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# Meadow Hills Estates HOA

Board of Directors Meeting Agenda and Minutes

Wednesday, February 15th, 2023

**6:00 PM- 7:30 PM**

## Agenda

1. Call to order Jake Zambrano President-elect for 2023

2. Roll Call

3. Presentation of proposal, questions, and answers

David Ariss, Centennial Property Management 6:10 - 6:45

4. Approval of Annual Meeting Minutes 2022, January 2023 minutes

Homeowner's Open Forum

Reports: Secretary Claudia Van Buren, Treasurer's Report Judi Warkentin, ACC Tom Miller,

Old Business: Webmaster proposal review, ACC enforcement support, review progress/possible proposal presentations, Mail Chimp campaign, review correspondence/candidates for committees, LPCR camera readers progress,

New Business

. Homeowner's Open forum

Adjournment

Next Meeting date and time

Call to Adjourn

## Meadow Hills Estates HOA

2.15.23 Board of Directors Meeting Minutes

### Roll Call Board Members in attendance

Jake Zambrano President present via Google Meets* (GM)	Tim Parkhurst Member at Large present via GM	Lynn Miller Resident joined @ 6:19 pm
Stacey Elswick Vice- President present via GM	Bobby Schiff Member at Large present via GM	Bill Warkentin joined
Claudia Van Buren Secretary present via GM	Judi Warkentin Treasurer Director Elect Present via GM	
	Tom Miller Director ACC Chair present via GM	

Call to Order Jake Zambrano 6:10 pm

Roll Call / A Quorum is established.

### Presentation

#### David and Barbara Ariss of Centennial Property Management -

JZ: Historical reference- Two years ago a contract was brought forward to the board for review, this was presented but not acted upon. Today's presentation is the same company Centennial Property Management.

Centennial Property Management (CPM) Barbara Ariss (BA): You have a beautiful neighborhood and we are confident we can help with those few neighbors who are not maintaining their property according to CCR's.

For us action by the board, begins with a notification via report to the board and then a general courtesy letter to the homeowners related to any violations found, then it can progress from there based on the homeowner's response. David Ariss noted that based on **CCIOA** updated language in 2022, our attorney should review our bylaws for the three changes that became law in late 2022. Go to your full Association for adoption of Rules and Regulations. Rules and regulations ensure that should a violation go all the way to court you will have rules in place to support enforcement.

JZ: So you have helped other Associations that you manage get this in order, so enforcement can start happening?

CPM BA: Yes, so if you are ready to ask your attorney. CPM can send a template for building Rules and Regulations based on MHE's covenants. "Where is the communities', point of pain" - what actions do you seek?

Post Neighborhood drive through - Review of the neighborhood tour/assessment of Meadow Hills Estates.

A few Motorhomes are parked out in the community in driveways, a few Christmas decorations are still up, a few landscaping issues. Some associations determine a date such as the first or the middle of February. by which all Christmas decorations will be removed. You have a couple of houses with fencing that does not appear to comply with your CCR's. Trash cans are being stored visible to the street. A discussion that MHE CCR's state trash cans will be stored out of view of the street, while several residents have them in plain view from the street, on a habitual basis. A couple of inoperable cars with tarps over them.

Question regarding our dead tree policy- How do you deal with these?

Question regarding fencing that is not defined in our governing docs.


Question regarding inoperable cars covered in tarps in plain view from the street.

CPM provides a monthly report that chronicles the stages of compliance/noncompliance and progression related to letters of violation and process. Each new violation is approved by the board before any letter is sent.

T.M.: noted he had an RV parked on his property. He was unaware of the CCR's around RV's being parked on MHE residential property.

TP: Several house bills were presented in the Colorado legislature for vote and wants clarification regarding whether these had passed and how these would affect HOAs going forward. JZ: Three of these require policy update and the fourth simply requires a line in your proxy form that your proxy expires.

