



HEBGEN LAKE ESTATES

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OCTOBER 14, 2021, BOARD MEETING, 6:30-8:30 pm

Attendance: Vonda, Ron, Kate, Cindy joining by phone

1. Board decided that the last meeting minutes (9-6-2021) and the annual meeting minutes (9-23-2021) had been updated with comments received and was ready to approve after which they can be posted to HLE website.
 - Ron move to approve 9/6; Kate second; passes unanimously
 - for 9/23, Ron said it was hard to heard audience members on phone at annual meeting but did his best writing up the minutes of the meeting; Ron made changes recommended by Vonda and Kate review. -Ron move to approve 9/23; Kate second; passes unanimously
 - Vonda gave out a HLE Community Map she had made noting properties by Block Numbers and Lot Numbers in subdivision. Vonda said that Constant Contact application using property owners' emails was organized by block and lot numbers.
2. Treasurer Ron proposed the 2022 HLE/HOA Budget which was discussed and approved as follows:

HEBGEN LAKE ESTATES HOMEOWNERS' ASSOCIATION ANNUAL BUDGET 2022

Estimated Annual Income:

Dues 132 @ \$75 per lot	\$9,900
Minus Uncollectible Dues @20%	\$(1,980)
Net Collectible Dues	\$7,920
2021 Year-End Bank Balance Forward	\$34,000
Additional Income (ARC Fees)	\$900
TOTAL INCOME	\$42,820

Estimated Annual Expenses:

Weed Control	\$7,000
Business Manager's Fees	\$2,500
Liability Insurance	\$1,500

Attorney Fees	\$500
Website Management	\$250
Printing Expenses	\$200
Postage	\$300
Office Supplies	\$200
MT SOS Filing Fees	\$60
TOTAL EXPENSES	\$12,510
ANTICIPATED YR END BALANCE	\$30,310*

-Ron determined that about \$1800-1900 is not paid annually (20% uncollectable dues)
 -Board agreed that \$900 was a good estimate for ARC fees. Vonda explained ARC fees of \$300 was charged by Board to review each new home plans; Vonda mentioned that Charlie McCluskie, a local builder and HLE property owner has been reviewing safety and code of new home plans.

-Board discussed Weed Control and approved an increase to \$7,000 since it was a major concern of homeowners this year as voiced by many at the annual meeting. Ron highlighted that weed control is the major beautification/betterment of the HOA paid from property owners dues.

-Business Manager fees were consistent with prior years; Vonda explained that currently the Business Manager charges by the hour-\$35- sends out dues' invoices, pays bills, helps with title company contacts about whether dues are up to date, and collect dues. Ron was not sure if Business Manager files liens with the County for non-payment of homeowner dues, if demand letters go out, and whether delinquent dues are collected when properties are sold. Vonda reported the following:

-James Schulteis paid dues & has plans for new structure.

-Lot 44 has contacted Vonda about finding a builder.

-Ron emphasized that this will be the first year/time that we might be drawing down from our reserves.

-There was agreement of the need to keep funds in reserves.

-The Budget was approved as is noted above.

3. Board discussed how to manage the 20% delinquent rate of current dues in addition to prior years dues by exploring allowable interest and penalty charges for late/non-paying owners & filing liens against properties.

-Ron reported that there is approximately \$4,000 in total current and prior year back dues.

-Ron presented a proposed collection policy procedure along with demand letters imposing a \$25 late fee penalty per lot per year plus 10% interest charge per annum until the delinquent balance is paid in full.

-Vonda & Kate agreed with the proposed late fee and interest and penalty charge.

-Ron proposed that if current year dues are not paid within 30-days of receiving dues invoice, then an initial Demand Letter for current year delinquent dues would be sent imposing a penalty late fee and interest charges. If after a 6-month period, dues remain delinquent, then a second notice would be sent informing the delinquent homeowner that the HOA would be filing a lien against the property by the calendar year end. If prior year (s) dues are in arrears then a Demand Letter would be sent imposing a penalty late fee and interest charges from the date of original delinquency to the current date . If dues accounts remained unpaid, then some official notification should be sent advising the homeowner of the Association's intent to file a lien against the property for the unpaid dues and interest charges, penalties and any other costs incurred by the Association.

-Vonda asked Ron to research the process of having to give legal notice perhaps via certified letter saying either you pay, or a lien will be filed against property; see how much time homeowners have to pay their delinquent dues before a lien is placed on the property.

-Ron asked Cindy, the former Treasurer, what her experience was with filing liens on properties. Cindy did not remember the exact procedures, but said she had to pay a filing fee to the County.

-Board discussed employing a collection agency. Ron will look further into it. They are third-party intermediate; suggestions were to investigate a local company.

4. Board discussed whether to raise dues since at the annual meeting, homeowners were asked what community improvements they would like the Board to consider.

-Ron mentioned that the Board may want to raise dues assessments to avoid spending reserve funds. However, for community improvement projects, there is a \$1,000 limit on any expenditure in the covenants. Any increase to the limit would have to be approved by 75% of all property owners to change the covenants.

-Board decided to panel further discussions on the expenditure limit.

-Vonda asked if a vote was held whether no vote could count as a vote for the increase? Ron said he would research it.

5. Ron asked the Board to discuss requiring the Business Manager to plan her time to send out annual due invoices on or before January 1st every year per our covenants. The Board considered the following:

-Current Business Manager is busy running multiple different businesses in town.

