

**CROOKED RIVER RANCH CLUB & MAINTENANCE ASSOCIATION
ANNUAL MEETING MINUTES
AUGUST 19, 2017**

President David Palmer called the meeting to order at 9:00 am

The invocation was given by Pastor David Stone

Announcement of a Quorum

A moment of silence was observed for those members who had passed during the past year.

Introduction of current Directors/Roll call ~ Present were; David Palmer, Paula Bartolomei, John Smallwood, Carol Orr, Marcus Beebe, Mike Folkestad and David Keyston. Absent were Jim Dille and Sue Flory

Introduction of Guests: None

Approval of Minutes from 2016 Annual Meeting:

Vice President Smallwood made a motion to approve the minutes. Resident Kate Adams seconded the motion. It was a unanimous decision to approve.

Treasurer's Report:

Director David Keyston presented the Treasurer's Report on behalf of Treasurer Jim Dille.

He noted a copy of the annual audit was included in the meeting packet and will available at the Administration Office and on the Website. The audit encompassed the fiscal year May 1, 2016 ~ April 30, 2017. The audit was conducted by Capstone CPA's. LLC.

The report confirmed that the completed fiscal year was one for the history books. The 50 year winter weather event impacted not only life on the Ranch but also the financial operations. Given the severity and length of our winter storm, the budgeted gross income estimates were missed by about \$41,000.00. Net Income still beat budgeted estimates by roughly \$45,000.00 which was significantly less than last year.

The Administration Department includes management of all membership processes as well as the expense only operations which include the Pool, General Maintenance and Roads Maintenance. Administration assumed control of the Snack Shack in mid-summer, and this had not been budgeted for but was seen as a necessary adjunct to the Pool Operations. Since there were significant startup costs, it did not make a profit. Overall, the Administration Department posted a net income from operations of \$71,594.00 which was a little over \$100,000.00 less than last year. The General Maintenance Department performed well versus budgeted expenses, saving around \$12,000.00 for the year. Road expenses were up by around \$20,000.00. The expense picture would have been much worse if the Road Department had been fully staffed. The contingency fund was used in the amount of \$2,000.00 to assist the Road Department by contracting with

independent contractors for plowing of cul-de-sacs and areas that were difficult for the large equipment. A small plow has been purchased to allow the Road Department the ability to plow those smaller areas.

The RV Park performed well and exceeded income expectations by over 45%. Additional improvements to upgrade the Park are continuing with the addition of several full hookups.

With the Golf Course hit hard by the winter snow event, they managed to show a profit of around \$20,000.00 more than was budgeted.

The Board of Directors (BOD) have a fiduciary responsibility to maintain the assets of the Association and make improvements to the Ranch which would benefit the owners and help improve property values for all. The CRP is a projection of those needs over the next 30 years and is reviewed every year during the budget process for adjustments. Standard accounting principles note that the overall financial health of an HOA is measured by its 20 year reserve plan, and having 50% of your projected needs in reserve is considered moderately adequate. Should an HOA need a significant loan, most financial institutions are looking for up to a 70% reserve. The CRP balance is temporarily above the 50% funded level, but because of the budgeted expenditures, the CRP balance will go down below 50% by 4.30.18.

Treasurer Dille thanked his fellow Board members, a special thank you to Ranch Manager Judy LaPora and her staff, and to all the Department Heads and employees who go beyond throughout the year to help the Board keep moving the Ranch forward and keep it "A great place to hang your hat".

Presidents Report:

President Palmer began by thanking all the Board members, staff members, Ranch Manager, Judy LaPora and her staff, committee members and volunteers for their contributions. He encouraged anyone having an interest in contributing to the positive functioning of the Ranch to consider volunteering a few hours a month on one of our committees.

This past year has been very dynamic. One of the largest events this year was the major snow event where we missed the 50 year record by one inch. The Association as well as the entire region, was extremely taxed during this event. It also showed how the community worked together to help all those in need with a large effort driven by the ATV club and Lynnelle Morgan. Several opportunities to improve came out of this event. We invested in a smaller plow for a pickup truck that will better get into those harder to access areas on the Ranch. We were able to work with the Fire Department and create an Emergency Operations Center (EOC) for major events. The first activation of the EOC is occurring now as we progress through this eclipse time. Another item that resulted from the winter's storm is the refrigerator magnet you should have received in the last billing cycle. This has a variety of phone numbers to help residents in an emergency as well as provide personal information to first responders when they come to help. The Association is continuing to work with county officials on the creation of a Community Emergency Response Team (CERT). President Palmer reports that formation has been moving slower than he would like, but understands that focus from the County has been diverted by the Solar Eclipse.

There has been a great deal of work done this year on the long term goal of improving the Highway 97 and Lower Bridge intersection and the Terrebonne corridor. The Greater Terrebonne Citizen Action Committee was formed with Vice President Smallwood as chair. The committee worked with ODOT, Deschutes and Jefferson County and state legislators for the approval and funding of the Refinement Plan for the Terrebonne corridor. The state legislators assisted with gaining funding in the recently approved Transportation Funding Bill. \$20,000,000.00 has been allocated for this project and the current estimates is that construction of the new Hwy97/Lower Bridge intersection may begin as early as 2021.

