

# The ASSOCIATION of ANGEL FIRE PROPERTY OWNERS

## Board of Directors Meeting Minutes December 10, 2008

Barry Rogers called the meeting to order at approximately 5:15 p.m. December 10, 2008 in the Resort Hotel Executive Conference Room

### **Roll Call**

Barry Rogers, President, present  
Jim LeBus, Vice President, present  
Jack Fuehr, Secretary-Treasurer, present via telephone  
Spencer Hill, Director, absent  
Robin May, Director, present  
Joan Ronchetti, Director, present  
Lovellette Upton, Director, absent  
Chuck Verry, Director, present  
Harvey Wright, Director, present  
Seven members present, quorum established

### **1. Guest Introductions**

B.U. Terry  
Pat Brunstad  
Maren Smith  
Karen Nichols  
Mike Smith

### **2. Approval of agenda:**

Barry requested that agenda item 6(e) Social Funding be tabled. Joan made the motion to table the topic. The motion was approved.

### **3. Resort Report (Pat Brunstad)**

#### Country Club:

Gerald Martin provided a bid of \$6,500,000 with some exclusions. Adding in the exclusions, the bid escalates to \$7,000,000 "all in." The work scheduled for this year (2008) has been completed. The start date for next year is March 1, 2009 with substantial completion (98% complete) by December 31, 2009. Pat recommended to Greg Allen that the Resort accept the Gerald Martin bid. All of the formal contracts will be finalized in January 2009.

Jim raised the question of funding and Pat advised that the Resort has received a commitment letter from the vendor and is awaiting appraisals and the receipt of title before the final agreement is reached. Paperwork will be provided to AAFPO during the week of December 15<sup>th</sup>. It is a laborious process to define all the property that the Resort owns. Following the title work, a final commitment letter will be received from Peoples Trust and the lawyers will begin the process of finalizing the agreements. The final documents will include the milestones/acceptance dates that have been provided by Gerald Martin.

### Resort Activities

Several Board members expressed the opinion that the Resort restaurants have improved. The Thanksgiving meal was great. Greg Allen visited the Resort last week. He is a "hands off" business manager who is interested in the ROI (return on investment). A significant amount of money has been invested in the Resort over the past thirteen years. Over \$120,000 was spent in the past few months upgrading the rental ski equipment and resolving mismatches between skis, boots and poles. Capacity has been increased to 1,100 rentals. Over \$60,000 has been spent repairing the deck area. The Village Haus is being painted and repairs are being made to the restrooms. Bellhops have been hired to handle guest luggage when they arrive at the lodge and valet parking service is planned. Efforts are also underway to improve employee morale. The Resort secured forty rooms from Pepper Sauce in Eagle Nest for employee housing. A rental assurance program has been instituted whereby fifty cents per hour of the employee's salary is held in escrow and is matched by the Resort. The fund will be used as a bonus if the employee completes the full year of employment and does not cause damage to rental property. If any damage is incurred, ALL employees living at that facility contribute to the repairs from this escrow account. Training of the employees includes basic hospitality and English if required.

Reservations are running ahead of last year because the reservations staff is answering more of the incoming calls. Performance has improved from 25% last year to 72% this year. The group sales effort has also been improved and should improve bookings next spring, summer and fall. Pat also said that he is trying to reduce the dependency on foreign employees. Sixty percent of the senior staff is new this year. They realize that the goal is to become a 2-3 star resort.

Mike Smith just joined the Resort as Director of Guest Services and plans to use his experience as a "turnaround" specialist to change the culture of the Resort's workforce. Emphasis will be placed on personal interaction between the staff and guests providing personal attention to improve the operation of the facility. Mike delivered an electrifying speech detailing his approach to improve the attitude of all employees with respect to members and guests. Pat admitted that he had reservations about participating in AAFPO meetings when he first arrived in Angel Fire because he knew the history of broken promises and subpar performance.

Maren announced that there would be a "social" on Thursday evening at 5 PM. She also expressed her "dream" of forming a group, the AAFPO Dream Team, to provide support to the Resort during the many activities planned over the coming months. In addition to supporting the Resort, she would like to incorporate some fun events for those participating. A formal announcement will be made at the "social" on Thursday.

