

Blumenau Homeowners' Association 1 and 2
37th Annual Meeting Minutes: Saturday, July 22nd, 2017

Meeting was called to order at 1:10 pm

A quorum was determined with 25 Properties represented in person and 41 represented by proxy represented.

1. President Don Pinnella welcomed Homeowners
2. Pinnella gave a brief report on the Board of Directors' (BOD) busy year dealing with compliance issues
3. Covenant 16 non-compliance issues – Discussion included the following concerns, questions, and responses.
Please note: following responses marked with an "*" go into more detail than was able to be presented at the annual meeting but should clarify the issue.
 - a) FFA/4H Animal projects are not allowed per Covenant 16.
 - b) Question: *Considering this is a rural area and this is part of the lifestyle, how can the Covenants be changed?*
 - o An attempt to change Covenant 16 was attempted in January-February, 2017, and did not pass. It is required to have 109 Agree votes to change Covenants and, in this case, allow for FFA/4H Animal Projects. The vote was 53 Agree, 66 Disagree, 97 non-responses.
 - o * As the vote was not conducted at a meeting and done by written ballot, proxies assignments weren't indicated on the ballot. "An individual who cannot attend a meeting will grant a proxy to another person who will attend the meeting. This helps to ensure that the Association reaches a quorum and is able to transact business, and allows the absent party to have a vote in the matters at hand. A written ballot differs from a proxy because... the written ballot is the actual vote itself." (Colorado Homeowners Association Law: Winzenburg, Leff, Purvis & Payne)
 - o Ballots were sent out by email or mail to all BHA members.
 - c) Question: *Why should Part-time home owners and Vacant lot owners have an equal say in what Full-time home owners do?*
 - o All home/lot owners have purchased with equal opportunity to understand the covenants and, thereby, many homeowners (including part-time and vacant lot owners) have purchased their lots specifically because Blumenau did not allow for farm/agricultural animals. Many vacant lot owners have future intentions to build and purchased their lots with these specific Covenant restrictions sought after. Therefore the Part-time home owner's and Vacant lot owner's vote is just as relevant as any Full-time homeowner's vote.
 - d) The Water Decree concerns about horses vs. farm animals were satisfied by the Colorado Division of Water Resources prior to the 2017 vote. The letter stating their willingness to work with BHA was included in the ballot email/ mailing. This was brought up last at last year's annual meeting as the first hurdle, with the Covenant vote the following and final step. Although the Water Decree concern was satisfied, the Covenant change vote was not. Therefore the Covenants remain as is and enforcement is the next required step of the BOD and compliance required of the homeowners.
 - e) Question: *The HOA allowed for additional horses which are more destructive than the FFA/4H animals being requested. How did that take effect [without a vote – per the person raising the question]?*
 - o There was a vote. The Documents concerning the vote were produced at the meeting.
 - o * In 2012, the BOD worked through the Covenants and Bylaws to determine what was out of compliance to current State/Federal regulations as well as what was over-interpreted in regards to the water decree. Having had an issue in the past with the "only 2 horses per lot" that required removal of an HOA family's third horse, it was discovered that the stated limit in the Covenants was not as the Water Decree intended or implied. Therefore, the horse increase to "one or two horses for each two acres of land owned" was presented amongst the various changes presented for the vote. The ballot was submitted in the annual mailing and included a full copy of the proposed Covenant with all changes highlighted for full disclosure of all proposed changes. The vote passed with 129 Agree, 3 Disagree, (109 required to change Covenants). This vote was conducted as business at the 2012 annual meeting and therefore both proxies and written ballots were included in the vote tallies.
 - f) Question: *Do our Governing Documents indicate how long till another vote can be taken on the issue?*
 - o Not that the BOD knew of.
 - g) All BHA members make a choice to live within the Covenants upon purchase of their home. Covenants are part of the seller or selling Realtor's responsibility to provide before closing. Compliance to the Covenants are understood to be a given and not optional, with ultimate responsibility to live within the Covenants falling upon each owner. Most lot owners, even if there are Covenants they disagree with, choose to comply.
 - h) Question: *What about "other non-compliant" lots? Why has "nothing been done?"*
 - o The BHA BOD does not police the land. The BOD has acted upon every non-compliance issue brought to attention by a complaint or by becoming aware of a violation (i.e. a water report indicating non-compliance, etc).