CPM BA: Based on recently passed legislation a health and safety violation is a category now available for use. Example if you have a residential area with sidewalks - if these are not cleared according to regulations, it is categorized as a health and safety violation. Another example is a yard in an HOA they managed that had garbage all over the front yard, the area was filthy. This was also categorized as a health and safety violation. These



required action within 72 hours, if it was not addressed it came with a fine of \$500 at which point the attorney is allowed to pursue it.

JZ: Living in a community such as MHE that has never been managed, we have seen an ebb and flow of enforcement using legal remedies that has waxed and waned. We have a top ten priority list of chronic and recurring violators. One strategy (speaking for myself) would be to get the major violations cleaned up, and worry about the trash cans later. As we get 125 households accustomed to enforcement.

CPM David Ariss (DA): One thing you will learn and is it is so difficult to address a neighbor complaining against neighbor and the neighbor pursuing a lawsuit. The whole process is just easier if a third party is addressing the complaint.

CPM BA: I realize up front I have addressed what the end game is, but you should be aware that 85-90% of the time we don't get to the endgame. Most residents comply with the request to resolve violations.

JZ: Could you address the technical aspects of Covenant Enforcement? When you do rotations or rounds, how does that affect what your contract price?


CPM -BA : Earlier we assumed once a month drive through, this works as we provide 30 days for compliance for a noted violation. Of course we take emails and calls from the board related to updates, all of which are noted in a data base. These are provided to you as a board for your review prior to any action being taken. The board can reject action or move forward as they evaluate the complaint.

In the database it is listed, by homeowner and address we provide the type of violation, the suspend date, After each inspection we provide a summary review to the board. We write the letters on our letterhead stationary with our return numbers, and email. Language in the letter states if you belief this letter was sent in error or you do not have a violation then please contact us and residents can call or email us to discuss their concerns.

JZ: Your organizational process is statutorily compliant. So when we hand over to counsel a file for a cure, you have taken the proper steps, that is important. Then a judge would be able to rule on it.

JW: Do you talk to the board before you send the letters out?

CPM BA: Not as a part of our usual process. We usually drive through the neighborhood, but we could do our neighborhood inspection as a walking tour with the board, especially the 1st one.



CPM DA: To clarify before a letter is ever sent to a homeowner, you as a board review the violations in a database, this is called the summary report. You can view the letters before they go out.

SE: The issue is not whether or not to fine a person, but that there is some ambiguity in our CCR's and how they have been interpreted. Violations that are more definitive such as trashcans in the front, or RV's in the street, those are easy to enforce. But for some of the grey areas it will require some definition.

CPM DA: As Barbara mentioned we will assist the HOA to write rules and regulations to expand on and further define the CCR's. The bottom line is we work for you.

JZ: The issues that are black and white we can move forward on, the issues in which there is grey we codify and give direction to CPM.

JW: My thoughts are they would work more with Tom as the ACC chair related to violations?

CVB Question- on average how many letters do you send out prior to compliance taking place?

CPM BA: On average the process takes 90 days, three letters in total not counting the courtesy letter.

CVB: Currently our documentation does not support the real violations present in status letters requested on homes for sale. We have examples in our neighborhood that represent homes that sold without accurate representation of ongoing violations prior to sale, now the new owner is saddled with those violations and bringing the home into compliance.

CPM BA: The reports will help with that. It will not only help with Covenant enforcement but the collection of fines due when a house sells.

CVB: Another concern is a neighbor that is harboring coyotes, and perhaps even feeding them.

CPM DA: We dealt with a person in a high end neighborhood who was actually feeding rats, large rats. This was difficult to document but it did get resolved.

CPM BA: This can be dealt with related to a category called a "nuisance" violation.

CPM DA: Do you have difficulties with non-compliant dues collection?

JW: As of now we have 28% of dues delinquent 26 of 125 residents. This is high.

DA: Under the new law you have to notify three ways, post a notice on their door a delinquent notice that was created for you by the State and email and send by written mail.

