

Mountain Springs Ranch Homeowners Association

Board of Trustees Meeting Minutes

July 26, 2021

Attendance:

Carrie Clark, President
Cyndie Rippy, Treasurer and Vice President
Julie Coy, Co-Treasurer and Secretary
Chris DeSantis, Trustee at Large
Tom Heald, Trustee at Large
Gary Starr, Trustee at Large
Tom Warnes, Trustee at Large

Also Present at the meeting:

Peggy Hill

Call to Order:

President Carrie Clark called the meeting to order at 5:05 p.m. MT via Zoom

Approval of 7/20/21 Meeting Minutes:

Deferred

Revised Articles and Bylaws Review:

Tom Heald discussed the value of a community survey to inform the Covenant revision process that addresses issues the Board has identified for input, as well as asking the community what should be addressed that hasn't been included in survey items.

Chris DeSantis added that when the survey goes out, items that are required by law should be identified so members know they aren't optional.

ARTICLE V BOARD OF DIRECTORS (CONTINUED FROM PREVIOUS MEETING)

5.5 Board Meetings.

Chris DeSantis presented revised language based on feedback from the July 20 meeting and asked for input. Found acceptable.

5.6 Quorum.

No issues raised.

5.7 Agendas and Attendance

No issues raised.

5.8 Executive Session

No issues raised for revision. Tom Heald observed that in public organizations, interested parties sometimes want minutes or a recording of what happened in Executive Session. In general, those Requests for Records have been honored despite the purpose of confidential discussion within the Board. The Board needs to be selective about the use of Executive Session and how business in such a session is conducted. Minutes may be taken for an Executive Session, but those minutes are not part of the minutes of the larger meeting that are distributed to members.

5.9 Actions Binding on Directors.

No issues raised.

5.10 Waiver of Notice

Members expressed confusion about the language. The gist is that a member of the Board of Directors cannot show up at a meeting of the Directors and say they didn't know the meeting had been called. Chris DeSantis said the language in this section is required by CCIOA.

5.11 Action Taken Without a Meeting

Gary asked if email can count as written communication. It can.

5.12 Teleconference Meetings

Julie Coy asked if in-person meetings are still possible. The language allows, but does not legally require, video-conferencing. The Board reaffirmed that using video-conferencing is valuable despite its challenges and may supplement in-person attendance.

ARTICLE VI POWERS AND DUTIES OF THE BOARD OF DIRECTORS

6.1 General

No issues raised.

6.2 Specific Powers and Duties

6.2a. No issues raised. **6.2b.** Gary Starr suggested providing a definition of terms such as 'Declaration' vs. 'Association Documents' so each term is understood by members reading the By-Laws. Gary urged consistent use of terms across clauses. Tom indicated the definitions of the respective terms are complex. Chris shared that 38.3.103 in CCIOA provides definitions. Definition #13 provides the definition of Declaration as all documents forming the association, but not limited to those. This will be referred to the HOA attorney for guidance. Julie Coy pointed out that this section also says the Board will review all governing documents at each annual meeting, which would be onerous. She suggested it might need to read that the Board

will annually review those documents for consistency and compliance in advance of each annual meeting. Chris will look for the language in CCIOA and/or Title 7 and see if we can adjust it to make it more reasonable. **6.2c.** Gary Starr said our historical practice has been to retain savings from assessments raised in one year to be carried over to the next year to help guard against unexpected expenses such as an unusually snowy winter that requires much more plowing. Chris said that there are 3 legal options to handle excess revenue from member assessments: return the money to members, add it to a capital improvement fund, or add it to a contingency fund and that it cannot be ‘carried over.’ The definition for use of surplus funds is in CCIOA. Carrie said our lawyer encouraged us to have an established rate for dues, and to enact a special assessment if costs are incurred over what was budgeted and determined the level of dues. Our options for handling excess assessments will be discussed with the lawyer. **6.2d.** No issues raised with the language. Tom said that budget adjustments within the approved budget are normal on a quarterly basis, with communication to members, and it is a helpful tool for optimizing management of the association budget and functions. **6.2e.** No issues raised. **6.2f.** No issues raised. **6.2g.** No issues raised. **6.2h.** Julie Coy asked if our bank accounts must be named consistent with the terms in the By-laws. Cyndie Rippey asked if the term ‘reserve funds’ should instead be “capital improvement funds.” Discussion ensued about what might constitute a capital improvement in Mountain Springs Ranch. Greater clarity may be needed in the purposes for funds in each of the categories listed in this clause. **6.2i** No issues raised. **6.2j** Address the term “Declaration” if needed. **6.2k** No issues raised. **6.2l** No issues raised.

