

CVHOA ANNUAL MEETING
FEBRUARY 2, 2009
BOARD MEMBERS PRESENT

Mike Zonnefeld, Lenci Loring, Bill Neathammer, Ron Sipp, Nancy West, Mindy Faulkner (telephone), Bob Ferguson.

Meeting Called to Order by Mike Zonnefeld at 9:00 AM

A Quorum was reported as being present by Jack Davis, the appointed Teller. Minutes of 2008 Annual Meeting Presented for approval. Motion to Approve made by Lenci Loring and seconded by Nancy West.

Mike Zonnefeld gave the annual report, which is included as part of the record.

Reported the progress as being under budget, continuing to control expenses. The Association is in good financial health, commented on the survey to develop a template as a guide to move forward. Commented on the survey results that requested more permanent committees, a simpler financial statement. "Mike thanked the members present for their support, volunteers for theirs, and the community for their support.

Bob Ferguson commented on the fact that we had had a very good year with a small amount of landscaping issues due to adverse weather. The west entrance efforts by the women's group volunteers and the architectural plan that is being used to improve the west entrance. The women have already raised funds to assist in installing the enhancements. He commented on the Jack Davis comer as needing improvement as well and that this will be addressed in 2009 as well. Entrances being made attractive are an enhancement to the community. Mature trees will have to be addressed during the year, and we will have to watch the trees being planted too close to homes, with foundations potentially receiving damage, and of course the danger of trees falling on home.

Nancy West commented that the women's club has already begun to meet and plan for the next year. Asked for increased attendance at the women's club events.

Bill Neathammer observed Boards in general that the dealings with the Board be done on a businesslike approach, stay interested and deal with Board actions on a business like manner.

Mindy Faulkner commented that even if a home is being painted the same color, one still must obtain and complete the correct form. That there is a For Rent Sign on a gate of a home.

Motion to accept reports Ron Sipp, Bill Neathammer seconded, unanimously passed.

Ron Sipp gave the Treasurer's Report and commented on changes in the accounting method, that 2008 was a good year, spent \$348,000, against a budget of \$386,000 Spending was less than the revenue, leaving a positive balance of some \$3000.00. Commented that the Board was successful because of its dedication to serving the majority of members rather than a small minority. He reviewed the financial statement, and pointed various highlights of the statement. Commented that our Association is very fortunate to have a very low delinquency in dues. He pointed that by going to a zero based budget method, rather than simply taking the previous year budget and extending it into the next year resulted in a somewhat distorted view of the actual financial situation. He pointed out the different affects of the cash versus the accrual method of accounting. He noted that there is only one home in receivership. If the statement had been prepared in December it would have been misleading statement, and that the report is in fact in compliance with the CC&R's and that a balance sheet is included in the annual report to the members. He noted the Treasurer procedure in preparing the monthly statement for the Board each month. He noted that the policy of reporting the monthly statement would continue.

John Carlson questioned how and when the long term funds would and could be used. Ron indicated that we should have a \$100,000 in a reserve fund. After the \$100,000 is obtained, we can begin looking at spending those excess funds on common area and facilities improvement. Jack Olwine complimented Ron Sipp on his outstanding job! Jack noted that we have had 3 CPA's over the years, and would there be a set of rules or template to use for future Treasurer's.

Ron Sipp continued by commenting on how the 2008 budget was obtained, commented on Kent Driesbock and JJ efforts to develop a template to focus on the actual required finances, rather than a simple estimated financial based on the previous year. As a result, as the year closed, we were able to address some unexpected areas and painted the west year.

The 2009 budget was created by JJ, Mike Zonnefeld, and Ron Sipp at a meeting on Friday after Thanksgiving. All Board members were invited, but Mike, Ron and JJ prepared the 2009 budget based on our expenses and analyzed our expenses in detail to determine the 2009 budget requirements. Cost increases projected include government requirements, including a compilation of our accounting for example. Also pointed out the new state required pool safety requirements. Projected the budget at \$367,000, and noted that there may be contingencies such as the lightning hits, beehive removal, and that the 2009 budget provides a \$15,000 contingency fund. Ron noted that the water and utility bills, while expected to be higher, were in fact

lower! Finally noted that if we cannot control our expenses in 2009, the Board may have to adjust monthly assessment by a \$5.00 increase.

Noted that tree roots are a constantly occurring problem. Noted that our property manager keeps a record of these occurrences. Commented on sewer construction and that we need to be careful in how and where we plant vegetation. Noted that the CC&R's should be revised to prevent common area changes funded by the Association rather than by the new home owner. He commented on the potential additional revenue potential by raising the clubhouse dues, currently at \$10.00 per use to slightly higher amount. The survey had indicated that those homes with a pool and spa might have increased dues, or perhaps volunteer a payment to the Association.

Noted that the Association has spent \$750,000 over the past 15 years! We have about \$80,000 surplus cash in our accounts. He noted that in 2010 will have to do some work to the clubhouse, and to plan for those expenditures.

Ray Ramondi commented that the \$750,000 was as \$400,000 was paving. Ron corrected the perception that \$750,000 was excellent control of costs. This is why Ron thinks we need only some \$100,000 in our reserves.

John Carlson commented on methods to conserve water and the availability of water for future growth, commented on the low flow toilets and requirements by the State and Federal requirements on wastewater management.

Call to the Audience - Mike Zonnefeld

Dee Ruelas asked to be recognized from the floor and stated that she felt all members of the community had a right to be heard in monthly board meetings and that it seemed to her that the current board was not listening when people did try to become involved. She hoped that with the new year and new board members there would be harmony in the community and that the finger pointing by a few members of the current board at past boards would end and the community could move forward.

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Election Results reported by Jack Davis:

Three year positions

Emil- Bair

Bryon Schwarz

Jan Kaufman

Two Year Positions

Bob Ferguson

Lenci Loring

One Year Position

Nancy West

Motion to Adjourn made by Nancy West, Seconded by Lenci Loring, passed unanimously.

CVHOA 2009 ANNUAL MEETING BOARD OFFICER ELECTION FEBRUARY 2, 2009

Members present: Mike Zonnefeld, Bob Ferguson, Emil Bair, Bryon Schwarz, Nancy West, Lenci Loring, Mindy Faulkner (telephone), Ron Sipp, Jan Kaufman

Elected by secret ballot, 5 to 4 Bryon Schwarz President

Elected by secret ballot, 5 to 4 Emil Bair Vice President

Elected by unanimous vote after discussion, Ron Sipp Treasurer.

Elected Secretary Jan Kaufman