

CASTLE PINES NORTH ASSOCIATION, INC.

Board of Directors Meeting

September 17, 2009 (continuation of September 9, 2009 meeting)
7:00 p.m. Community Center

MINUTES

CALL TO ORDER

The continuation of the meeting was called to order at 7:03pm by Acting President Jim Steavpack.

Directors present: Andy Rhodes, Anna Mallinson, Jeffrey Huff, Jim Steavpack, Rex Lucas, Shelley Hamilton-Bruer

Delegates present: Cheryl McDade, Dick Lichtenheld, Jennifer Havercroft, Joan Millspaugh, Maureen Shul.

Delegates absent: Alison Gibbens, Barbara Saenger, Brian Moe, Carol Grant, Carol Padilla, David Necker, Kelly Durie, Kim Hoffman, Michael Henry, Nancy Clarke, Richard Anderson, Shirley Beer-Powell, Suki Fitzgerald.

Management company representatives: Garry Schaffer and Barbara Finch.

Guests present: Teke Sankey, Larry Cook, Laurie Goldey, Greg Miller, Bruce Thompson, Eva Mitchell, Dick Schatz, Terri Weibold, Tori Willis.

(1) Board Meeting Process Homeowner Input

Jim went over the homeowner input guidelines and asked if everyone had signed in. Garry presented Jim with the sign-in sheets. Only one person had noted their desire to speak.

- a. **Teke Sankey:** Have two things to talk about. First, why do the Master Association even need to have a Master Association? the Master Association have a city, but the Master Association are paying additional money to the Master. Looking at your financial report, I see a lot of money sitting around doing nothing. There is no reason. The amount paid to the master needs to be drastically reduced, especially due to the amount of money represented in your financials. As a Board member from one of the other HOA's, this is ridiculous. It could be utilized for the library, for parks. Give the money to the parks – you have \$224,000 sitting in a limited-earning account. I will be out and pushing my stand as I go forward. Rex asked if this was what he had heard from his homeowners. Teke responded that most of the people he talks to want to do away with everything because there are too many lines of payment. There is the feeling of getting nickel-and-dimed to death. Most people don't know why the Master Association exists. the Master Association pay money to the city through taxes; money to the Metro District, which is another entity I don't know why the Master Association have to have; to the Master Association neighborhood HOA's; to the recreation district; and to the Master. Jeff asked the Board if they wanted to address Teke's statements; Jim responded that they should wait so they can talk about it.

(2) Additions/Deletions/Modifications and Approval of Agenda

Jim asked if there were any modifications to the agenda, and where did the meeting leave off the previous week. Barbara reminded the Board that 5A needed to be completed, as it was moved at last week's meeting. Jim said he would also like to revisit the payment from the city. Anna said she had some updates from the parks as well. Jim said the order will be Candidate Selection Committee, Parks Update, Repayment Update, 5A, parks update, repayment update, 6D, 6E, then begin with 8B and go to the end. Jeff moved to accept the agenda as amended; Jim seconded; the motion passed with a unanimous vote.

CANDIDATE SELECTION COMMITTEE

Jim asked Andy to review the process the committee followed. Andy reported that after they had solicited interest from the Association members they had scheduled interviews for the 6 individuals who submitted their names. He said the committee had not been able to reach a unanimous recommendation. They did take a vote, with two members of the committee feeling strongly about one candidate, and one member feeling as strongly about another.

At that point, Andy moved that the Board appoint Laurie Goldey to the open position; Jeff seconded; 3 in favor, 3 opposed; the motion failed.

Shelley then moved that the Board appoint Larry Cook to the vacant position; Anna seconded; 3 in favor, 3 opposed; the motion failed.

Andy said he would like to suggest that the committee get back together and discuss the situation more. Jim asked the committee to reconvene and try to come to a consensus.

CPN/PARKS AUTHORITY UPDATE

Anna announced that there would be an open house to present details, ideas and elements of the park to the public. She reiterated that anyone who had a great name should let the Parks Authority know. She said the grader is doing some additional work to save time and money in the spring, and then it will be seeded and left to rest for the winter.