Just to let you know it works, I usually get a phone call next day. I don't like doing this but this is part of our full service contract. I have an updated contract with current references ready to go, I will get that out to you.

JW: I can work on getting these late notices out, though I have no desire to go door to door to post on the door of a home.

CVB: I can help you with that.

CVB: Do you offer Rules and Regulations to your clients?

CPM BA: We offer a template to our clients that is generic, but I have a beautifully written set of rules and regulations from another Association that is updated annually that we will share with you.

JZ: Due to time constraints the presentation is ending.

CPM DA: We will send an updated contract to you by email.

## General MHE Board Meeting Business Opened JZ

### Adoption of presented Minutes

Motion to Approve Minutes of the Annual Meeting Minutes 12.11.2022, no corrections, additions or omissions identified. Motion to adopt SE, seconded by JW Motion approved, 7-0 no abstentions, no nays.


January 2023 meeting minutes presented, no corrections, additions or omissions identified. SE-motion adopt, TM seconded, All approved 7-0, no abstentions, no nays.

## Reports

### Secretary's Report

CVB: - I received a letter that accompanied dues payment from a homeowner **Jay Mills** - I won't read the whole letter but in synopsis he wonders why he should continue to pay dues year after year to a community HOA that is not enforcing CCR's. Jay is a homeowner of two properties in our community.

He has a home on Elkhart and owns a home on Kenyon. He has history as a board President, so he is aware of the situation we are in.



Other letters of correspondence: Karen Le'Heureux responded to our Community outreach for ad hoc committee support. She was interested in the position of Neighborhood safety, Social Media Coordinator.

The second person to come forward was Nora Midkiff she has interest in participating in By-Laws revision.

There were two other homeowners that responded to offer comments, - but did not offer to volunteer related to the request.

## Treasurer's Report

JW- The January Balance sheet and P & L statement were sent out by email to all board members. We have \$107,652.67 total in the checking and savings account. Melissa (our bookkeeper) is delightful to work with, responsive to all of my requests. We have 26 homeowners who have not paid their 2023 annual dues to date. I am hopeful payment will occur in the next couple of weeks. I have asked Melissa to transfer \$25,000 into savings and we have made some interest on that account. She has sent out the 1099's and 1096 forms prepared, and will be sending me the 1120 tax form for me to sign and send in. When we went to the bank we spoke with Business Accounts Manager Jonathan he is the account manager for us at Wells Fargo bank. If we want to consider CD's with some of the money we have, there is a 5 month CD at 3.75% and an 11 month CD at 4%. That could be a consideration for us in the future. To activate a second savings account will not incur a fee if we keep \$10,000 or more in the account, the fee \$20.00 a month is waived at that level. So this seems feasible. Also Melissa Haines is currently the Key Executive over our accounts, but according to our by-laws I think it has to be a board member in that role.

Business Account Manager Jonathan (who replace Rosie-retired) recommends that two of us (Directors) be listed as Key Executives for our accounts. All of Melissa's other duties would remain the same. It is really just check writing privileges, really. Something we don't do often.

CVB: The previous Business Account Manager Rosie at Wells Fargo directed us to make Melissa the Key Executive, since she was the Registered Agent with the State. Certainly we want to comply with our By-laws as they are written, so I am in favor of making this change.

JW: Yes she is the Registered Agent with the State, so that is why Rosie thought she should be the Key executive, but Rosie wasn't privy to our By-laws.

JZ: I recommend that the Treasurer be the Key Executive, either you (Judi) and Claudia or You (Judi) and I. To make this happen what do we do?

JW: We have to go back to the bank, and Melissa will have to give permission to do this, The two people becoming Key executive will need to be present. I want Melissa to be able to do her job, and I was assured this could still happen.

TP: If we make two Directors Key executive, could Melissa be a co- Key executive?

SE: Question: Does Melissa even need to be on our account?

