

Terrace Homeowners Association, Inc.

Board of Directors Meeting

October 27, 2022

A virtual meeting of the Terrace Homeowners Association was held on Thursday, October 27, 2022.

1. **Call to Order**. The meeting was called to order by Cristian Basso, president, at 6:01 pm.
2. **Roll Call/Establish Quorum**. Directors in attendance were Cristian Basso, Camille Thurston, Scott Schreiner and Matt Hayden. With a majority of directors in attendance, a quorum was established for the purpose of conducting business. Also in attendance was Eileen Jacobs of Mountain Caretaker and Jane Tully, homeowner.
3. **Approval of Minutes**. Upon motion duly made and seconded, the minutes of the June 1, 2022 meeting were approved unanimously.
4. **Financial Report**.
 - a. **2022 Third Quarter Report**. Scott reviewed the third quarter financial report which was sent to the Board previously. The reserve fund has approximately \$160,000 and the operating account, \$17,000. The Income Statement shows expenses tracking about 66% of total budget, however, that is before any legal expenses were posted. Legal expenses are included in the projections on the budget worksheet.
 - b. **2023 Budget Worksheet**. An operating surplus is anticipated at year end and homeowners will be asked to approve moving any realized surplus to the reserve fund. The 2023 proposed budget does not require an increase in the quarterly assessment; however, some line items were increased/decreased as noted in the budget variance column. The ballot vote consultant fee is projected in the Legal & Professional Fee line item.

Upon motion duly made and seconded, the Board unanimously approved the 2023 budget. The budget will be presented to homeowners at the Budget Ratification meeting; date to be set later in the meeting.

5. **Other Business**.
 - a) **Governing Docs Rewrite/Voting Process**. Andrej Birjulin, the consultant hired to facilitate the vote primarily via electronic ballot, was not present at the meeting. The Board asked Eileen to reach out to the Pinon Valley Board president to give him a heads up on the upcoming vote and to ensure he understands the importance of adopting a new Declaration.

Next, the Board discussed various incentive scenarios and the consensus was to offer an initial incentive of \$300 for responses received in the first two weeks. After that the Board may offer another incentive of \$200 for those responding in the next two weeks (including first respondents in that drawing). The Board will evaluate an additional incentive, if needed to reach 67%.

Approved: May 8, 2023

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Communication will be key to owner understanding of the importance of not allowing the Declaration to expire. While there is no clear answer as to what will happen if the Declaration does expire, it will be a very expensive legal matter to sort out and could go in a number of different directions.

The announcement/meeting notice will go out November 2nd. Scott will draft the announcement.

6. **Executive Session.** The Board moved into Executive Session at 7:04 pm to discuss an email from the Board's attorney.

Upon motion duly made and seconded, the Board moved out of Executive Session at 7:32 pm.

7. **Adjournment.** There being no further business to come before the Board, the meeting adjourned at 7:32 pm.

Respectfully submitted,

MOUNTAIN CARETAKER, INC.

Eileen Jacobs

By: Eileen Jacobs

Approved: May 8, 2023