

**GRAND ELK OWNERS ASSOCIATION**

**BOARD OF DIRECTORS**

**SPECIAL MEETING AGENDA FOR THE HOA REGARDING THE COMMUNITY INVESTMENT FEE**

**HELD 3/14/2020**

Saturday, March 14, 2020 at 1:00 pm

The Inn at Silvercreek Inn, Aspen Room, Granby 80446

The President of the Board of Directors (BOD), Joseph Press, began by stating the purpose of the meeting was to discuss and to accept ballots regarding the proposed Amendments to Master Declaration of Protective Covenants for Grand Elk Ranch & Club. The proposed amendments added a definition of Community Investment Fee (CIF) to Article 2 and added section 4.09, Community Investment Fee, which were previously circulated to community members.

The purpose of the CIF was discussed. The drivers for the CIF were the projected current and future replacement reserve needs of the HOA including the Golf Club. Discussion indicated the HOA is responsible for road maintenance throughout the subdivision, the golf course and all its related items such as irrigation, cart paths, bunkers, the Clubhouse building, restaurant, pool, hot tub, and parking lot among other infrastructure items.

A brief review of the reserve study indicated the HOA had a professional reserve study done in 2018. The study analyzed all of the areas of HOA and Golf Club responsibility, assessed replacement costs and current funding levels to the Board of Directors. The study indicated the HOA was at significant risk for funding shortages based on current funding levels and future needs. The Board of Directors undertook a year-long effort to analyze the report and the funding options available to meet the current and future needs of the community. The reserve study can be found on the [grandelkliving.com](http://grandelkliving.com) website. The BOD is working on copy of the reserve study to publish on the website.

The BOD weighed the options of special assessment and dues increase, and factoring in some limitations on equitable sharing of some of those options, the Board pursued a "Community Investment Fee" (CIF) initiative that proposed a fee on sales starting at 1.5%. This initiative required an amendment to our Declarations and required not less than 2/3 of the total votes.

A history of the golf course and membership fees were noted. Six years ago, 80% of the homeowners voted overwhelmingly approved the purchase of the golf course. Prior to the purchase of the course, maintenance was deferred for many years. The course was nearly 12 years old at the time of the purchase. The golf course is an important asset to all owners and is the singular defining characteristic of Grand Elk. While non-golfers may feel they do not benefit from the golf course, it is worth considering what would happen to all property values if there were no golf course.

David Hall reviewed the work prioritized for the current year and the 5-year plan discussed. Many of the big-ticket items for the golf club have been deferred.

Community members noted that reserves and dues were too low for too long. They also noted that many members paid \$30k or more in membership fee when they bought in prior years. The community members indicated they supported the CIF so that new owners help pay into the reserves fund as past owners have and support the community. The BOD agreed and indicated this is the reason to plan for the future of the community.

## Next steps:

Implementation of the CIF, adopt a new budget and hold another budget ratification meeting.

**The new budget will be as of May 1 with HOA dues set at \$350 per month.**

## Questions from the March 14 attendees were as follows:

- **High HOA fees don't cover "anything". The numbers don't add up and don't agree with how fees are budgeted. Need to drive business in to the community.**
  - Amenities received for our HOA Dues.
    - Unlimited golf, range and pool privileges for the family and reduced guest rates for golf. As well as access to member planned activities. Additionally, there is a discount for home owners in the Pro Shop. GE Homeowners receive unlimited use of the golf course, range and pool. (By comparison, Pole Creek homeowners pay taxes to the District but only get discounted rates for the golf course, range, and pool.)
  - Don't agree with how fees are budgeted.
    - BOD indicated owners are always welcome to participate in committees and attend meetings to learn the history and understand what is been done and what is being done for the community.
  - What could be done to educate owners regarding how the funds get used?
    - The community can review meeting minutes which are available on the HOA portal where dues are paid as well as the grandelkliving.com website.
    - Attending monthly meetings and participate in Board committees.
    - A lot of our funds are used for maintenance of the roads (asphalt and snowplowing). In the next year, work will include bunkers/paint inside the clubhouse, pool retile and other items which total \$330k. BOD and Club dialed back maintenance items to \$130k.
- **Attendees asked for graphics of the numbers. What actions were taken by the Grand Elk HOA Board of Directors (BOD) to ensure voting for the Community Investment Fee?**
  - The graphics, approved minutes, etc. are referenced on the grandelkliving.com website. They are also available on the RMG HOA portal where dues are paid.
  - The BOD conducted several face-to-face information sessions; video conferences; and published several GE Newsletters regarding the purpose, implementation and home owner questions. In addition, several volunteers as well as the BOD conducted several calling sessions to the eligible voters in the Grand Elk Community.
- **Where are the losses? Does the BOD monitor the P&L's monthly? Is there a golf cart?**
  - A discussion regarding the restaurant profit and loss. The Grille tried something new last year to retain staff by keeping the restaurant opened for the weekend. In the past, the members were charged an assessment to keep the hot tub open for the winter. Expenses have been adjusted where possible and some staff positions eliminated.
  - The BOD and Club review the budget monthly.
  - There is a beverage golf cart on the course that serves alcohol and light food items.

