

Los Cerritos Area Homeowners Association
P. O. Box 3958
Edgewood, NM 87015-3958



<u>Board of Directors</u>		<u>Officers</u>		<u>Committees</u>	
David Nee	281-4736	Pres: Debbie Wiebener	281-0377	Roads: Steve Williams	286-2284
Tom Zipperian	286-1721	VP: David Nee	281-4736	ACC: Shannon Siewert	602-550-2592
Debbie Wiebener	281-0377	Secy: Garth Reese	281-6658		
Garth Reese	281-6658	Treas: Tom Zipperian	286-1721		
Jack Clarke	286-5158				

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acc@loscerritosnm.org

Board of Directors Meeting - Minutes
February 10, 2016 at 7pm
Siewert home. 40 Camino Estribor

Invited:

- board members
- road committee representatives
- ACC representatives
- any association member is invited to observe, but please let us know you are coming so we may arrange seating.

Agenda:

- Treasurer's report.
- Discussion on Assessments. In particular, how may we recoup the outstanding dues from the few homeowners who have large balances?
- Report from Architectural Control Committee.
- Road Committee to attend to give us a rough idea on the next round of roadwork that will need to occur this spring.
- Autumn road maintenance discussion
- Pavement: What are the short-term and long-term plans for paving the roads?
- Speed Bumps?
- Discussion of Home Sales in the neighborhood.
- New business

Previous Action items:

No follow up required from last meeting.

2/10/2016

Minutes:

Law discussion: James Peck of Jay Goodman and Associates.

- JG&A work off from "evergreen" retainer. It is something of a deposit.
- James distributed a retainer agreement. Attached. The summary is that they would like us to deposit \$7500 or more in a permanent retainer. They charge per hour, and we "refill" the retainer, so there is always a balance of \$7500. If we terminate our actions, they refund the balance of the retainer. Per hour charges vary from \$175 to \$250/hr depending on retainer and agreement.
- Homeowners who owe \$10k or more go to district court, less to magistrate court.
- Note from discussion, we have about 5 homeowners with large delinquent accounts, well into the thousands of dollars. Many folks get a little in arrears, and we expect leniency there, but these 5 are not paying at all.
- The firm is most focused on these court cases, but before you ever go to court, they would send out 1 or 2 letters advising the homeowner that a court case is coming. They also serve the summons.
- Typical cases are about 25 hours lawyer time, maybe 1 hour for a nasty letter. So a court case may cost around \$5000. That should be collectible from the delinquent home owner.
- JGA does not typically work with collection agencies or credit agencies. However, once the judgement is in place, other actions like wage garnishment can occur.

Tom Zipperian suggested that Tom and Shannon would discuss this with Jay Goodman & Associates. Tom and Shannon will make a proposal for the board. All agreed that this would be a good path forward.

James of JG&A left.

Treasurer's report – Tom Zipperian

- Tom Zipperian distributed the projected budget and a summary of last year's expenditures.
- We need to decide on dues before sending out assessments.
- It takes about a week to generate assessment letter.
- Because of high snow removal costs, our balance is low. The balance is \$6691.
- We may expect about \$21k/assessment maximum. (Twice a year).
- We typically collect about \$13k in within 6 weeks of the assessment.
- Since our roads expenses influence the budget so strongly, we decided to discuss roads, and return to budget.

Roads Report – Steve Williams

- Our roads are wearing out. Large areas getting to the silty subgrade. We are going to have to bring in many truckloads of base-course. Typically we perform a skin patch (repairing weak sections) that requires maybe 5 truckloads of gravel. To restore the roads, we may need upwards of 50 truckloads of base-course at a cost of about \$15k. Steve recommends that by fall we start a base coarse project.
- Normal spring maintenance is about \$7k for grading, \$7k for stabilization, plus skin patch bad spots. This does not provide enough base-course for stability.
- There is a need for ditch work and pavement maintenance. Portions of the paving will need to be sealed to prevent damage and loss of our investment.
- Spots in the Pines are very muddy and in poor condition.

Treasurer Questions and Decisions

- The road issues may require a special assessment. We decided not to proceed on that at this time.
- Discussed increasing the dues again to meet some of this need. Current dues are \$380/year.

Board unanimously approved dues increase to \$410/year.

- Discussed proposed budget of \$42500/year.

Board unanimously accepted budget proposal of \$42500 for CY 2016.

We asked Steve Williams to provide an approximate estimate of the work required bring roads back up to par.

ACC Report

There was a request for barn to be placed in front of the house, near the road. The ACC approved only in back of home.

Speed Bumps

Discussed these, including costs, maintenance. No decisions made.

New Business

None.