-Over the last 3-years, she sent dues invoices out in March making it more difficult to get timely control over delinquent dues.

-Over the last 3-years, Board members had to draft, print, assemble, and mail out annual meeting documents because the Business Manager neither had the time nor the supplies to accomplish this specific assigned task per her job description.

-Vonda mentioned that a HLE homeowner might be interested performing some of the tasks the business manager does not have the time for. Vonda will follow up with her and ask her for a resume; Ron has old job description he said he would send to Vonda.

-Need to revise how payment are authorized; Ron noticed that currently Business Manager prepares and signs all the association checks which he pointed out is a major internal control weakness to remedy.

-Discussions were held to allow Kate to sign check payment since she lives in community year-round and would be a quick way to resolve this weakness.

6. Per discussions and homeowners' complaints of weed control at the annual meeting, the Board discussed whether we want to pursue a more formalized weed spraying process.

- Several homeowners said their properties get sprayed; but sprayers are not gardeners; they are going to target the biggest patches and most obvious weeds.

- No one on the Board contacted weed control contractor early in the season; he waited for us to come to him.

- Cindy will be responsible for contacting contractor about being on a schedule and she will follow up with him.

- Vonda said there was another weed sprayer out of Virginia City-but they have not called Vonda back.

- Ron said he recently called Swiss Precision who came to his house and pulled weeds and sprayed kosha.

- Kate mentioned another option would be to get goats; she will investigate Goat Green LLC about coming to our community and what would be the costs.

7. Board discussed homeowners' complaints about Yellowstone Ranch Preserve (YRP) made at the annual meeting.

- Ron drafted a proposed letter listing three areas of concern to discuss with YRP. First, the Board wants to know what the YRP construction plans are, and how they would better control dust and noise pollution. Over the last 3-years there has been a constant state of development and construction along the boundaries of both our communities. Dirt was excavated and moved to establish berms and roadways. Then berms were leveled, and dirt moved to other areas of the property. The near constant noise and dust has adversely affected our homeowners, some of whom have been deprived of the quiet enjoyment of their decks and backyards. Second, the Board is concerned that with continued roadway construction along our boundaries, there is more opportunity of spreading of noxious weeds into our community. Also, continued construction of temporary or permanent roadways without proper drainage could aggravate flooding from snowmelt into our community. The Board wants to know what mitigating efforts the YRP will take relating to controlling noxious weeds and adhering to County regulations for building roadways. Third, the Board is concerned about how YRP construction and development plans (1) affect the conservation of wildlife on both our communities, and (2) conform to the conservation easement YRP entered for the protection of wildlife. Annually, a herd of approximately 100 bison migrate here, and we would like to think we share a common concern for their protection and preservation. The Board would like YRP assurance that the bison indigenous to Horse Butte area is free to roam and will be protected.

- Vonda would rather first sit down with YRP Ranch Manager Travis and talk to him; use letter as talking points/guidance for conversation.

- Vonda said that the County may be sending a letter about controlling noxious weeds to YRP.

- Vonda mentioned that YRP is giving access to ranch water for firefighting.

- Ron said that he wants to attend any meeting scheduled with YRP.

6. Board discussed various ways of using Constant Contact and obtaining homeowners email addresses previously at the annual meeting, and discussions continued at this meeting. However, if Constant Contact were to be used exclusively to notice homeowners about annual meetings, casting votes and receiving proxies all via email, then current voting requirements in covenants would have to be amended. Some ways of obtaining homeowners email addresses and using Constant Contact were identified below.

- Knocking on doors to get emails; Vonda and Kate will help.
- Welcome new people to subdivision and requesting email addresses.
- Explaining that using Constant Contact as a group email would not reveal individual homeowners email addresses on HOA communications.
- Sending out newsletter,
- Announce meetings.
- Amending current voting requirements was tabled for future Board Meetings.
- Vonda will share Milan's name with proposal for new gravel to RID contractor, Morrison-Maierle; Milan Ivankic, HLE homeowner will make sure that gravel contract that gets put out for bid is we want for the neighborhood.

7. The Board discussed projects before the Architectural Review Committee (ARC).

- JS has been approved; he has large setbacks; small 2 story house
- Vonda approved JR's fence line; his neighbor Penny had a surveyor out this week; have not heard from her about any problems with the property line; setbacks must be 35 feet in front and 15 on the side and 25 in the back; Vonda communicated to him that a new accessory building will require approval by ARC, and that no businesses may be conducted on a residential lot. JS wants to work on automobiles.
- Ron voiced concern for noise and minimizing impact on neighboring property owners per County regulations.
- Ron and Cindy did not see the plans for JS fence and did not approve it.
- Ron reminded everyone that home and accessory structures projects are approved by a majority of the ARC – comprised of the current Board Officers.
- Approval of fences should be consistent in neighborhood; per covenants can only have 25-foot sections.
- Covenants referencing fences prescribe properties are to remain in as natural a setting as possible and compatible with wildlife, allowing for movement of wildlife with as little restriction as possible.
- CS fence does not follow guidelines; Hart has good example as well as Lot 16 Block 3; suggest viewing other neighbors fencing patterns; keep as much open space for wildlife.
- There are utility easements in properties for access to electricity and water; property owners should be made aware of that when inquiring about fencing requests; if utility repairs have to be performed, fences might have to be removed possibly at owners' expense.