- **Why is Grand Elk responsible for the maintenance of the roads?**
  - On May 9, 2007, the District, the Developer, the Grand Elk Owners Association (“Master Association”) and the Town executed a Maintenance and Repair Agreement. According to the Maintenance Agreement, the Master Association are responsible for the maintenance and repair of public improvements located within the Development without limitation storm drainage fixtures, **roads**, public parks and open space, trails, bus stops, improvements on conservation easements and bridges.
- **What is the GID? Is the GID paid by everyone?**
  - The GID is the General Improvement District and is a government entity. The GID tax is a 10-mill assessment goes to operating expenses such as snow plowing and road maintenance. The GID pays the GE Bond debt obligation (with a 40-mill assessment) and operating expenses. It is used to reimburse us for snow removal costs.
  - Everyone pays the GID fee except for those lots owned by the GID.
- **Can we institute a minimum spend at the Club?**
  - The BOD does not have the authority under the HOA Declarations.
  - Community members and the BOD expressed the need to support the Grille by participating in the social activities, by dining in the Grille and shopping in the Pro Shop. The Trunk Show will occur in May and a great time to purchase gifts for you, family and friends.
- **The Strategic Planning Committee and interested owners need the BOD to engage them. The community has a lot of skills available to the Board.**
  - The CIF and other matters are taking a lot of the BOD’s time and will get back to filling the empty positions on committees and the BOD and initiate work of the committees.
  - The BOD is looking for volunteers from the community to fill positions.
- **How were the votes allocated among the Homeowners?**
  - Per Article 12.02 Allocation of Voting Rights, The Owner of each Homesite shall be entitled the number of votes as a Member of the Association equal to such Owner’s percentage of liability for Common Expenses, in accordance with the formulas set forth in section 12.01.
  - Therefore, all owners have 1 primary and additional lots are at 27% assessment rate. Votes are weighted based on dues amount.
  - The CIF needs 2/3 vote of the primary and secondary eligible lot votes to pass.
- **Can the board hold the meetings in the evening?**
  - In the past the Board has met on weekends and evenings. Typically, Board meetings are lengthy due to the amount of discussion items. Due to the length of the meetings, the Board has been meeting earlier.
- **Can the HOA dues go back to \$350 in January?**
  - Because we missed the CIF in January through April the HOA reserve payment is already behind in funds. Should the CIF be approved, the budget will be amended and HOA dues will be decreased in the next monthly cycle after budget approval.
- **Are we going to send Certified Mail to those who still have not voted?**
  - After the meeting we will know who is left to contact. The BOD will assess who the certified letters should be sent to and the cost of sending the certified mail as the voting is still active and will be until the first week in April.
- **Any illegal use of the course?**
  - Per the Club GEM, it is unlikely on a cart as they have to check in the office. It could be possible that people may walk on but don’t think it’s an issue.

- **If restaurant losses continue, can it be leased out?**

- The current Club GEM tried as previous managers have. The kitchen is small and not attractive to outside operators. The Club has changed to a simpler menu to reduce costs.

The Board of Directors thanked the owners who attended the March 14th meeting and would encourage owners to participate in their HOA by volunteering for a committee or running for a city office and recognizes that we all have a say in the future of our community.

The Grand Elk Board of Directors