2022 Annual Meeting Minutes

Date: February 6th 2022

Time: 1:30 pm

Location: The Grange, 25200 E 152 Ave, Brighton Co. 80603

1. Meeting was called to order by Board President John Conroy at 1:50 PM.

2. Roll call was taken to certify quorum. Thirty-nine (39) members were present in person or by proxy for 57.35% percent of the 68 eligible members present. This satisfied the 25% needed for a quorum to conduct this meeting. Proxies were verified and validated.

3. Notice of Annual Meeting. Dan Metz had prepared the notice for mailing December 31st, 2021 and provided the proof of proper notice of the annual meeting. All members affirmed as to their receipt of the official notice.

4. Minutes from 2021 Annual Meeting were presented by John. He motioned to approve the minutes as presented, Charles E seconded, motion carried.

5. **President's Report** - John Conroy noted the outstanding work by VASC volunteers. He also noted that the Grass runway project may be looked at again after we get more refinement and analysis of the proposal. Wind Tee was re-lit, repaired and painted under the supervision of Mark Mason and the help of several other volunteers. Fuel system upgrade is completed and functional, with some accounting errors that occurred during the transition but are being investigated now. Crack sealing was accomplished thanks to Tom Alexander and other volunteers.

6. **Secretary's Report** - Dan Metz has been challenged with 50-60 hour work weeks. Riquel Cox volunteered to assist with website postings, get more documents posted and available and to help keep communications flowing in the future.

7. **Treasurers Report** - Linda Alexander - Crack seal came in right under budget (thanks to volunteers). Oil and Gas Lease was signed with Verdad Resources for $260,000 and $66,000 in estimated taxes were paid from that. Working on new fuel credit system. We still owe $10k on the tractor but it will be paid off this year. Brandon notes we will likely continue insurance with Kubota after loan is paid so we will still have a small annual outlay for that. Budget discussion will follow later. The Audit Committee – (Linda, Laura Larkin and Dawn Conroy) performed an audit of the P&L's and Balance sheet, they are ready to go to the CPA.

8. Brandon motioned to approve the 2021 Treasure's Report, John seconds, motion passed unanimously.

Committee Reports

• **Fuel Committee**

Tom Thrall - this year we did get the vendor quote and terminal hardware we replaced. Issues arose because new system was not compatible with old accounting, so we had to go with a new credit card processor. Doug Morissette was the installer and offered that his company could serve as conduit for our transactions until we got our new merchant account set up. System is working but has very limited tracking info, so we don't know if deposits match sales exactly yet. In the meantime, Doug has become unreachable and we don't know why. We are working the reconciliation problems, are concerned but not yet alarmed. Credit card sales denials have dropped off dramatically with new system.

• **Runway Committee**

Tom Alexander reported, we had a good group of volunteers for seal coating and the follow-up painting was completed for about $26,000.00. Next Crack Seal and Seal coat is expected to cost about 3 times that amount, the reason for the higher expenditure is to obtain a better longer lasting product. We should not have to reseal for 3 to 4 years. Two Taxiways are in need of repair (crowns were done improperly) the committee is looking into options for repairs. This could be a major undertaking to do correctly. Also looking at a path to get some foot and vehicle traffic off of the runway.

• **Common area Committee**

Don Smallwood reported – Seeding did not go well due to lack of rain. Weed control also has been an issue with the lack of rain and grass.

Potential of a 16 acre property west of VASC coming up for sale. The VASC board and special committee (Brandon, Casey Meeks and Don) is already exploring the possibility of VASC purchasing this property. It has potential to add six more lots to Van Aire and will keep unwanted development from occurring adjacent to our community. More to follow.

New Tractor and mower deck is working well

• **Architectural Control Committee** - John Conroy reported one new fence project was approved.

• **Investment Committee** - Linda Alexander reported the plan is to keep money invested in short-term CD's

• **Oil & Gas Committee** - Ted Stallone reported 8 out of 18 new wells have been drilled horizontally. In preparation for fracking of new wells, Verdad will be capping old well near Brandon's hangar and once all old wells are secured, we may get our first royalty check by November. First check should be for 6 months worth of revenue but from only the first few wells drilled. Expectations for our revenue are just a guess at this point, and will typically peak in the first year then decline from there (Tom Thrall). Don states they applied for 32 well permits and will be drilling them subsequently.

