DRAFT

Michigan Hill Owners Association
Annual Owners Meeting Minutes
June 13, 2026

1. Fire Mitigation – Jefferson-Como FD
2. Call to order at 10:22AM
3. Determination of quorum, minimum of 20% of properties (256 lots x 0.2 = 51 lots). 102 lots were represented in person and by proxies, quorum requirements met, official meeting.
4. Board members, all present
    a. Mike Hogan, president
    b. Carole Copeman, vice-president
    c. Bill Sone, treasurer
    d. Jerry Devries, at-large
    e. Larry McClymonds, secretary and ACC manager
5. Review and approval of draft 6-7-25 annual owners meeting minutes with no changes
6. Reports of officers:
    a. President – Mike
        i. Welcome all and thanks for the large ownership turnout
        ii. Proposals and agreements standardization for future consistency
            1. Standard services contract was developed by MHOA attorney group, Altitude Community Law
            2. Road Grading SOW and Proposal developed by board with input from several road grading professionals
            3. Snow Plowing SOW will be developed by board with input from previous contractor, Crooked Creek and other snow plowing professionals
            4. Snow Plowing Proposal will be developed by board based on SOW
        iii. Snow plowing contract has expired and Crooked Creek is no longer available to plow our roads. Board will make this a very high priority to find a replacement contractor.
    b. Vice President – Carole
        i. Road Grading completed in mid-May and should be done in fall
        ii. Board contracted with Silverheels Dirt and Tree for spring grading based on proposals received last October. Winning proposal was based on one-week grader rental, one-week operator and fuel charges. Total was $12,499
        iii. Discussed need for better process documentation
        iv. Noted drainage issue at lot 131 after road grading due to Aspen growth along road preventing proper edge grading. Mike Hogan created several channels along berm to reduce water washing in and across owner's driveway
        v. Terry Oneil, lot 246 noted that the snow plowing contract is separate from road grading
    c. At-Large – Jerry
        i. Augmentation Pond – thanks to Karl Copeman for his volunteer work on the ditch, flume and submittal of annual report for the water commissioner Garver Brown. Will need a new flume in the next few years and estimates cost at $1,500. The access road is rough and will need maintenance.

            Fish were stocked. Reminder, kids 12 and under can keep 2 fish per day, all others are catch and release until after October 1st when all fish caught can be kept.
        ii. Signage – new sign installed on Michigan Hill Rd south entrance. Need to install new sign at Jefferson Heights and MHOA on Georgia Pass Lookout.
        iii. Weed Spraying – currently estimating mid-July timeframe

d. Treasurer – Bill
    i. 2026 budget review and approval
        1. Bill gave his treasurer's report and presented the 2026 budget (see attached 2026 Budget and Treasurer's report)
            a. Highlights rising costs and inflation
            b. Noted poor past board performance in maintaining roads
            c. Roads makeup 90% of budget and require an additional grading, 2x per year and the annual addition of road-base material to improve our roads. Suggested a need for a road study to assist with better budgeting for roads.
            d. Report and budget indicate an annual budget deficit of $75 per lot based of 256 current lots and a need for an annual 2.5% increase for inflation.
            e. Terry Oneil, lot 246 motioned that we raise dues to $325 per year January 1, 2027 ($75 increase per lot) and 2.5% annual increase starting January 1, 2028 and 2nd by Larry McClymonds, lot 207. There were limited discussions. Approved by majority hand vote with a few disapprovals.
    ii. New Financial Management Company – Centennial Management Group (CMG)
        1. Board has determined to move to a new local financial management company, with great customer service and Colorado Common Interest Ownership Act (CCIOA) knowledge and implementation. CMG is a better fit for our association and will be much easier interactions for the board and members. Look for future announcements and communications regarding CMG

e. Secretary - Larry
    i. ACC Activity Report – See attached ACC Report

7. Election of Board Members
    a. 5 Positions Available (Bylaws require minimum of 3 and maximum of 5)
        i. 2 each 1-year term
        ii. 3 each 2-year term
    b. Nominations and Election Results via secret ballot
        i. Karl Copeman – not elected
        ii. Mike Hogan - elected
        iii. Larry McClymonds - elected
        iv. Steve Johnson- elected
        v. Brian Malone - elected
        vi. Bill Stone - elected
8. Old Business
    a. Culvert at CR35 and Georgia Pass Lookout is owned by Park County. They have committed to replace due to damage caused by grading and snow plowing. Will move deeper in to ditch.
    b. Blocked cross-road culvert at 1010 Glacier Peak is scheduled to be replace with a new culvert and homeowner will assist in cost sharing. Scheduled to be completed before next road grading.
    c. Burn pit review and possible redesign in conjunction with Jefferson Como Fire Department. Mike Hogan will work with Trent Smith to determine what options are available for MHOA.
    d. Elk-kill reported last fall on Michigan Hill by alleged shooters Pete and William High, Jefferson Heights. Several plea hearings have been rescheduled and currently scheduled for July 21, 2026 at 1:45PM in Park County district court.
9. New Business
    a. Jerry Devries discussed the idea of a new environmental impact fee of $1,000 for building a new residence starting January 1, 2027 to go directly to road fund due to the road damage caused by construction vehicles. Several people voiced both pro and con arguments. The idea was tabled for now by general consensus.

