/2017		Assessments	-split-	Assessments		X	3,200.00	29,986.89
04/14/2017		Kathy Gates	Undeposited Funds	Assessment		X	500.00	30,486.89
05/01/2017		Tanker Mountain, LLC	Undeposited Funds	Assessments		X	3,500.00	33,986.89
05/11/2017		Dawn Sudmeier	Undeposited Funds	Assessment		X	300.00	34,286.89
05/26/2017		Aaron Foster	Undeposited Funds	assessment		X	500.00	34,786.89
05/28/2017		Reese L and Julie A Wagner	Undeposited Funds	assessment		X	500.00	35,286.89
06/09/2017		Diana and Michael Keune	Undeposited Funds	Assessments		X	1,500.00	36,786.89
06/30/2017	1133	R. E. Belden Construction	Road maintenance/improvements	Invoice dated 6/26/2...	14,335.00	X		22,451.89
07/12/2017		Abram M. Acton	Undeposited Funds	Assessment		X	500.00	22,951.89
07/21/2017	1135	Town of Cedaredge	-split-	Room rent \$50.00 de...	475.00	X		22,476.89
07/31/2017		Assessments	Undeposited Funds	Deposit			500.00	22,976.89
07/31/2017	debit	Bank of Colorado	Office expense	service charge	5.00	X		22,971.89
08/03/2017	1136	Julie Wagner	Road Construction & maintena...	New battery for gate	258.94			22,712.95

Notes on Taxes for Agricultural vs. Residential Status on HPRA Properties
Robert Foster
Aug, 2017 HPRA Meeting

To: HPRA board and fellow HPRA landowners.

The intent of this memo is to convey some information I've obtained from conversations with Audrey Conner at the Delta County Tax Assessors office. I don't represent this as a full, complete and accurate representation of the law and the process, but rather some information to raise the level of understanding for us all.

I'll note here that Audrey intends to audit the HPR properties in the near future. Her job is to generate tax revenue for the county, so she will be looking to elevate the status of properties in a fair manner to generate the proper taxes or see justification to keep properties at their current status.

There are 3 main classifications of property:

1. Agricultural
2. Vacant
3. Residential

Taxes are determined by the value assessed to a property multiplied by the applicable tax rate, then multiplied by the mill levy.

Taxes = Value X Rate X Mill Levy

Tax rate on residential is 7.2% and for Agricultural and Vacant land is 29 %. The levy is set at 56.4310 which is divided by 1000 in the tax calculation (mill levy).

Agricultural:

This is how most if not all our lots started off and how many of the lots are still classified. However, it is very important to know that to maintain this status, one must have continued agricultural activity on the property, such as growing crops or cattle grazing. It must be demonstrated by such things as a cattle grazing agreement with another party. If this is not done, land without a livable structure would become "Vacant" and land with a livable structure would become "Residential"

To demonstrate continued activity, one must grow crops, graze their own cattle or have a cattle grazing agreement with another party. I think maintaining fences on your property or working a cattle drive also qualify. It's important to know that "trespass" grazing (when cattle roam onto your land without your express consent via a written agreement) does NOT qualify as being in the "Agricultural Process".

For tax purposes, Agricultural land usually has a low value. The rate is 29% and the mill levy is 56.4310. An example would be:

Taxes = Value X Rate X Mil Levy

\$8.10 = \$495 X 0.29 X 56.4310/1000

Vacant:

This is land without a livable structure and no agricultural activity. For those without cabins and no agricultural activity, this may be the status that Audrey will seek to apply to your properties. The value of vacant land will likely be higher, perhaps much higher and thus will have higher taxes.

Residential

This would be normal classification for a property which has a livable structure and people are living in it. It is taxed at 7.2 % with the same mill levy as with other properties. This status would apply to a property on HPR that does NOT have any agricultural activity taking place.

A tax example might be

$$\begin{aligned} \text{Taxes} &= \text{Value} \times \text{Rate} \times \text{Mil Levy} \\ \$812 &= 200,000 \times .072 \times 0.0564310 \end{aligned}$$

This gets a bit more complicated when there is a livable structure on a property that is also used for agricultural activity. The example here is a property with a livable structure where the owner has an agreement with someone to use the land for grazing. The property is divided into a "Non-Integral" portion of 2 acres where the structure is and an agricultural portion. For a 35-acre parcel, this ag portion would be 33 acres after the "Non-integral" portion is subtracted. The structure and the "Non-Integral" portion are taxed at 7.2% and the ag land is taxed at 29%. Each will have its own "value" for calculating the tax. Here's an example from our property.

$$\text{Taxes} = \text{Value} \times \text{Rate} \times \text{Mil Levy}$$

For the structure:

$$\$500.70 = \$123,233 \times .072 \times .0564310$$

For the Non-Integral land (2 acres)

$$\$146.27 = \$36000 \times .072 \times .0564310$$

For the Ag land (33 acres)

$$\$7.64 = \$467 \times .29 \times .0564310$$

Adding these all up, yields a total of \$654.61

There is a break for a landowner who grazes their own cattle, that is, they own the cattle that are grazing on the property. I think that in this case (to be verified), the non-integral portion does not apply so there is only the tax on the structure and all the land is considered agricultural. In the example above, that would lower the taxes by ~\$150.

I hope this helps the group to have a better understanding of how taxes are determined and what is needed to maintain an agricultural status. There was a law put into place in 2012 that generated this process of tax calculation.

You can contact Audrey Conner at the Tax Assessors office at:

970 874 3574

Email: aconner@deltacounty.com

Robert Foster
HPRA Board Member