• **Covenant and Bylaw Committee** - Charles Elliston reports we didn't have enough votes to pass the Covenants, Ted said they need to be voted on again to bring into harmony with Bylaws. It is noted that our Covenants are the hardest document to change with the highest threshold required of all the documents.

9. **Old business** - John surveyed the membership but no unfinished business was brought up.

10. **Election of Officers**

• Block 1B Rep - Bill Teater (unopposed)

• Block 2B Rep - John Conroy (unopposed)

11. **Committee Member changes/appointments**

Audit Committee – Dawn Conroy, Laura Larkin, Linda withdrawing.

Fuel Committee – Tom Thrall, Ted Stallone, Charles Elliston, Jim Viduna

Runway Committee – Tom Alexander, Brandon, Mark Mason, Charles Elliston, Don Watkins

Common Area Committee – Don Smallwood, Terry Jackson, Vince Phelps, Steve Harless and

Katie Thrall

Architectural Control Committee – John Conroy, Jeff Johnson, and Maria Riel continue. Laura Larkin and Brandon volunteer to join committee

Investment Committee - Bill Teater, Dawn Conroy, Morrie Hoffman

Oil & Gas Committee – Ted Stallone, Tom Thrall, Don Smallwood

Covenant Review Committee – Ted Stallone, Paul Danyew, Charles Elliston

12. **2022 Budget**

• Linda reports 2022 budget

• Brandon Motioned to accept and John Conroy seconded. A request for a voice vote for opposition was made, motion Passed.

13. **New Business** - **A)** Linda Alexander is retiring from her position as Treasurer. Our heartfelt gratitude goes out to her for everything she has done. This will leave us without a treasurer - it is not an easy job and needs to be done by qualified individuals. We may have to hire it out if no one steps up. Request is made of the membership to look for qualified people. Roughly $1000/month is likely the price of having a paid person do this work. Ted motions to add $12,000 in budget line item called "Operating Funds", seconded by Charles. Passes on a show of hands.

B) Ted Stallone speaks about Reserve Study. It is a spreadsheet used to plan future revenues and expenditures. It is a living document and incorporates inflation rates etc to give more accurate predictions about our needs going forward. Ted volunteers to head the program, and John Conroy and Bill Teater volunteer to work with Ted.

C) Due to recent conflicts on the runway, Tom Alexander presents a proposal to construct a walking path around the common area to limit traffic on the runway. Initial proposal is to have an 8' wide path built to within 3' of the property lines (common area must be surveyed to accomplish this) surrounding the common area for maximum safety. Path would be 3" thick, asphalt, with 2" of roadbase underneath. Tom has estimates for around $250,000. Charles moves to approve $300,000 for entire project to allow for unforeseen expenses (planning, permitting, surveying, etc). Also specifies this project will be funded and maintained by O&G money. Motion is seconded and passed 34-3 on a general vote.

D) John Conroy - We are also looking at a storage building , approx 40 x 60, 18' tall to store our equipment. Preliminary drawings by Carl Goeritz are distributed. It would have drive-thru capability, a covered patio area and a separate area inside for "office" storage space. Projected cost is around $100,000 depending on options. Brandon states we should keep it on common area, or possibly on new 16 acre parcel if that becomes a reality. In any case, all agree the visual impact to the neighbors should be minimized as much as possible.

E) The highlight of the meeting was a presentation by attorney David Firmin of Altitude Law and accompanied by a CPA. They discussed and answered questions about how O&G monies could be utilized to benefit the community. He stated the triggering event for taxes on this money was the moment we received it, not if/when we spend it. Lengthy discussion ensued over tax status changes (we can maintain hybrid status until IRS tells us otherwise), assessments (David recommended lowering assessments but not to zero) etc.

John – motion to adjourn, seconded, there being no further business, the meeting was adjourned at 4:30p.m.

Compiled for your approval by:

John Conroy, President, VASC