Maren also asked for direction regarding an AAFPO Preferred Vendor program for the businesses in Angel Fire. This would extend a program being developed for "AAFPO Weekend" to the rest of the year. In exchange for member discounts, Maren would like AAFPO to include links to these businesses on the AAFPO web site and include advertising in the AAFPO publications. Jack commented that a similar proposal was broached in 2006 and the Board decided not to pursue any advertising in the AAFPO newsletter. Karen offered to research the issue since she remembered a legal opinion being rendered during that period.

#### **4. Motions for Board Decision**

##### Selection of "AAFPO Weekend" Project Officer – Robin May

Jim asked Jack if there was anyone that he wished to nominate for this position. Jack said that his understanding was that other Board members wanted to increase their contribution to AAFPO by participating in additional projects. Joan and Jim then nominated Spencer for the position. Jim asked Jack if he would be willing to help Spencer and Jack agreed. Barry asked Robin to approach Spencer to see if he would be willing to assume responsibility for this project.

Karen asked if an AAFPO member as opposed to a Board member could serve in this function. Jack reiterated his position that a present Board member who indicated that he/she wanted to do more at the October meeting should be given a "bigger piece of the pie." Jack was reducing his participation on this project since other Board members felt that he was doing too much.

In the event that Spencer is not willing to serve in this capacity, Jim suggested that Mike Davie would be a wonderful candidate for the position.

##### Selection of Stables Rights & Responsibilities Liaison Officer- Chuck Verry

Chuck approached Brian Barnes about assuming responsibility for this project since he is already involved with the stables. Brian agreed and asked that he be provided a copy of the existing Rights & Responsibilities to use as a basis for expanding the Stables section. Jim mentioned his hope that the problems that surfaced last summer's be resolved and the vendor be invited back since he had done such a good job this past year.

Chuck reiterated the need to tighten up the Rights & Responsibilities so that the rights of ALL members are protected from the actions of a single member. Jim stated that these changes must be made in cooperation with the Resort since the Resort has primary responsibility for the operation of the stables.

Chuck asked if AAFPO had the right to modify the R&Rs. Maren commented that development of the R&Rs are a collaborative process between AAFPO and the Resort. AAFPO should feel free to suggest modifications and guidelines to the R&Rs. Chuck then made a motion to appoint Brian Barnes as Project Officer to interface with the Resort on possible changes to the Stables section of the R&Rs. Jim seconded the motion and the motion was approved.

## Approval of FY2008 Financial Audit – Jack Fuehr

Jack announced that he had distributed the audit findings to the Board over a week ago. Since he had not received any comments from anyone, he assumed that there were no questions. Jim moved that the FY2008 audit be approved. Joan seconded the motion. On page 4 of the Agreed Upon Procedures, Maren commented that one finding found that \$8,997 had been collected as dues from the membership but had not been reported by the Resort. John Kitts and Jeannie Edwards explained the discrepancy as deposits in transit between bank accounts. This discrepancy is not material and will be rolled into the distributions to AAFPO in FY2009. The motion was approved unanimously by the Board.

### **5. Old Business**

#### **a. Newsletter Status – Robin May**

Robin expressed his appreciation to Karen for getting the newsletter out by the end of November. Barry commented that he met many members who did not realize that a new newsletter was available and felt that an effort should be made to publicize the publication of the newsletter. Robin commented that the Communications Committee had considered an E-mail “blast” to those members who provided an E-mail address. He also felt that notifying people locally could be done through an advertisement in the *Chronicle*. Robin expressed the opinion that if the web site is improved enough to generate interest on the part of the membership, members will gravitate there to get weather reports and other items of interest. The membership should be informed again that the web site is the best source of news regarding AAFPO.

Barry commented that based upon Karen’s knowledge and familiarity with Board members that she had “navigated the waters” successfully. Karen said that she had spent 43 hours (\$872.98) on the project. Maren offered to print 200 copies to be distributed to those attending the “social” on Thursday night.

