

South T-Bar Ranch Property Owners Association, Inc.
Minutes for January 14, 2012
2012 Budget Meeting of the Board of Directors

I. CALL TO ORDER –10:05 am

The January 14, 2012 Budget meeting of the Board of Directors of the South T-Bar Ranch Property Owners Association was held at Cornella Brothers Canon City with board members unable to attend in person on teleconference. President, Joe Price called the meeting to order. The following directors attending:

- Julie Hawley
- Anelladee Spencer
- Joe Price
- Betty Sue Cornella

Others Attending:

Ann Eulert

Others Via Conference:

Becky Renck, Tim Anderson, Kitsi Atkinson, Brenda Coon

Proxies used: 6

It was noted that in accordance with CCIOA Law, there was not needed a quorum of membership present to approve the 2012 POA Annual Budget. There was a quorum of Board members present without the non-voting board directors participating via teleconference.

It was also noted that the 2012 POA Board is operating under the same terms and conditions as previous years to preserve the continuity and transparency in presenting the membership with the Operating Budget.

II. APPROVAL OF 2012 Budget:

The Proposed Budget was either emailed or snail mailed to all POA Members for review and comment on January 4, 2012. Discussion was held after a General overview was presented by Treasurer Betty Sue Cornella.

The major adjustment from previous budgets was to the road maintenance allocation. The reasons behind this were to provide additional maintenance this year that had been forgone in previous years bringing the roads back to healthy status.

Ann Eulert moved to approve the budget as presented. Anelladee Spencer 2nd and a vote to Approve was held. The motion passed.

VIII. ADJOURNMENT – 10:27 am Julie Hawley moved to adjourn the meeting. J Price 2nd. The motion approved and the meeting was adjourned.

Respectfully submitted by
Rebecca Renck, Secretary,
South T-Bar Ranch POA

December 22, 2011

TO: STB Ranch Property Owners

FROM: South T-Bar Ranch POA Board of Directors

RE: Budget Approval Meeting

The POA Board will hold a Budget Meeting on 14 January 2012, which all POA Members are invited to attend. In past years, we followed a procedure which was largely compliant with CCIOA. Without the umbrella regulations of CCIOA, the Board's only guidance with respect to development and approval of a budget is found in our Bylaws (Article III, Section 1, (e)), where there is no express allowance for Member input. However, the Board has decided to continue to follow a similar procedure as it has in the past with respect to Budget adoption, because the traditional method does allow for member input and commentary, as well as providing a high degree of transparency. We are working on a Procedure document to include in our governing documents.

As most of you are no doubt aware, the POA recently received a significant influx of cash as the LLC bought out a large part of its outstanding debt to the POA. As a non-profit corporation, we are prohibited by law from re-distributing funds directly to POA Members, but we will be exploring ways and means of returning the value of any excess funds to the Membership by whatever legal means possible. (By "excess funds", we mean any amount above and beyond that which is necessary for continued operations and reserves.) We've used, or will use, the money we received from STB Minerals to meet a couple of immediate and significant expenses as follow: to pay off our Legacy Bank loan in its entirety, to pay off the outstanding member loans, to start on some badly needed road maintenance that was deferred over the past few years, and to satisfy an anticipated tax liability for 2011. One additional item of note is the need to replenish the Reserve Funds from which we borrowed during formation of the LLC. To that end, we have initiated work to analyze our historical and anticipated reserve requirements going forward. The Board's immediate goal is to re-establish stability in our overall financial and budgetary picture. We anticipate that we will have a better comprehensive view of our finances by the time of the 2012 Annual Meeting.

Included with this letter are a copy of the proposed 2012 budget, along with an agenda for the Budget Meeting and a summary accounting of the funds received from the LLC

We wish you and your loved ones the happiest of holidays and a peaceful and prosperous New Year!
Sincerely,

The South T-Bar Ranch POA Board of Directors

2012 Annual Budget Meeting Agenda

Date: Saturday, January 14, 2012

Location: Cornella Brothers Ministorage Office
2730 N. 9th Street

Canon City, CO (map and directions enclosed)

Time: 10:00 – 10:30am

RSVP: Email secretary@southtbar.com

Agenda: 10:00am Meeting Called to Order

- Welcome and Introductions
- Votes Received in Advance

10:05am Treasurer's Report

- 2011 Budget
- Discussion
- Vote

10:30am Adjourn

Summary accounting of Funds received from STB Minerals in 2011

\$476,332 received 25 October 2011 from STB Minerals

\$114,235 paid in satisfaction of POA Member loans

\$192,532 paid in satisfaction of Legacy Bank loan

\$100,000 reserved to cover anticipated tax liability for 2011

\$63,519 earmarked to replenish funds borrowed from POA Reserve Accounts (see note below)

Notes:

- 1) \$63,519 represents the amount that we borrowed from our Reserve Accounts over the past several years to fund formation of the LLC. As noted elsewhere in this mailing, we have initiated a Reserve Study to determine an accurate *current* value for our Reserve Funds.
- 2) Our debt settlement agreement with STB Minerals includes a future income stream *estimated* at \$85,000. Since these funds are not in hand, nor do we know exactly when they may come to us, we are leaving decisions related to disposition of that amount to future POA Board(s).
- 3) We have started to catch up on road maintenance that we've deferred over the past few years and anticipate additional expense in this area.

**South T-Bar Ranch POA
Proposed Operating Budget
Fiscal Year January 1, thru December 31, 2012**

Income:			2012 Proposed Budget
Annual Assessment			
	South T Bar	114 @395.00	45,030.00
	Special Assessments		
Annual Road Use Assessment			
	Fremont Parcels	6 @395.00	2,370.00
	Elkview & Hall Gulch	12 @395.00	4,740.00
Grazing Lease			
	2 x per year @1,800.00		3,600.00
Income from Transfer of Ownership			
	Estimated 2 Parcels		100.00
Interest Income			
	Estimated		200.00
Late Fees			
	Estimated		100.00
Other Income / gate remotes, Newsletter,			
	Gate Remotes		45.00
	Mining Surface Access		1,185.00
	Other Income		100.00
Projected Annual Operating Income			57,470.00

Expenses:			2012 Proposed Budget
Road Maintenance			
Base Rate			9,000.00
Other Road Maint Costs			25,000.00
Insurance			
General Liability			2,200.00
Officer's Liability			1,000.00
Gate Electrical & Maint.			
	Monthly Gate Electricity	21.00 per mo	300.00
Trash Service			
	Various # of containers depending on the season		6,000.00
Communications (Newsletters etc)			
	Mailing, Supplies, Copies		275.00

P.O. Office Box				
	P.O. Box Rent			46.00
Accounting Fees				
	Tax Return Preparation/Consulting			2,000.00
Legal Fees				
	Legal Expenses			5,000.00
Corporate Taxes				
	State Tax			300.00
	Federal Tax			700.00
Dues Collection Expenses				
	Postage,Bank Chg, Supplies			200.00
Annual Meeting Expense				
	Mailing and Printing costs			150.00
	Catering/Room rental			615.00
	Rental / Port a Potties			185.00
	Morning donuts, coffee, etc			50.00
Repairs/Maint/Supplies				
	noxtious weed, paint, sign, dumpster, etc			200.00
Board Meeting Expense				
	Telephone, Copies, etc			0.00
Misc Expenses: Web Site, Corp Report, etc				
	Web Site			500.00
	Corp Report			10.00
	Other / gate remotes on hand			100.00
	Total Projected Operating Expenses			53,831.00
	Total Operating Income (loss) / For Reserves			3,639.00