Jeff suggested using the name chosen for the other park; Anna said that as there is already a plan for that park and people refer to it by that name, a different name needs to be selected. Andy suggested using the Master email system to ask residents to respond, with a link to respond. Anna said the link should be parks@cpnhoa.com. Andy asked if anyone could submit an idea or only children; Anna responded that any sensible suggestion would be considered. Jim said it was appropriate to send the email, and the remainder of the Board agreed.

SOCIAL COMMITTEE

(1) Library Grand Opening

Jim said he would like to propose the Master Association send a flower bouquet to the library opening; he has done some research, asked the Master to approve up to \$125 for flowers for the grand opening. Shelley said she felt the Master should give a larger donation to the library instead of something that will die. Andy agreed the money should be spent on something more lasting; he asked Garry if he could make a request such as a bookend or something. Jim moved to purchase a flower basket up to \$80; Andy seconded; 1 in favor, 5 opposed; motion failed.

Garry asked the Board how they would like the plaque for the donation they have already made engraved. It is a 2x4 plate. Shelley moved that it be engraved in memory of Earl. Andy asked if it would be big enough; Tori Willis reported that she has talked to the library on another plaque and they say it's big enough for a name and a quote, so it should be fine. Shelley commented this would be another area where people can see his contributions and remember him. Anna asked if the Master Association knew where it would go; Garry reported this was not specified. Larry Cook said he thought it was a good idea to engrave it in memory or honor of Earl.

Andy moved that the plate be engraved "In Memory of Earl Millspaugh, Castle Pines Master Association"; Anna seconded; the motion passed with a unanimous vote. Garry will follow up with the library.

(2) *Octoberfest booth*

Jim said that with the donation to the Chamber of Commerce for the rock climbing wall at Octoberfest on October 3 the Master Association will get booth space. He suggested having a roasted corn booth: charge 25¢ an ear, with any proceeds donated to the library or Second Chance. King Soopers would donate \$25 towards salt, butter, etc. Could get volunteers to work. Thought it would be a simple way to announce the 25th anniversary. Jim asked Garry how much was in the social budget.

Shelley said she wanted to correct Jim's statement that the Master Board had donated money for the climbing wall. The Master Association donated to the general event fund.

Jim handed out a budget and moved that the Master Association give no more than \$2,800 to participate in Octoberfest. Jeff seconded. Discussion followed and eliminated numerous items, including give-aways and gifts for volunteers. The overwhelming feeling of both the Board and the delegates present was that volunteers should be just that and not get paid or get a gift.

Suggestions received from the Board and the delegates present:

Display photos from the past 25 years

Don't charge for the corn, make it free but put out a donation jar, people might give more

Proceeds plus donation (total no less than \$250) to Second Chance

Larry Cook asked if there would be some notice to the community what the Master Board is doing. Jim responded that the Social Committee will make them aware.

Jim moved that the Master Association spend up to \$1,200 out of the social budget for a roasted corn booth at Octoberfest, and that volunteers and photos be solicited via the Master email system; Jeff seconded; the motion passed with a unanimous vote.

REPAYMENT OF PRE-INCORPORATION EXPENSES

Jim reported he had met with Chip Coppola and that the city had approved making 12 monthly payments of \$12,000 each starting in 2010. Shelley said the commencement date in the agreement is October 2009, and asked Garry what sort of tax and legal implications the Master Association might have with \$144,000. Garry responded that he had sent the agreement to the Association's attorney and CPA when he received them that afternoon but there had not been time for a response prior to the meeting.

Shelley said that if it does create a tax event, taking money away from the residents, the Board should look at ideas to avoid any reduction in the amount. Perhaps a way to allow the money to reside with the city but be used for purposes the Master dictates. The Master needs to be sure it is not taking money out of the hands of the residents as well as not violating any tax laws. Andy said he completely agreed but the Board must be aware of these possibilities beforehand. This is a humongous step in coming together, and

the Master doesn't want to delay the issue too much. However, the Master needs to find out all of the possible implications. If the Master is paid \$144,000 but has to pay 15% to the state, nobody wins.

Teke asked if the offer was accepted would it be put to good use. The Master Association does not need this money, and he would rather see it go to something in the community. He asked the Master Board to please not waste the money. Make some decisions on what you would use it for before you get it; otherwise it gets rolled into the main pot. Come up with an idea what you will use it for before you get it.

Jim said he had just received the proposal from the city two hours before the meeting, that the Master Association has spent two years working on it and the city spent time in getting it to us, that he feels it is a disservice to the hard work put in by everyone if the Master Association doesn't consider what they are offering and continues to delay it. Jeff moved to accept the settlement and release of claims by CPN; Jim seconded. Andy said he could not agree until the Master Association knows the tax implications. He said he completely agrees that a lot of time has gone into this issue, and because of that the Master Association needs to make sure the end of the issue is handled with as much due diligence as in the beginning. Jim stated the document is with the attorney; Andy said it needs to go to the CPA as well and the Master Board needs the results of those examinations before taking any further steps.

Jeff said he felt it was important that the record reflect that the Master Association feels the settlement agreement was submitted in good faith by the city, and that the Master Association's decision to consult with their attorney and CPA in no way reflects any dissatisfaction with the city's proposal. There was no motion, but all of the Board members and delegates present agreed with this statement.

FINANCIAL REPORTS

(1) Acceptance of August Financial Reports

A question was asked about the amount sent to the Parks Authority; Garry responded that he adjusts the amount each month to show 70% of receipts. Shelley asked about the commissions amount, if that related to ads placed in the newspaper last that have never been paid, and do those people still live in the community. Garry said yes, and two of the three still live in CPN. Shelley asked if letters had been sent, and Garry responded that letters have been sent and the person who sold the ads has called to try to collect. Jim said that collections have been going on, what are the chances the Master would get some of the money back? Garry said most collection agencies won't go through the brain damage of collections for \$500. It is frustrating as the businesses are advertising elsewhere but are not willing to honor their obligation to the Master Association. Jim asked if Garry would advise doing any further or just writing them off. Rex said it would seem to make more sense to write them off, and Garry concurred. Anna suggested publishing the names in the next newsletter; Andy said it is irritating, that we should put a negative ad in the next issue of the newsletter.

Garry also discussed some accounts with the Board that are delinquent; fewer than in previous months, some due to payments being received, some due to foreclosure.

Andy moved to write off the \$600 in uncollectible advertising debt owed by two residents and one non-resident of Castle Pines North; Shelley seconded; the motion passed with a unanimous vote.

(2) Approval of September payables

Jim moved to approve the September 2009 payables; Anna seconded; the motion passed with a unanimous vote.

NEW BUSINESS

(1) Letter from CPN Homeowners for a Solid Foundation

Garry reported this document was sent to the entire community. Andy said the Board had talked about this previously and agreed that it's all politics, and the Master Association has no business making statements or taking any stand as an entity. The Master Association should be neutral. Shelley said she completely concurred. No further discussion was held; all Board members were in agreement.

(2) Actions without meetings

Garry explained that the Bylaws have one statement, that the Board may take action without meetings with unanimous approval. He asked if the Board wanted to modify that statement or leave it; the Board cannot take any action outside of meetings without unanimous approval. Shelley said that anything requiring a vote should also require discussion face-to-face as things can be misconstrued in email. Andy said there are times things needing that type of discussion; however, if a Board member is unreachable for a week or more it could be an issue. Garry said the attorney recommends working the statement to be more flexible. Teke asked if the statement could be written "Board minus 1" if decisions are made on an email basis. Andy said he would be okay with that; Jeff said he felt the Board should stick with the Bylaws as written. Eva Mitchell said that listening to the Board talk about this she wanted to know what would be so important in their functioning that they would have to vote by email? She said she didn't see that the Board did anything that was that important, and asked what decisions they would have to make they couldn't get the Board together. Jeff said the referral packet regarding the Canyons had been received between Board meetings and the opportunity for comments expired before the next meeting so the opportunity to make those comments was lost.

Jim thanked everyone for their comments; Andy said he felt this was something that would need to be brought up again. Garry asked everyone to send any ideas on how to best handle this to Barbara and she will collect them for future discussion.

(3) Huntington Ridge and Claremont Estates

Barbara reported that this summer there had been several incidents that have caused homeowners to come to Client Preference for help. The Declarations and guidelines, however, do not have specific rules to cover the situations. Jim said that they are already under the Master governing documents and covenant control. Barbara responded that there are not enough specifics in the declarations to deal with the situations encountered. Garry interjected that typically the items that are enforceable are found in the rules and regulations for the sub-HOA's. Client Preference is asking that the Master consider developing a set of rules and regulations for Huntington and Claremont; this would be completely in your power. Jeff stated that it would be pretty easy to develop a set of rules and regulations; given the efforts to reduce the number of HOA's would rather they not try to set up their own HOA to deal with this type of thing. He continued that it should be fairly easy to come up with covenant controls.

Laurie Goldey, who lives in Huntington Ridge, said they do have rules and regulations. She said it's not that they don't want to follow the rules, it's that no one wants them to follow the rules. She said that often someone will submit an architectural request and never hear back; that even though complaints are made about situations nothing is done. Andy asked if Laurie thought people would be amenable if the Master Association wrote rules and regulations if the Master Association upheld their end of the situation. Laurie responded that she couldn't speak for the people who live in Claremont. She said she felt most of the other neighbors would be accepting – other than the people who are causing the situations.

Maureen said that they had an open house in 2006 and handed out a booklet of rules and regulations. Laurie said she had a copy of it. Maureen said it's not in any records, and is not easy to find. Barbara asked Laurie if she would be willing to provide a copy of the booklet. Laurie said she got it when she bought the house, and that it is posted on the Master's website.

Jim commented that if there are rules and regulations in place the Master does not need to get involved. Garry and Barbara said they would work with Laurie to obtain a copy of the rules and regulations booklet.

(4) 2010 Budget Committee Formation

Garry asked that the Board establish a budget committee so the budget can be in hand no later than the annual meeting. This will enable invoices to go out in a timely fashion as opposed to 2009 when the budget was not approved until much later so homeowners did not receive invoices until mid-January for bills due the end of January.

Jim asked who would be on the Budget Committee; Anna and Shelley volunteered, and Jim said he would serve as well. Garry asked them to meet to develop a budget to bring to the Board no later than the next Board meeting.

(5) Required Reserve Study Policy (HB 1359)

According to the Board's attorney, the Master Association does not have to have a reserve study as they don't own property. The attorney had prepared a letter to that effect.

Andy moved to approve the letter from the attorney stating that the Master Association is not required to do a reserve study; Jeff seconded; the motion passed with a unanimous vote.

(6) Overhaul Other SB100 Policies

Garry reported several of the HB100 policies are out of date. The attorney has offered to review them and align them with SB100. Andy asked if Garry could do it; Garry responded that it has to be done by an attorney. Andy asked what kind of trouble the Master could be in if they didn't do it; Garry responded there would be some pretty serious consequences.

(7) Establish procedures for Selection Committee

While researching for another item of business, Garry and Barbara came across Section 7.04 of the Bylaws which requires a nominating committee to be a standing committee. The chairman of the committee is required to be a Board member, plus any other two members of the Association. Jim asked if any member of the Board would volunteer for the committee; Jeff commented that this committee would assist with nominations to present to the Delegates but that nominations would still be permitted from the floor, so the committee has no real authority, they are more of a procedural committee. Jim asked again if any Board member would volunteer for the committee. Andy suggested that perhaps everyone should think about it and an email should be sent to the residents asking for volunteers. Jim said he would be on the committee, and Dick Lichtenheld also volunteered. An email will be sent to the community requesting volunteers for the committee.

ADDITIONAL HOMEOWNER INPUT

None.

NEXT MEETING

(1) *Regular Meeting*

October 15 at the Community Center

(2) *Annual Meeting*

Barbara reported that she was investigating Buffalo Ridge Elementary School; cost will be between \$250 and \$400. Jim said he could try to get something for less cost. Barbara will wait to hear from him before proceeding with any other options.