Jim made a motion to continue using Karen as editor of the publication if she was willing. Jim said that Karen had the ability to do it, the willingness to do it, and the Board had the funds to pay to have it done. Robin seconded the motion. Jack commented that he had hoped that using a professional to edit and publish the newsletter would improve the publication; however, if everyone was happy with the current product, the motion should be approved. Robin commented that this issue was a “scramble” and he felt that improvements in content, format and software should be used in future issues. The motion passed with one nay vote.

b. Committee Reports

EEAC: B.U. Terry (report attached)

B.U. reported that 16 single-family homes had been approved thus far in 2008. There are other additions and improvements that have been permitted including sheds. B.U. plans to add a section to the application specifying that the shed must match the house.

Anyone who builds a shed without a permit is fined \$500 if caught by the E/ACC. Chuck asked how the payments were collected. E/ACC sends the transgressors a letter and ninety percent of the time, the homeowners pay the fine.

E/ACC is currently working off their "surplus" (\$65,900) that had been accumulated when more houses were being built. B.U. said that he did not anticipate an increase in activity anytime soon. B.U. said that building costs are declining per Eric Hoffman.

Barry asked B.U. to scrub the original charter that had been developed when the Resort controlled the E/ACC and present a revised charter for approval by the AAFPO Board.

Robin asked if the E/ACC could enforce their rules or if the Resort could restrict access to the amenities if a homeowner was in arrears or in violation of the covenants. The only recourse that has been successful in the past has been a judgment against the contractor.

Maren advised that a member in violation of an E/ACC rule would not be a "member in good standing" and could be denied access to the amenities if the Membership Office is notified by the E/ACC. Karen countered that qualification is based entirely on the payment of dues and does not include any violations of E/ACC rules.

Barry said that there is very little that the E/ACC can do since the E/ACC cannot deny a C.O. (Certificate of Occupancy) since that is the responsibility of the Village. B.U. said that the Village attempted to violate the covenants and were advised by Bill Erwin, former Village attorney, that the covenants could not be overridden. B.U. advised that the E/ACC would reevaluate the fine structure in 2009.

B.U. said the problems with enforcing the covenants stem from the period when the Resort created the covenants. The only recourse for the E/ACC is to take someone to court.

Amenities: Chuck Verry

Chuck advised that an Amenities Committee meeting was not held in December since so many committee members were not in Angel Fire. Joan broached the topic of restrictions on the Resort's use of the country club clubhouse because members' access to the facility could be denied. This would be a good time to establish the ground rules before the building is completed. Barry reinforced Joan's comments by stating that members will be very upset if a Resort function at the clubhouse restricts access to the building over a weekend. Maren agreed that AAFPO and the Resort should begin to develop the operational guidelines for the building soon.

Chuck announced that the tee boxes on the #5 hole have been moved and the Spruce trees have been cut down and masticated. Mounds have also been added on the left side of the fairway to prevent balls from rolling over the cart path. A red tee has been added to hole #11 half way down the hill. The rain shelter attached to the maintenance shed between holes 12 and 13 has been completed. The remaining golf funds will be expended before the end of the fiscal year at the end of April.

Chuck distributed the plans for the new bathhouse (800 sq ft) at the RV Park. The building could be built next spring for approximately \$156,000. The additional funds above the number currently budgeted (\$130,000) could be allocated from savings on the ski mountain glade project, the rain shelters and the drainage work on the #1 hole. This follows the recommendation of Pat Brunstad at last month's meeting to demolish the existing facility and start from scratch due to the limitations of the present structure. Joan asked if there would be any problems with the Village with permits and Chuck said no. Chuck also mentioned that the RV Park could be expanded without increasing the size of the bathhouse.

Communications: Robin May

The Communications Committee did not meet this month.

Treasurer's Report : Jack Fuehr (report attached)

Jack advised that the Treasurer's Report had been distributed and asked if there were any questions. In response to a question from Barry, Jack advised that due to paperwork problems, the CD that matured in November and had been slated to be converted to a one-year CD was not converted. Jack recommended that the recently "rolled over" CD scheduled to mature in February should be converted to a 15-month DC to put us back on schedule.