Attendance:

Board: Debbie Wiebener, David Nee, Garth Reese, Tom Zipperian, Jack Clarke

Roads: Steve Williams

ACC: Shannon and Sharon Siewert, Mary Cockburn

Members: Lynn Kraus and Jacob, Dale Ford

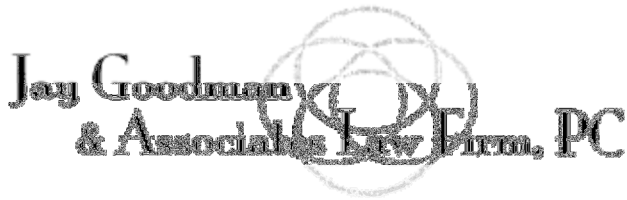
Adjourned at 8:30

	2014 Budget	2014 Actual	2014 Difference	2015 Budget	2015 Actual	2015 Difference	2016 Budget	2016 Actual	2016 Difference
INCOME									
Dues	\$39,455.00	\$39,455.00	\$0.00	\$40,880.00	\$40,880.00	\$0.00	\$45,920.00	\$0.00	-\$45,920.00
Special Assessments	\$0.00			\$0.00					
Interest	\$0.00	\$2,928.51	\$2,928.51	\$0.00	\$4,830.96	\$4,830.96	\$0.00	\$0.00	\$0.00
Subtotal Income	\$39,455.00	\$42,383.51	\$2,928.51	\$40,880.00	\$45,710.96	\$4,830.96	\$45,920.00	\$0.00	-\$45,920.00
Expenses									
Road Maintenance @76.75%	\$30,281.71	\$50,258.24	-\$19,976.53	\$31,375.40	\$24,324.12	\$7,051.28	\$35,243.60	\$0.00	\$35,243.60
Snow Removal / Mowing @15%	\$5,918.25	\$4,647.50	\$1,270.75	\$6,132.00	\$4,865.71	\$1,266.29	\$6,888.00	\$1,988.00	\$4,900.00
General Maintenance @1.5%	\$591.83	\$0.00	\$591.83	\$613.20	\$0.00	\$613.20	\$688.80	\$0.00	\$688.80
Utilities @0.75%	\$295.91	\$230.80	\$65.11	\$306.60	\$257.29	\$49.31	\$344.40	\$0.00	\$344.40
Administrative @2%	\$789.10	\$913.46	-\$124.36	\$817.60	\$1,150.67	-\$333.07	\$918.40	\$172.99	\$745.41
Legal @1%	\$394.55	\$0.00	\$394.55	\$408.80	\$0.00	\$408.80	\$459.20	\$0.00	\$459.20
Insurance @3%	\$1,183.65	\$1,119.00	\$64.65	\$1,226.40	\$1,119.00	\$107.40	\$1,377.60	\$0.00	\$1,377.60
Subtotal Expenses	\$39,455.00	\$57,169.00	-\$17,714.00	\$40,880.00	\$31,716.79	\$9,163.21	\$45,920.00	\$2,160.99	\$43,759.01

	2014 Start	2014 End	Difference	2015 Start	2015 End	Difference	2016 Start	Current	Difference
Assets									
Checking Balance	\$0.00	\$9,028.95		\$9,028.95	\$11,869.68		\$11,869.68	\$6,691.81	
Arrears									
Amount	\$0.00	(\$23,530.33)	(\$23,530.33)	(\$23,530.33)	(\$28,492.24)	(\$4,961.91)	(\$28,492.24)	(\$28,492.24)	\$0.00
Number of Lots	9	23	-14	23	26	-3	19	19	0
Liens	7	7	0	7	7	0	5	5	0

Legal Quorum	16
2/3 Vote	53

Lots That owe \$ 19
 Lots that owe >500 9
 Lots that owe <500 10



February 10, 2016

LCAHA Committee
Edgewood, NM

RE: Breach of Contract / HOA Dues and Arrears

RETAINER AGREEMENT PROPOSAL

The attorneys comprising Jay Goodman & Associates Law Firm, P.C. have more than 200 years of collective legal experience. Our highly trained administrative staff and paralegals are utilized effectively to leverage each attorney's time -- this ensures scheduling and deadlines are accurately tracked and allows the attorney to focus on more intensive tasks, all while saving money for our clients. We have represented the full spectrum of clientele, including individual homeowners as well as HOAs such as your own. This detailed knowledge of both viewpoints is extremely valuable when considering litigation of this type.

Some homeowners may require a higher level of intensity compared to others and inversely, you may not want to file a Complaint against someone that only recently went into an Arrears position -- the legal approach is completely scalable. Your attorney will be able to provide you the necessary guidance to determine which homeowners are worth seeking Court action against and which ones are not. Knowing the economic viability of an approach beforehand saves time, energy and, of course, money.

Our firm offers tremendously competitive rates, but considering the HOA's unique situation, we wanted to offer you the payment options listed below as they might better fit your needs. Further, arrangements have been made for a 10% discount to be applied to the first invoice and additional, recurring discounts are available as well. Any funds remaining in your Retainer account will be refunded once the representation has concluded.

Options	Retainer	Hourly Rate	Cases	Up-front Cost	Hours
Option A	\$2,500.00	\$175.00	5	\$12,500.00	72
Standard Rates	\$2,000.00	\$200.00	5	\$10,000.00	50
Option B	\$1,500.00	\$225.00	5	\$7,500.00	34