RENOMINATION

Jim said that Laurie Goldey had been patient and that he would like to re-open the nomination for the position on the Board. One of the issues stated at the beginning of the meeting was that the Board members didn't know her; he felt with her involvement in the meeting, contributions, and comments the Board knows her better. He moved to re-nominate Laurie Goldey to fill the vacant Board position. Jeff seconded. Anna and Shelley both commented that his action was inappropriate. Jim called for a vote; 1 in favor, 5 opposed. The motion failed. Several comments from Board members and delegates present were made expressing opinions that the action had been disrespectful to Larry Cook, the other candidate who was also present.

ADJOURNMENT

Jim moved to adjourn the meeting. Jennifer Havercroft asked about discussion regarding the motion he had just made. Jeff seconded the motion to adjourn. Jim announced the meeting was adjourned at 8:47pm without having called for a vote and left the meeting. As he was leaving Board members insisted that the meeting had not been properly adjourned as a vote had not been called; delegates continued to question him about what had just happened and if this was what was meant by "delegate involvement".

Numerous statements were made that discussion needed to be held on what had transpired, and none of the delegates or remaining Board members moved to leave. Jeff was asked by several people why he had seconded the motion to re-nominate Laurie due to its inappropriate nature. He responded it had been for the sake of opening discussion on the subject, but that no discussion had been called for. Jennifer Havercroft asked if the meeting was still in session; Shelley asked Garry if the meeting was still in session if a motion was made and seconded but no vote was called; Garry responded that it would appear so. Comments from delegates continued to be made expressing opinions regarding the disrespectfulness and inappropriateness of Jim's actions.

Jim was standing outside the building talking to some of the guests attending the meeting.

MEETING RESUMED

As the remaining Board members and delegates present agreed the meeting was still in session, everyone prepared to continue. At that point Jim returned. He sat and addressed those assembled, saying that the candidates had asked him to return. He apologized for making the motion and said the dysfunctionality of the Board had been going on way too long. He said it was frustrating that the committee couldn't pick anyone to fill the position and he didn't understand the resistance as Laurie had appeared on the lists of all three committee members. Shelley interjected that she had not; Jim stated that someone had; Shelley replied that it had been Kim Reinke.

Jim said there were hidden agendas happening that the delegates didn't know anything about and that he couldn't tolerate it any more, that it had been going on way too long. He stated he had just been attempting to get a full board and that if he had been out of line he apologized. Jennifer Havercroft told him he was preaching to the choir; Jim told her this has been going on for many years, that the city council got together and made an offer to the board but he could not make the board accept it. He said he apologized to her as a City Council member for the fact that the city came to the board and said "here is an offer" and he thought the Master Association should look at it, and he congratulated the city for coming with their proposal.

Andy said that the rest of the Board had just asked that the CPA and attorney look at the proposal, and everyone else agreed that was the best course of action. Jim said he just wanted the Master Board to accept the offer and work out the details out later. Andy commented that that is not the way it works; a delegate noted that once an offer is accepted that is the way it stands. Jennifer said she appreciated the Board doing their due diligence by sending it to the CPA and attorney. She said it showed they want to have their ducks in a row by making sure they are accountable to the residents. Teke said that he hoped in the meantime they would figure out what to do with the money and not put it in the general pot because he was afraid it would just sit there in the main fund and not do anything.

Joan stated that in the past the Board was more respectful; that at the beginning of the meeting Jim had asked for a vote on Laurie and it did not pass; he had asked for a vote on Larry and it did not pass. She continued that his actions at the end of the meeting were embarrassing for Laurie and disrespectful to Larry, and told Jim he needed to apologize for them.

At this point in the meeting Shelley moved to nominate Director Rhodes to fill the position of President of the Master Board; Rex seconded; 4 in favor including Shelley, 2 opposed. The motion passed.

ADJOURNMENT

Jim asked Andy if, as President, he wanted to move to adjourn the meeting. Andy moved to adjourn; Shelley seconded; the motion passed with a unanimous vote and the meeting was adjourned at 9:23pm.