Communications Committee Charter : Karen Nichols

Karen stated that she and Robin were in the process of formalizing a charter for the Communications Committee. She then asked Jack if a charter already existed. Jack responded that the AAFPO Board approved the tasks to be included in a formal charter at a meeting this past summer. Karen advised that the intent is to develop charters for all of the committees sometime in the future.

Resolution Governing Documents for Review at Board Meetings : Lovelle Upton

Karen advised that Lovelle, Jack and herself had not been able to complete this resolution and asked Jack what his position was on the resolution. Jack said that his understanding from prior discussion at Board meetings was that the only change required was to restrict the resolution from "all documents" to "items to be voted on by the Board."

Karen then stated the resolution as it appeared as an addendum to the agenda and asked if she needed a motion to adopt the resolution as presented. Chuck said that there must be a provision for an item that comes up after the deadline that requires Board approval. Jim suggested that instead of an artificial deadline of Sunday night that the resolution be modified to state that all items to be voted on by the Board must be reviewed by all members prior to the meeting. Jack responded by saying that the provision wouldn't be effective since someone could distribute an item to those physically present at the meeting immediately before the meeting. This would deprive those participating by phone from voting on the provision. Jim agreed that if one Board member is deprived of the opportunity to review the item prior to the meeting, the item would be tabled. Karen proposed that the president could table an item if not everyone had reviewed the item prior to the meeting rather than having a resolution.

Jack commented that the original resolution called for all documents to be submitted by the deadline. That has been watered down to items to be voted upon by the Board. Jim commented that the Board is composed of laymen and we should not expect them to perform as if they were working for a major corporation and were getting a paycheck. We should agree as a board to determine how we want this Board to operate for action items and reports that reflect the fact that we are laymen and volunteers and can just do the best we can with the resources available.

Barry commented that it is difficult to enforce a rigid timeline when so many members of the Board are not physically in Angel Fire all of the time. Barry also cited an example where Board members are absent from a meeting. In that event, motions can be passed if a quorum is present. Jim concurred and said that is the way it should be. Jack countered that this is not the same as a member trying to participate who is denied participation by not receiving the documents with sufficient notice to participate. Jim said that is not the case to be addressed. Instead, the fact that Spencer is not here should not prevent the Board from voting on an item.

Karen suggested that she could attempt to encourage members to submit their reports for a few months to see how that approach worked. Jim said that instead of a resolution that we could develop a document describing what is expected of committee chairs with regard to reports, action items and resolutions. Barry and Karen said that we could have "operating memorandums" that would describe what should be done without resorting to hard and fast rules. It should be in the form of an "operating instruction" for the Board instead of a resolution. Jim supported that position by stating that a Board member who requires a Board decision can just do the best that he/she can. The BAA could then be utilized to contact the party to ask when a report or document will be available.

Barry asked Karen to prepare an "operating instruction" reflecting the discussion. In the meantime, the original resolution is in effect and the deadline for all documents is Sunday midnight before the Board meeting.

#### Changes to Bylaws : Jim LeBus

Jack said that he didn't understand the resolution since his expectation was that the Bylaws Committee would review the existing Bylaws and recommend changes throughout the year that would then be approved by the Board. This iterative process would result in a new set of Bylaws to be approved by the membership at the 2009 Annual Meeting. Jim said that this had been discussed by the Board in the past and that the Board had decided that we did not want to go to the membership with multiple changes to the Bylaws. Jim recommended that only two Bylaws changes be presented to the membership in an election cycle. For this cycle, the only items to be addressed are restrictive covenant changes and quorum requirements. Karen commented that the document that she received from Lovelle did not map back to the existing Bylaws or the Articles of Incorporation.

Jim summarized the intent of the Bylaws changes by saying that any changes to the covenants had to be approved by the AAFPO Board. A further modification would change the percentage needed to change the covenants from 75% of property owners to 75% of those voting on a change. Jack questioned whether a change to the Bylaws could change the covenants. Karen responded that the Articles of Incorporation is the document that needs to be changed. Karen concluded the discussion by saying that Lovelle wanted this tabled since the Bylaws Committee was not prepared to make a recommendation at this time.

Jack commented that the committee was overlooking many incorrect provisions in the Bylaws that need to be changed. Jim responded by saying that they didn't want to be accused of trying to manipulate the membership by throwing a lot at them. Jack pointed out that if they followed that course, any member reading the Bylaws next year would be appalled that the committee did not correct the obvious errors. Jim responded that he didn't think that we would be successful if we went to the membership with a completely new set of Bylaws. Karen commented that there is a danger if you get too complicated; the membership will not take the time to understand it.

Jim then added that if too many items are presented, members could say that they liked 75% of the changes but rejected the document because they didn't like the other 25%.

Board Appointment of Committee Chairs : Karen Nichols

Jim agreed to assume responsibility for this resolution since there are too many issues yet to be resolved.

## 6. **New Business**

Appreciation Dinner for AAFPO Board and Committees : Lovelle Upton

Jack presented the case for this function in Lovelle's absence. Jack explained that some committees already conduct appreciation dinners but not all committees do and the AAFPO Board does not. At an earlier Board meeting, there was a discussion of team building sessions to be conducted after the next Board is elected. The appreciation dinner would be a part of that team building effort since it would bring the outgoing members together with the incoming members in a social setting. Karen was charged to coordinate this effort with Lovelle.

## 7. **Adjournment**

Jim made a motion to adjourn that was seconded by Joan. The motion passed.

The meeting was adjourned at 6:53 p.m.

Respectfully submitted,

  
\_\_\_\_\_  
Jack Fuehr

  
\_\_\_\_\_  
Date

**AF/EACC**  
November 2008 Report

**Operating Accounts**

ISB-Checking	\$12,696.53
ISB-CD	\$ 3,922.21
<u>FNB-CD</u>	<u>\$49,286.94</u>
<b>Total</b>	<b>\$65,905.68</b>

**Owner/Contractor Accounts**

ISB-Checking	\$ 3,308.94
ISB-MM	\$ 13,709.14
<u>FNB-MM</u>	<u>\$ 93,006.24</u>
<b>Total</b>	<b>\$110,024.32</b>

Total income for the month of November	\$ 1,333.02
<u>Total expenses</u>	<u>\$ 3,909.78</u>
Net Income	\$ -2,576.76
Net Income YTD	\$ -1,646.72

Performance Deposits of **\$110,024.32** are held in the Owner/Contractor accounts to be returned to owners and/or contractors upon timely completion of housing construction according to approved plans.

**ANGEL FIRE ENVIRONMENTAL / ARCHITECTURAL CONTROL COMMITTEE**

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Single Family</b>	21	25	19	19	17	22	19	14	28	31	52	57	59	82	60	58	62	78	80	71	37	16	15
<b>SF Additions</b>	2	11	5	5	10	9	10	0	14	14	9	23	18	15	23	17	15	18	29	24	13	17	22
<b>Commercial</b>	1	1	2	0	1	1	0	0	1	0	1	2	4	1	0	2	0	0	0	0	1	2	1
<b>Comm Add</b>	1	2	1	1	0	0	1	0	0	2	0	0	0	0	0	1	0	0	0	1	0	0	
<b>Multifamily</b>	5	11	0	1	0	1	0	0	0	1	0	0	0	0	0	1	5	0	2	0	4	2	2
<b>Preconst.</b>																					4	2	1
<b>TOTALS</b>	30	50	27	26	28	33	30	14	43	48	62	82	81	98	83	79	82	96	111	96	59	39	41

# The ASSOCIATION of ANGEL FIRE PROPERTY OWNERS

## AAFPO TREASURER'S REPORT DECEMBER 2008

This report includes activity in November 2008.

The checking and money market accounts held at International Bank have been reconciled as of the end of November 2008. The reconciled checking account balance is \$1,053.37 and the reconciled money market balance is \$21,746.22 In addition, AAFPO owns four CDs at International Bank and Bank of America totaling \$80,000.00. One CD matured on November 26, 2008 and will be rolled-over to a new 3-month CD.


The money market account accumulated interest of \$4.28 in November. Checks that cleared included the following:

Burst, Whitson CPA	\$ 1,643.89	accounting expenses
Carol Neelley	\$ 653.02	legal expenses
Financial Agent	\$ 1,375.00	2007 federal taxes

No funds were received from the Resort in November due to an accounting snafu. The Resort initially presented a check that automatically deducted \$2,500 as the cost of the August "social." While the expenditure of these funds was approved by the AAFPO Board during the summer, issuing a check for the net amount presented several audit problems. The Resort was asked to present a check for the full amount of the share of the dues collection and an invoice for the \$2,500 cost of the August "social." This deposit will be made in early December.

The reconciliation reports and the P&L statement are current and have been filed in a binder located in the AAFPO filing cabinet in the E/ACC office. The Balance Sheet presented a problem since it did not appear on one sheet of paper and was unreadable unless one was willing to do a manual "cut and paste." This report will be rerun in January. The reconciliation reports are attached as PDF files.

Joan Ronchetti has done an excellent job writing checks for the past two months. Joan is also working closely with Kim Stewart as directed by the auditors. Kim will be the sole person responsible for entering the transactions into QuickBooks as well as reconciling the accounts at the end of the month.

  
\_\_\_\_\_  
Jack Fuehr  
Treasurer

12/9/08  
\_\_\_\_\_  
Date

11:37 AM

12/08/08

**AAFPO Administrative Account  
Reconciliation Detail  
International Bank - Checking, Period Ending 11/30/2008**

Type	Date	Num	Name	Clr	Amount	Balance
<b>Beginning Balance</b>						2,725.28
<b>Cleared Transactions</b>						
<b>Checks and Payments - 3 items</b>						
Check	10/27/2008	1616	Burst Whitson CPA	X	-1,643.89	-1,643.89
Check	10/27/2008	1617	Carol Neeley	X	-653.02	-2,296.91
Check	11/3/2008	1618	Financial Agent	X	-1,375.00	-3,671.91
<b>Total Checks and Payments</b>					-3,671.91	-3,671.91
<b>Deposits and Credits - 1 item</b>						
Transfer	10/27/2008			X	2,000.00	2,000.00
<b>Total Deposits and Credits</b>					2,000.00	2,000.00
<b>Total Cleared Transactions</b>					-1,671.91	-1,671.91
<b>Cleared Balance</b>					-1,671.91	1,053.37
<b>Uncleared Transactions</b>						
<b>Checks and Payments - 2 items</b>						
Check	11/4/2008	1619	Vistacare Hospice		-200.00	-200.00
Check	11/25/2008	1620	Karen Nichols		-754.00	-954.00
<b>Total Checks and Payments</b>					-954.00	-954.00
<b>Total Uncleared Transactions</b>					-954.00	-954.00
<b>Register Balance as of 11/30/2008</b>					-2,625.91	99.37
<b>Ending Balance</b>					<b>-2,625.91</b>	<b>99.37</b>

11:39 AM

12/08/08

**AAFPO Administrative Account  
Reconciliation Detail  
International Bank - MM, Period Ending 11/30/2008**

Type	Date	Num	Name	Clr	Amount	Balance
<b>Beginning Balance</b>						21,743.94
<b>Cleared Transactions</b>						
<b>Checks and Payments - 2 items</b>						
Check	10/15/2008			X	-2.00	-2.00
Transfer	10/27/2008			X	-2,000.00	-2,002.00
Total Checks and Payments					-2,002.00	-2,002.00
<b>Deposits and Credits - 1 item</b>						
Deposit	11/20/2008			X	4.28	4.28
Total Deposits and Credits					4.28	4.28
Total Cleared Transactions					-1,997.72	-1,997.72
Cleared Balance					-1,997.72	19,746.22
<b>Uncleared Transactions</b>						
<b>Deposits and Credits - 1 item</b>						
Deposit	11/20/2008				4.28	4.28
Total Deposits and Credits					4.28	4.28
Total Uncleared Transactions					4.28	4.28
Register Balance as of 11/30/2008					-1,993.44	19,750.50
<b>Ending Balance</b>					<b>-1,993.44</b>	<b>19,750.50</b>