

Crail Ranch BOD/Budget Meeting

Wed, Nov 16, 2022 at 9:00 a.m. MST

<https://meet.goto.com/719491373>

Meeting Minutes

Attendance

Board members in attendance were Vince Meng, Jerry Hood, Jeff Cranford, and Charlie Callander. Also attending were Rich Lindell for Lindell and Associates, Ryan Welch, Scott Hammond, and Maria Locker for Hammond Property Management.

Financials

- **Loan:** Current balance on the loan is \$1,448,418.00, the original loan amount was \$1,805,000.00. The circulated amortization schedule is based on the original loan amount which requires a \$43,711.85 quarterly loan payment. Current interest rate is 5.27%, the loan will be amortized in 2031 at which time a balloon payment of slightly over \$1 Million will be due. Unit owners will be given the option to pay off their part of the loan, a pay-off schedule was shared. If an owner defaults on their payments, the HOA will be responsible for the loan payments but will be able to put a lien on that owner's property. Loan payments will stay the same until amortized in 2031. Owners paying off their share of the loan will not have to participate in the quarterly roof assessments. Roof assessments are earmarked for loan payments. Regular reserves will need to be planned for in the future. Maria will circulate pay-off schedule to owners. Pay-off option will be given once every year in the fall.
- **Operating Budget:** Majority of increases are based on labor cost and general inflation. Groundskeeping budget was increased to \$25,000.00 to increase quality of service. The roof shoveling line item will be changed to grounds shoveling as this service cannot be covered by general property management fees anymore. The \$50,000.00 betterment reserve is adequate by spreading needed apron and privacy wall work over two years. Re-staining of buildings is discussed, approximate cost per building would be \$22,500.00. It is decided to put the paint line item at \$10,000.00 and do aggressive touch up work rather than staining two buildings. A \$10,000.00 contingency line item was added, overall budget increased by 14.3%

Vacation Rental Issues

Scott said it is hard to associate exact cost impact for short-term rentals. He suggested putting rental impact concerns on the agenda for the annual meeting to start the dialogue with owners. Potential added costs are insurance, taxes (HOAs are exempt from paying taxes at the Federal level if 85% of units are for residential use, the IRS is not actively tracking this yet), management fees. A minimum four-day stay rule is being discussed.

Board Elections

Maria will reach out to ownership for nominations for board elections. People running for office are asked to submit a short bio.

Business use of unit 65

Scott met with the owner, one of his employees lives in the unit, the garage is turned into a gym. He hosts retreats for his employees. The heavy delivery activity this past summer was due to gym equipment and furniture deliveries. Scott suggested to set up a meeting with the owner and the board, the attorney should be invited to the meeting as well.

Meeting was adjourned at 10:45 a.m.

DRAFT