Fire safety continues to be a primary issue. The efforts of previous years in passing a bill at the national level to make Crooked River Ranch's western boundary more accessible to active firefighting and future

fuels reduction has made it out of committee in Congress and with luck, should be approved this next Congressional session. The Board was able to work with and negotiate a Memorandum of Understanding with the US Forest Service in collaboration with the Fire Department to allow the Association to create a significant fire break on our northern boundary up on the peninsula. This agreement will allow the Association to maintain this every year to better protect our homes in the event of a wildfire starting in that area.

The Alternate Exit has been a big topic of discussion this last year. After years of ongoing effort, we are near the point of being successful. The BLM has issued its intent to grant the right of way, with the final public comment period ending August 20, 2017. With that period ending, the Board will be actively moving forward on the project with a discussion by the Board of Directors at the next Work Session on September 6, 2017 to specifically discuss the next steps and funding. All are encouraged to attend.

President Palmer closed by thanking all members of the Association for everything they do to make this the amazing community it is. The Neighbor Helping Neighbor program is a great example of how residents, through their donations, are able to help others who may be struggling to pay their Association dues. Your donations through your dues billing is what allows this program to help your neighbors. He also wanted to thank all of the different clubs and organization that do so much civic good not just on the Ranch but throughout the Community. All of them engage in making this area a better community for the rest of us. The Lions provide annual medical screening and road clean up on 43rd. The ATV group does regular cleanup on our bordering BLM lands, FANS works to maintain and improve the trails, the Garden Club beautifies the area, and other members of the various other clubs, such as the Car Club, step forward to volunteer with other Ranch projects.

He thanked everyone for all they do on a continual basis to make this such a great place to live, not just for all the preceding years, but for all of those to come.

Old Business:

None

New Business:

2017/2018 Nominating Committee: President Palmer presented the Nominating Committee for the 2017/2018 fiscal year. Members are: George Johnson, Stephanie Proffitt, George Mitchener and Rich Hoffmann.

2018 Annual Meeting Date: A motion was made by Kate Adams and seconded by Ben Johnson to hold the meeting on August 18, 2018. It was a unanimous decision to approve.

Appreciation Awards:

Employee of the Year: The entire Road Department Crew was honored as Employee of the Year - Supervisor Robert Parler and Sean Eyer, Nathan Cannard and Jordan Jones. The Road Department worked shorthanded during part of the past winter and even with the short crew, managed to keep roads open and drivable. Ranch Manager LaPora stated that the roads on the Ranch were in better shape than many roads off the Ranch that she had to drive daily.

Volunteer of the Year: Ben Johnson was presented the Volunteer of the Year. He is recognized for all his work with the Lions club and serving on the Board of Directors, with three years as President. He also served as Chair of the CC&R Review Committee for many years and was the driving force in developing the CC&R Enforcement Policy. His many contributions are greatly appreciated.

Outgoing Board Members: President Palmer presented awards to the outgoing Board members, John Smallwood and Marc Beebe. He thanked them for their commitment to the Ranch.

Election 2017

Introduction of 2017~2018 Board of Director Candidates and Architectural Review Committee:

President Palmer introduced Board of Director Candidates; Mark Schneider, Marie Carter and Jim Dille, who was unable to attend.

Architectural Review Committee candidates are: Steve D'Ambrosia, Jim Stagl, Janna Hoffmann, Gail DesBrisay, Jamie Frantz, Kathy Neal, James Hussey and Ara Erdekien

Nominations from the floor for Board of Directors:

None

Ballot Measure Discussion:

President Palmer encouraged all residents to vote during the upcoming election.

Measure 1. Allows any resident that would like to initiate a change of the By-Laws to present a petition signed by a minimum of 5% of homeowners in good standing, that would allow the initiative to go before a vote of the homeowners. They must meet other criteria as well, in particular, if it involves any financial change, a financial statement must be presented, and it must be approved by the Ranch Attorney.

Membership Input and Announcements:

- John Williams, on behalf of the Alternate Exit Committee provided an update on the progress. The cost of building the alternate exit is yet to be determined but is estimated at approximately \$1,000,000.00. The Oregon Infrastructure Bank is probably the best option for obtaining a loan. Jefferson County has volunteered to be the borrower and will also contribute \$100,000.00 towards the construction of the alternate exit. Discussion concerning the alternate exit will take place at the next Work Session in September 6, 2017.
- Resident Allyson Kelch asked about the dues increase and what the funds were being used for. President Palmer invited her to attend the Budget Audit Committee (BAC) meetings and ask questions. The meetings are open to everyone. He explained that the BAC and BOD made a commitment several years ago to fund a Capital Reserve Plan (CRP) which is a vital component to a healthy HOA. Much of the dues increases have gone to funding the CRP which is currently at approximately 50% funded. Most banks require a 70% funding to be considered adequate. He noted that this percentage is ever changing due to the fixed asset items that need to be replaced or repaired each year. She thanked President Palmer
- Herb Parker voiced some concerns about the measure on the ballot. His concern is that the measure does not specifically state that if a petition is approved, it will be put before a vote of the homeowners. President Palmer took ownership of the miswording and confirmed that the intent is to have it placed on the ballot for a vote.
- Herb Koth, a resident of Cinder Cone Loop, asked about getting gravel placed on his road.
- Dennis Kirk reminded everyone that the Fire Department Volunteer Breakfast will be held Sunday September 3, 2017. There is no cost but donations are welcome.
- Ben Johnson wanted to remind everyone that there are Road Maintenance Request forms in the office and suggested that anyone that would like work done, to please complete the form.

President Palmer concluded by thanking everyone for attending.

Meeting was adjourned at 9:56 am