

SSSFHOA Board of Trustees Meeting Minutes, Feb. 2, 2010

The meeting, convened in the St. Luke's Episcopal Church library, was called to order at 6:05 p.m.

Members present: President Bill Gunter; Vice President James Larson; Secretary Harry Fuller; members Brian Robinson; Richard Krebs. Absent: Kristian Mulholland; Treasurer Chris Butler, Vice President Larson holding Mr. Butler's proxy. Also present: Lynn Cier, SSSFHOA bookkeeper; Bill Noland, board representative to the Silver Springs Master Assn. board of trustees; Julia Loughlin, SSSFHOA representative on the Master Assn. ad hoc committee for studying MA lakes use guidelines.

Quorum. President Gunter declared a quorum present.

Minutes. Richard Krebs moved approval of Jan. 5, 2010 minutes. Motion passed unanimously.

Special Assessment for Master Assn. Small Lake Repairs. Bill Noland reported that the MA board of trustees, having finalized its 2010 budget, is proposing to issue two assessments, one, \$175 a unit for the MA's general accounts budget, and another, \$182 a unit as a special assessment to fund essential repairs for the MA's small lake. Discussion considered how and when these billings would be managed with no decision reached.

SSSFHOA Budget and Membership Dues. Three alternative 2010 SSSFHOA budget estimates were presented for discussion, totaling (A) \$63,735; (B) \$67,585; (C) \$61,585. Most line items were identical except for projected legal fees (A) \$11,000; (B) \$12,000; (C) \$10,000 and reserves (A) \$10,150; (B) \$12,000; (C) \$9,000. Expected per lot dues for supporting each alternative were (A) \$260; (B) \$280; (C) \$250. The single largest expenditure in each projected line item was the Silver Springs Master Assn. dues: \$33,075, the same as last year. President Gunter speculated that, no major legal matters now being visible on the horizon, the estimated expenditure in that category could be considerably less, pointing out that while \$11,000 was budgeted for 2009 legal fees, only \$380 was spent. The approved 2010 budget contained an estimated \$12,000 "Legal Fees" amount. Discussion ultimately focused on the need for building a reserve capable of meeting costs resulting from such matters as unanticipated lawsuits or damages caused by unexpected natural events or greater than expected infrastructure repairs, the underdrain system, for example. The 2009 budget estimated \$4,000 for "drainage" purposes, the actual cost being \$5,975. Optional budget (A) projected drainage costs at \$4,000; (B), \$5,000; (C), \$4,000. It was observed that actual budget balances in 2008 and 2009 resulted in zero operating reserves and resulting discussion provoked the conclusion that it was past time to start creating a constant reserve, making special assessments unnecessary when and if financial emergencies arise. Consequently, the board voted unanimously to begin this year by approving option B, a \$67,585 annual budget for 2010, which projects a \$12,000 operating reserve. It also requires a dues increase from \$250 to \$280. Bookkeeper Cier emphasized that those who prefer, can arrange to remit their annual dues in installments. She emphasized that all dues payment difficulties can be worked out if members having such problems would call her and discuss alternatives. "It's better than having property liens filed," she said.

Master Assn. 'Tiered Assessments.' Saying that the Silver Springs Master Assn. remains interested in creating an additional assessment for homeowners on its two lakes, the funds to be used for meeting lake maintenance costs, President Gunter explained the feeling is those homeowners derive more permanent benefit from lake views and recreation than other MA members. He presented, for discussion's sake, a list of possible "tiered assessments." Ensuing comments mentioned the lakes' perpetual maintenance expense, carried by all the HOAs regardless of the degree to which their members directly benefit. Brian Robinson pointed out that the lakes do constitute valuable "open space" and have always been considered a "unique feature in Park City." Questions were raised as to whether members of an HOA could legally be assessed fees in addition to regular dues on the basis of being adjacent to the HOA's

commonly held and used amenities. Julia Loughlin observed that while this matter always prompts comments about lakeside homeowners and their responsibilities, what needs emphasizing is that the impounded waters constitute a danger to downstream homeowners if the dams are not kept in constantly safe condition. She observed that this is not strictly a lakeside issue, but more of a community-wide concern. After Richard Krebs observed the listed tiered assessment options seemed irrelevant at this point, discussion diminished and concluded with no action taken.

New Business. There being no new business, Vice President Larson moved adjournment. The motion passed unanimously at 7:50 p.m.

Next Meeting. Scheduled for 6 p.m. March 8 at President Gunter's home.