6.3 Limitations of the Board. This section was removed in the draft under review. Julie Coy indicated that a section in the previous version of 6.3 should be restored to the MSRHOA By-Laws, stating “The Board may not delegate authority to any person or committee to spend association funds.” This section highlights the Board’s obligation not to delegate authority for expenditures. 7.2 directly limits the powers of a committee.

ARTICLE VII COMMITTEES OF THE BOARD

7.1 Board to Appoint Committees

Julie Coy questioned the necessity of achieving a quorum for a committee to do work with the volunteers who can attend. Carrie Clark affirmed the value of having a majority of committee members in meetings to discuss issues from different perspectives before bringing recommendations back to the Board. Chris and Carrie affirmed that under CCIOA and Colorado Open Meeting Law, all the rules applying to meetings of the Board apply to meetings of Committees. Julie Coy said compliance with this will require education and training of all Committee Chairs to assure they are prepared to handle Committee administration and are able to carry out necessary communications with the Membership including videoconferencing.

7.2 Limitation on Authority of a Committee

No issues raised.

ARTICLE VIII OFFICERS AND THEIR DUTIES

8.1 Enumeration of Officers.

Cyndie Rippy said Secretary and Treasurer need to be separate offices held by different people. The jobs are too big for one person to do both. Cyndie also feels a Co-Treasurer is needed for accountability, which is allowed by the phrase “and such other officers as the Board may create by resolution.”

8.2 Election of Officers

No issues raised.

8.3 Term

No issues raised.

8.4 Special Appointments

No issues raised.

8.5 Resignation and Removal

No issues raised. This pertains only to removing a member of the board from a position as officer.

8.6 Officer Vacancies

No issues raised.

8.7 Multiple Offices

No issues raised, but language clarified to mean that the person who is President may not also be Secretary.

8.8 Duties

8.8a No issues raised. 8.8b No issues raised. 8.8c No issues raised. 8.8d Julie Coy asked about the language requiring annual audit. The word “annual” was removed.

8.9 Delegation

No issues raised.

Article IX INDEMNIFICATION

9.1 Definitions

No issues raised.

9.2 Indemnification

No issues raised. The insurance described is required by law.

9.3 Right to Impose Conditions to Indemnification

No issues raised.

ARTICLE X AMENDMENTS

No issues raised.

Carrie noted that the By-Laws used to have an Article XI, MISCELLANEOUS, which was removed. There was a section (XI.2) that indicated which documents would control in the case of conflicts between documents of the association, and that was helpful. Carrie will send that language to Chris to add back to the current version.

Carrie reminded the Board that the issue of when the annual meeting should be held needs to be addressed by the member survey and the result captured in the By-Laws.

Julie Coy also said that the issue of terms and length of service for Directors also needs to be addressed. The Board agreed to leave terms at one year.

Chris will address outstanding issues and prepare the draft of By-Laws for review by the attorney and give the Board one more review before sending.

Chris asked that Board members draft survey questions they feel are needed.

Next Meeting of the Board for Review of Governing Documents:

Monday, August 2, 2021 5-7 p.m. to begin review of the Covenants and possibly the final version of the By-Laws if the attorney has reviewed and provided input.

Next Regular Meeting of the Board:

Wednesday, August 11, 2021 6-8 p.m.

Meeting Adjourned at 8:00 p.m.