- o * It is not a requirement of the State of Colorado that HOAs police for every infraction. What is required is that the HOA acts when notified and is consistent in its actions. To date, every issue that has been addressed has come into compliance without any further action after a letter was received (with exception of the Covenant 16 violations this year).
- o A certain situation regarding removal of a trailer is being further addressed by the current BOD and will be passed onto the upcoming BOD as circumstances were not free to be discussed at the annual meeting.
- o Concerns about a metal building that has come apart were addressed – the home/building in question is on a mining claim that happens to be within our area, but that the BHA has no jurisdiction over.
- i) Question: When the ballot went out, the Pro/Con Arguments For/Against were edited so that there was one page “Pro/For” with many more “Con/Against”. Why were their family’s letters edited?
 - o The actual email/ mailing was on hand and provided for inspection. It had 1 page of Con/Against arguments and 3 pages of Pro/For Arguments.
 - o * Two out of four of the family’s letters had a statement that the BOD was concerned might harm their cause and “shoot themselves in the foot”. The BOD presented the concern to the Committee’s liaison who agreed. What was printed in the “Pro/For” Arguments page is what was returned to the BOD for publishing and were included exactly as received. The “Con/Against” Arguments were also reviewed by the BOD with the removed parts addressed in the cover letter of the mailing. Should the family have indicated their wish to include the indicated statements, they would have also been addressed in the cover letter, but the BOD felt that it may have had a negative effect on the outcome so offered the Committee a chance to “edit” instead. The original letters and specific statements in question, the motive behind the request to change them, the response of the liaison, and the returned document with the edited letters that the BOD received from the Committee are fully documented in emails.)
- j) A second email went out Feb 7th to HOA members that had not responded with their vote. It included a rebuttal from the families with FFA/4H participants addressing the concerns raised in the Con/Against arguments. The families pointed out that this didn’t go to all members, email and mail, and didn’t go to those who had already voted so as to give them information to change their vote.
 - o * Email records show that a second email was sent to each individual email (as opposed to a bulk email in case it was sent to a SPAM folder) on Feb 7th. Then on Feb 15th, the BOD notified the Committee of current vote tallies with upcoming deadline of March 1st. It was stated that the BOD could send out up to 5 pages for mail and could send additional info digitally to email non-responders. Other emails from the BOD were sent on the 18th and 23rd, asking for any response. The info was received on the 23rd and acknowledged that it was too late to send by mail.
- k) Question: What do the annual dues cover?
 - o Administrative costs to fulfill Water Court Decree W-4062, the document that established the requirement of the Blumenau HOA and several of the restrictions that were put into place when the HOA was formed in the 1970s. The Secretary’s stipend is included in the administrative costs.
- l) Current Board member, Tom Frostman took an opportunity to speak directly to the FFA/4h kids in attendance. Frostman asked the kids to recognize the following:
 - o It is important to recognize that others are pitting the BOD and the “Disagree” votes as “against kids.” “Know this and hear, we love and support you.”
 - o It is agreed that FFA/4H activities are wholesome, growing, and life-enhancing. No one contests that.
 - o The discussion has nothing to do with FFA/4H children.
 - o The issue is obeying Covenants and law, which is important, too.
 - o We don’t live just for ourselves and our needs and wants. We live in a community and we have to give some of those things up. This does not equal socialism, it’s learning to live in spite of differences. When there are differences of opinion, it goes to a vote. In democracy, the majority rules.
- 4. Ron Terry moved to reinstate a new FFA/4H Committee to work with the BOD and pursue a second vote prior to the 2018 FFA/4H Project season.
 - a) Charles McDaniels seconded the motion
 - b) Passed unanimously.
 - c) Discussion regarding the new FFA/4H Committee involved the following:
 - o the FFA/4H Committee would like to research the reason for the vote’s failure to pass, address the arguments, and gather additional information to present to the BOD.
 - d) Terry Napolitan moved to appoint Don Morris to head up the FFA/4H Committee.
 - o Chiowa Rehkop seconded the motion
 - o Passed unanimously
 - e) Jacob Morris (FFA/4H participant) commented that the information and ballot be sent via email and posted on the website.
 - o fully agreed and this was done for the Jan/Feb 2017 vote and will be done again for any upcoming vote

- f) FFA/4H Leader (non BHA member – guest of FFA/4H Participant Families), Alisha Shy, recommended sending ballot by certified mail to ensure documentation that all members received their ballot. (Certified mail costs \$6.59 per single ounce mailing.)
 - g) The cost to HOA to administer the Jan/Feb 2017 vote was printing and first class postage, one ounce for the 80+ members who use only USPS mail. A member of the FFA/4H Committee is willing to pay postage to non-email members for any additional upcoming vote issues regarding FFA/4H.
5. Don Pinnella officiated the election of the new Board of Directors
- a) The current Board were recognized and thanked. Ron Terry commended the volunteer BOD and recognized that they are pitted against neighbors.
 - b) It was reminded that all Board members must be in “good standing” (Bylaws Article IV-1) and “A person shall automatically cease to be a Director at such time the person ceases to be a member of the Association in “good standing” as defined in Article VI” which states “Each member, in order to be in “good standing”, shall comply with all the provisions of the Water Court Decree W-4062, Protective Covenants, Articles of Incorporation, and Bylaws of the Association.”
 - c) Current Directors included: President – Don Pinnella; Vice President and Building Review – Jeff Mowry; Secretary/Treasurer – Bonnie Mowry; Directors at Large – Mike Hess (although he still has BHA property, he moved to AZ and wished to relinquish his position. He will be greatly missed!), Tom Frostman, Mike Day, Caroline Vornberg and Chiowa Rehkop; Alternates – June Kilburn (moved out of BHA) and Traci Terry.
 - d) President: Nominations included Don Pinnella and Patricia Morris.
 - o Don Pinnella received the vote and will return for a final year.
 - e) Vice President and Building Review: Jeff Mowry was nominated to return with no other nominations and approved by acclamation.
 - o This will be Mowry’s final year
 - f) Secretary/Treasurer: Bonnie Mowry was nominated to return with no other nominations and approved by acclamation.
 - o This will be Mowry’s final year and she will be shadowed by Traci Terry to learn duties.
 - g) Directors at Large: Nominations included Don Morris, Kelly Smith, Traci Terry, Terry Napolitan and Barb Napolitan. Approved by acclamation.
 - h) Alternates: Nominations included Chiowa Rehkop and Darron Foster. Approved by acclamation.

Meeting was adjourned by Board President, Don Pinnella at 2:27 pm

Approved by Blumenau Homeowner’s Association Board of Directors on 8/24/17

Don Pinnella 8-24-17
 Don Pinnella – President (date)

Bonnie Mowry 8/24/17
 Bonnie Mowry – Secretary/Treasurer (date)

Don Morris 8-24-17 (printed name: Don MORRIS)
 FFA/4H Committee Member (date)

Blumenau Homeowner’s Association Seal:

