

**September 13, 2017**

**Dear Friends and Neighbors,**

**Your Board has met three times since our Annual Meeting in July. It has been a busy time for the Board. A few of the highlights are as follows:**

- 1. Reviewed bids and selected AJ Road to fill the cracks in the Asphalt road. Work was completed last month. This was necessary before the chip and seal and doing it this fall will reduce the number and size of potholes over the winter.**
- 2. Secured as bid for Chip and Seal for the entire asphalt road CR501 to the Bridge for Four Corners Materials. This is for work to be done in the spring. The Bid gave us the basis to put together the Budget of 2018.**
- 3. Rented tractor and side mount mower to mow along the roadways and to cut back the brush on the sides that were impinging on the roadway. Cost for a one day rental and fuel was about \$550. Board members provided the six hours of labor time needed.**
- 4. Culverts and ditch along Ludwig were cleaned out as needed. Tractor and time provided free by the Board.**
- 5. Established the Architectural Review Committee separate from the Board. We have two members currently serving, Terri Bonham and Grandville Conway and would like a third. They have already had two sets of building plans submitted for their review.**
- 6. To improve the safety and longevity of our roads the Board has decided to bring in fill to enhance the shoulders of our asphalt road and to add a culvert extension at the intersection of Pine River Ranch Circle and Ludwig Drive. That will allow us to add more road base and widen this intersection.**
- 7. Trees and brush near the bridge were cut down and a loose tread was secured.**
- 8. Richard Dietrich, along with several Board members has been looking at a long term solution to our bridge. This will be discussed at the upcoming meeting Oct. 7<sup>th</sup>.**
- 9. Pat LeRoy, Secretary/ Treasurer, has continued to collect 2017 assessments from those who had not paid prior to our Annual Meeting.**

**The Association meeting October 7, 2017 is scheduled so you the membership can review and vote on the proposed budget for 2018. You will find a copy enclosed with this letter or email. The first thing to note is that the Board is proposing that the Annual Assessment remain the same as this year. The Assessment would remain \$430 for a full time lot, \$344 for a part time lot, and \$172 for an unimproved lot. These assessments would be charged to Subdivision II (US), Subdivision I, and the alpha lots has it has in the past. If everyone paid we would collect \$34141.00. Normally all of Subdivision I and Alpha lots have paid in a timely fashion. However we have a few in Subdivision II who do not pay. In that case we file a lien against the property. We are estimating that amount to be around \$2000 this coming year. It may be more or less but that is our best guess based upon past experience.**

We expect a carryover of \$19491. This reflects our increase in assessments in 2017 which were needed to cover the Chip and Seal in 2018. Totally we expect to have \$51612 available in 2018 (2018 assessment and carryover). I will go through each line item of the budget and explain differences from the 2017 budget.

1. Administrative \$625. This is an increase due to costs of filing liens, copy costs, postage, printer ink, etc.
2. Annual meeting \$150. This is a reduction in costs from \$200 as we have not been spending the full amount budgeted.
3. Bridge Maintenance \$200. New again this year. To cover replacement of lag bolts as they start failing.
4. Insurance \$700. \$691 last year.
5. Mowing \$600. Same as budgeted last year. Spent around \$550.
6. Chip and Seal \$28000. Our bid which would only be good this fall was about a \$1000 less. We raised the figure to \$28000 to cover any increase in costs that would be passed along to us. Hopefully the bid will come in the same as it was this fall. Chip and Seal seems to be the most cost effective way to deal with asphalt maintenance. We should not need to make this expenditure again for several years (estimate 4-7 Years). It may be wise to start a long range budgeting process where we escrow funds so it does not hit one year's budget so heavily.
7. Road Work \$10,000. We had \$29, 159.85 budgeted for road work and dust abatement last year. At the Annual Meeting the membership decided to cut back in this area for 2018 so we could have funds for the Chip and Seal. Depending upon how well the roads hold up this winter and spring we will see how much if any can be used for a limited application of dust abatement.
8. Snow Removal \$6000. This is a reduction from the 2017 budget of \$6400. Given the current balance in the Winter Account of \$4510, this would provide over \$10000 for snow removal. The bid for snow removal services is the same hourly rate as last year so unless we have an extremely snowy season we should end the season with a comfortable reserve in the Winter Account.
9. Legal-CC&R'S, By-Laws \$2000. The Courts have ruled we need to rewrite some of our CC&R's. We had been working on the Bylaws last year.
10. Board Legal fees \$500. This is the same as last year. Our Insurance has covered all legal expenses associated with the current lawsuit.
11. Mailing CC&R's \$450. All documents will need to be copied and mailed to every lot owner so they can vote on the revisions. All votes will have to be notarized.
12. Financial Review \$700. We have been doing this review every two years. Last time it was done by a member of our Association at no charge. That person will not be available this time.
13. Contingency \$1500. We had \$2000 last year.

**It should be noted that this budget provides little in the way of a carryover into 2019. Several factors could increase that carryover. First, the road impact fee of 1.2% of all building projects requiring a building permit could add several thousand dollars. Several lots have been sold and several of the new owners are considering building. There are no guarantees, but some funds are likely. Second, past liens and their related interest and penalty charges could be paid. The timing of this is completely unpredictable. If more than \$2000 of the 2018 Assessments are not paid there will be the need to cut one or more of the expenditure line items discussed above in the 2018 budget.**

**The budget picture moving into 2019 would not have \$31150 of expenses incurred in 2018. (Chip and Seal, Legal CC&R's, Mailing CC&R's, and Financial revenue). There would be some additional funding for dust abatement or other items deemed needed by the Membership.**

**Sincerely,**

**James Clay, President PRRLOA**

**PS: Fire Chief Evans will also share safety issues with our bridge and grants and other funding options. It is important to hear what he has to say.**

**PPS: If you cannot attend the meeting please give your proxy and instructions how to vote to someone who will be attending. I, unfortunately, will be in New York, so will give my proxy to Pat LeRoy. I CANNOT handle your proxy.**