CVB: She is on the account in order to pay bills, she is our bookkeeper and a CPA. She has a restriction that she can not pay a bill that is greater than \$500.00 without a co-signer.

SE : So Judy you are the obvious one, so to get three on there...

JW: But we only need two. We could have three, that gives us a little more flexibility. Not everyone has to be there to make changes, adding someone or taking someone off.

Time noted as 7:06pm

JZ: Claudia - Do you want to be the second Key executive?

CVB: No problem.

JZ: To formalize - **Motion**: I move that Judi Warkentin and Claudia Van Buren become the Key Executives to meet our By-law requirements and banking needs for our Meadow Hills Estates accounts at Wells Fargo Bank. **Seconded by SE. Motion carried 7-0 All ayes, no abstentions, no nays.**

JW: Thank you, I would like to discuss the movement of monies to a CD, for a higher rate of return on our deposits. We could discuss this next month. Why don't I open a second savings account so that we can differentiate the monies of reserve from our regular savings account.

CVB: I would like to make a motion that we authorize Judi to create a second savings account, that segregates \$25,000 for a legal expense fund.


JZ: Is there a second? SE seconded. Discussion?

RS: I want to clarify I think this was monies to be set aside for legal funds for the HOA not for the defense of Directors. This money is for expenses incurred if the HOA is sued and loses and has to pay expenses, and/or damages awarded and is not specifically to be used in defense of Directors because that is what our insurance is for.

SE: I believe this is for Directors.

RS: No it is NOT! It is specifically for if the HOA sues, loses and has to pay both their own expenses and damages in a lawsuit.





CVB: Well if this was covered in the 2009 minutes, lets refer back to those documents and revisit this at the next board meeting. We can still create the fund we will just further define the intended purpose at a future meeting.

JZ: Agreed.

## Reports cont.

### ACC committee report.

T.M.: ACC report: I have nothing to report. I am attempting to gather information or documentation related to what was done last year, so I know where to begin. It sounds like listening to the Presenters tonight there will be some templates I can work with to start the ball rolling.

### Old Business

JZ: In accordance with what was presented tonight, this company offers soup to nuts management of all aspects of HOA business; example- Web site management, dues collection, bookkeeping, ACC violation tracking, with violation notification services.

The price difference between full service management and ACC management alone is negligible when you consider the current expenses of bookkeeper and the additional cost of web services. I would appreciate your opinions on that because we could extrapolate scope back to those of self management. As we make a decision on a professional manager, a number of items in the old business column could be directly related to that decision.

CVB: In relation to exclusive ACC management I circled back to Karrie Ezelle of Association Managment Company (AMA) the representative we interviewed last year in March 2022. She made it clear they would not be interested in any piece meal HOA contract, that she wouldnt even know where to begin to separate out ACC from the other moving parts. It either it was full service management contract or nothing. A proposal has been sent it worked out to something like \$114 per family, per year or \$1100 a month, for everything.

They help organize our meetings, they run our website, they provide form letter responses that homeowners in violation must address, to move forward. In her proposal,- correction it is \$1187.00 a month.

JZ: Does she have associations of similar size?

CVB: AMA has Residential management in smaller and larger sizes 62, 45, 450. I am not aware that they manage any properties exactly our size.

SE: I think we should entertain one more company.

CVB: Reminder - last year we had one more company that was going to present - It was Colorado Property Management. Located in Parker, they manage the Townhomes known as The Timbers, just east of us off of Chambers and Hampden Circle. The representative did not come to our meeting but when I reached out again she clarified they would not do a contract based on ACC management alone.

JZ: How important is it to the board that we select a company that will do ACC enforcement exclusively? Is there an appetite for a full service management company?

CVB: I would just clarify that we currently pay a bookkeeper \$2400 a year. We pay for Squarespace, Google Works, Mail Chimp, Community Box, and are reviewing a proposal to add a webmaster at \$1200 a year. If we engage a full service company we would not have those expenses, they would all be incorporated into the companies fees. At \$114 per family per year I don't think it could be done at a more reasonable cost. They do everything for that fee.

