



Welcome to the 2022 Annual Meeting of the Bear Springs Trails Owners Association

Agenda



BEAR SPRINGS TRAILS

- Welcome and introduction of Board of Directors/Officers
- Quorum Determination
- Approval of 2021 Annual Meeting Minutes
- Financial Overview
- 2021 Budget
- Statutory Changes Governing Homeowners Associations
- Election of Directors and Solicitation of Officer and Architectural Control Comm. Volunteers
- Old Business – Discussions concerning Metal Buildings revision of Covenants and Update on Subdivision Entrance Improvements
- New Business – Discussion of Directors' Proposed Action to Increase Monthly Assessment and/or Impose Special Assessment to Fund Road Resurfacing
- Voting on Directors and Metal Building Amendment
- Open Forum
- Adjournment

Board of Directors



➤ Board of Directors

- Rhonda Ray
- Andy Watson
- Betty Serene

➤ Officers

- President: Rhonda Ray
- Vice President: Kurt Otto
- Secretary: Andy Watson
- Treasurer: Betty Serene

➤ Architectural Control:

- Vacancy
- Wendell White
- Duke Todd

Quorum Determination and Approval of 2021 Annual Meeting Minutes



- Quorum is met by 1/3 of eligible lots present or represented
 - 60 lots in subdivision
 - $60 \times 1/3 = 20$
- 20 lots represented needed to make Quorum. Do we have a Quorum?

- Are there any amendments or objections to approval of the 2021 Annual Meeting Minutes?

Financial Overview



Checking Account Balances

Account Balances

- 12/31/2021	\$14,039.76
- Current (4/30/22)	\$20,837.79

Certificates of Deposit Balances - To Date \$19,409.5

2021 Expenses



2021 Detailed Expenses (including CD's)

Treasurer	\$ 2,400.00
Mowing	\$ 0.00
Utilities:	\$ 443.43
Repairs	\$ 516.68
Postage:	\$ 84.00
CD's	\$ 5,094.00
Insurance	<u>\$ 1,567.00</u>
Total Expenses 2021:	\$ 10,105.11



Statutory Changes to the Covenants

- Percentage required to amend covenants – 67%
- Restrictions on membership on ACC – can't be a board member or spouse or member of same household
- Prohibition on denial of right to vote

Elections



➤ Board of Directors

(The HOA members elect the Directors. The Directors then appoint the officers)

➤ 3 Directors (serve two-year terms)

The Directors request their re-election. Are there any nominations for these positions other than the current Directors?

The Board appoints the following officers:

- ✓ President
- ✓ Vice President
- ✓ Treasurer
- ✓ Secretary

➤ Architectural Control Committee (ACC)

➤ The Board of Directors set up the ACC so that 3-year terms are served on a staggered cycle with one committee member position open for a new volunteer each year. Rawlin Ray has resigned because a statutory change makes Directors, their spouses, and members of their household ineligible for the (ACC). Vacancy to fill this year, Duke Todd's term expires in 2023, and Wendel White's in 2024.

- ✓ Are there any volunteers who would like to be considered to join the Architectural Control Committee or be considered for an officer position to be appointed by the Board of Directors?

Old Business



➤ Old Business

Discussion and Vote concerning Metal Buildings revision of Covenants

Update on Improvements of the Subdivision Entrance



Metal Buildings Amendment to Covenants

Current Restrictions:

Article 2, Section 5, Architectural Control, Paragraph 2, sentence 2 states

The exterior of all structure must be brick, stone, stucco, or other exterior siding approved by the committee; provided however, that no metal exterior (other than roofs) will be permitted.

Proposed Change:

Article 2, Section 5, Architectural Control, Paragraph 2

The exterior of all residential dwellings must be brick, stone, stucco, or other exterior siding approved by the committee; provided however, that no metal exterior (other than roofs) will be permitted. Non-Residential structures (including, barns, garages, shops, etc.) can be constructed utilizing metal components as approved by the committee. Quonset style metals buildings are not allowed.

Amendments:

1. Non-Residential structures constructed from Metal must be galvanized or better grade and durability.
2. Non-Residential structures must comply with limitations stated in Article II, Section 2, Construction.
3. Non-Residential structures can be constructed prior to construction of the primary residence as are Storage Buildings as defined in Article II, Section 2, Storage Buildings, as approved by ACC.
4. Non-Residential structures must comply with Article II, Section 7 Location of Improvements Upon the Lot
5. Non-Residential structures must be approved by ACC.



New Business/Open Forum

➤ New Business/Open Forum

Discussion of Directors' proposed action to increase monthly assessment per lot and/or impose a special assessment per lot to raise additional funds for maintenance of the roads.





Fee Increase to Fund Road Repair

Reserve Fund Balance as of 12/30/21: \$19,409.58

Currently Adding to Reserve Fund (per year): \$5,000

Estimated cost to resurface roads: \$200,000

The Board previously estimated it would cost approximately \$100,000 to resurface our private roads. However, this year the Board acquired two bids to resurface our roads, and they both came in at around \$200,000. At our current rate of savings (without any increase in annual assessments or any special assessments) it would take us 36 years to raise the \$200,000. (And it will most likely cost more to resurface roads in 36 years.)

$$\$5,000 \times 36 = \$180,000 + \$20,000 \text{ (current Reserves bal.)} = \$200,000$$

This brings up the challenge of what can/should we do? The following slides provide details of some possible ideas of what our options could be.



Fee Increase to Fund Road Repair

Possible scenarios (these do not consider interest earned on CDs):

- 1. Increase our monthly Assessment to \$30/month;** adding an additional \$7,200/year (60 lots x \$120 extra assessment/year) to the Reserves Fund per year - could resurface our roads in **15 years**:

Current to Reserves per yr. \$5,000 + \$7,200 = \$12,200 to Reserves Fund each year
 $\$12,200 \times 15 \text{ (years)} = \$183,000 + \$20,000 = \$203,000$

- 2. Increase our monthly Assessment to \$30/month & assess a Special Assessment of \$100 per lot per year for 10 years (NOTE: the Directors would have to renew the special assessment each year) -** we could resurface our roads in **10 years**:

$\$12,200 \text{ (#1 scenario)} + \$6,000 \text{ (60 lots} \times \$100) = \$18,200 \text{ to Reserves Fund ea. yr.}$
 $\$18,200 \times 10 \text{ years} = \$182,000 + \$20,000 = \$202,000$



Fee Increase to Fund Road Repair

Additional Possible scenarios:

- 3. Forget about completely resurfacing our roads** ever and just patch them as needed. This would eventually create very bad roads for our community, which could very well lower property values.



Voting on Directors and Metal Buildings Amendment

Voting and Vote Count

Open Forum



Are there any issues owners which to raise for discussion?

Adjournment



Motion to close the annual meeting