JZ: The other perspective to consider, one that is equally important is By-laws update, CPM Centennial Property Management would engage to do this on our behalf at a rate of \$75 - \$100 an hour, as our full service management partner, this is a rate much cheaper than an attorney can provide it for. So that is another consideration in our decision. They seem to have the qualifications that satisfy what I would be looking for to re-write our bylaws. My thought was I would engage Nora to join me and any of you who wanted to be a part of it, once we figured out who our management company would be. Tim, Bobby? Your thoughts?

TP: I have (experienced) multiple management companies, and I think it is better to have them do it all, because I think you fall into a grey area should a legal issue come up. This leaves the courts in the middle asking why did they have the Association management company do this part and not the other parts. It is just better to have them manage the whole thing. If you are going to do this, it is better to do the whole thing. I would ask Rich (the current President of Bellaire Estates) about his experience with a management company.

JW: The company that Bellaire Estates used was owned by a resident who lived in Bellaire, it was his company. After a few years, they defined what was going on and what he was doing to homeowners. They realized they had lost control, it was reported that he was fining people \$10,000 - 20,000. This is how they came to take back control. That person does not live there anymore. So I don't believe the situation Bellaire found themselves in pertains to us. I really feel with all that is needed a full service company is what is needed.

T.M. I would agree. As long as the company is reporting back to us, (that) we are communicating. Breaking it (the parts of management service) up seems messy.

JZ: What I like about it is - if we go full service, I think we could get our by-laws in order. We could get all of our working parts in order then if everything is running smoothly we could pull back to ACC enforcement only. So Tim you bring up a good point - we don't want there to be any grey area we are either full service or not. Stacey, I would agree we should hear from one more company before we make a decision. So our next presenting company if they are full service then we should entertain what that would look like for a Centennial Property management contract as well, so we are comparing similar proposals. This is an important decision, and the expectation is that we do something sooner rather than later, in order to support Tom in having compliance conversations going forward. My preference is to complete this task between now and our March meeting. So that as Spring arrives we have notified the key people to get their properties in order for the Summer, they have been given fair warning, and they can resolve the issues of (simple) one or two violations.

T.M. The timing is perfect for Spring coming up.

**Action Item-** Claudia will reach out to Karrie Ezell representative of Association Management to ask for a meeting with their company to present a proposal between now and regular March 14th HOA meeting, preferably Tuesday, Wednesday or Thursday - 30 minutes of speaking time and 15 minutes of question/answer time starting around 6pm.

### New Business

JZ: We will meet with the Association management company with the goal of driving to a decision at our regularly scheduled meeting in March.

CVB: I would encourage you to drive these neighborhoods, look at their websites, call the Presidents of their Associations to ask any questions you might have, before we bring it to a vote. Neighborhoods such as were mentioned in the letter from the Shoreys' Cherry Creek Vista.

JW: Yes I have driven these neighborhoods, Cherry Creek Vista and Churchill, they are immaculate.

CVB: Heritage Place is one of the neighborhoods Association Management Agency manages and it is also immaculate. They have walking trails, tennis courts, pools and you won't find a blade of grass out of place. Not all of the members of this year's board had a chance to meet Karrie, but they were open as to what they do. I liked them personally.

JZ: Would you like a list of Associations Centennial Property Management manages?

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TP: I did not get the financials. SE, CVB, did not receive either.

JW: I will re-send financials.

CVB: Do we need to revisit the 2023 budget and approve at the next meeting?

### Homeowners Open Forum-

Only resident in attendance at this time - Lynn Miller notes no further input from the floor.

**Action Item-** Jake will pass on a list of Associations that CPM manages so the board can do drive bys. Jake will pass the deposit only stamp on to JW.

### Motion to adjourn

7:13 pm Meeting adjourned