b. Carole Copeman discussed poor past MHOA document retention practices and a need for written bid process to add to Bylaws and lack of past audits. Suggests changing the combo lock on the storage shed to a keyed lock with limited and controlled keys, completed June 13, 2026. Also noted that the smaller and less costly mowing effort completed last fall seemed to be adequate to prevent drifting at north entrance last winter. Steve Johnson and others noted that past audits have been performed every 3-4 years and that the new financial management company will also add additional checks and balances to our association.

10. Adjournment at 12:15PM

ATTACHMENTS

2026 MHOA Budget:

Michigan Hill Owners Association
2026 Monthly Cash Flow Budget

Minimum Cash Target	**$10,000**
Dues per Lot	$250.00
Lots	256
Total Dues	$ 64,000.00

Account	2025 Budget	2026 Budget	Monthly Total	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26	Jul 26	Aug 26	Sep 26	Oct 26	Nov 26	Dec 26
Revenues															
Association Dues	$62,750.00	$64,000.00	$64,000.00	-	-	-	$64,000.00	-	-	-	-	-	-	-	-
Late Fee Income	$47.51	$47.51	$47.51	$3.96	$3.96	$3.96	$3.96	$3.96	$3.96	$3.96	$3.96	$3.96	$3.96	$3.96	$3.95
Total Revenue	**$62,797.51**	**$64,047.51**	**$64,047.51**	**$3.96**	**$3.96**	**$3.96**	**$64,003.96**	**$3.96**	**$3.96**	**$3.96**	**$3.96**	**$3.96**	**$3.96**	**$3.96**	**$3.95**
Expenses															
Management Contract	$9,000.00	$8,000.00	$7,960.00	$780.00	$780.00	$780.00	$780.00	$780.00	$780.00	$780.00	$500.00	$500.00	$500.00	$500.00	$500.00
Administrative Fees	$1,893.50	$1,893.50	$1,893.50	$157.79	$157.79	$157.79	$157.79	$157.79	$157.79	$157.79	$157.79	$157.79	$157.79	$157.79	$157.81
Legal Fees	$206.00	$206.00	$206.00	-	-	$51.50	-	-	$51.50	-	-	$51.50	-	-	$51.50
Tax/Audit	$1,823.00	$2,000.00	$2,000.00	-	-	-	-	-	-	$2,000.00	-	-	-	-	-
Insurance	$4,248.00	$2,500.00	$2,500.00	-	-	-	-	$2,500.00	-	-	-	-	-	-	-
Social & Events	$1,075.00	$1,075.00	$1,075.00	-	-	-	-	-	-	$750.00	-	-	-	-	$325.00
Landscape (Mowing/Weed contr	$1,000.00	$1,000.00	$1,000.00	-	-	-	-	$250.00	$150.00	$150.00	$150.00	$150.00	$150.00	-	-
Snow Removal	$12,000.00	$12,500.00	$12,500.00	$2,900.00	$3,000.00	$3,400.00	-	-	-	-	-	-	-	$1,500.00	$1,700.00
Lakes/Ponds (Fish)	$1,500.00	$1,750.00	$1,750.00	-	-	-	-	$1,750.00	-	-	-	-	-	-	-
Maintenance (Culverts/Pond/dun	$5,000.00	$5,000.00	$5,000.00	-	-	-	$500.00	$700.00	$800.00	$800.00	$800.00	$700.00	$700.00	-	-
Road Repairs (Grading)	$45,000.00	$30,000.00	$30,000.00	-	-	-	-	$15,000.00	-	-	-	-	$15,000.00	-	-
Road Repairs (Material)		$15,000.00	$15,000.00					$15,000.00							
Road Repairs (One time repair)		$10,000.00	$10,000.00					$10,000.00							
Total Expense	**$82,745.50**	**$80,924.50**	**$90,884.50**	**$3,837.79**	**$3,937.79**	**$4,389.29**	**$1,437.79**	**$46,137.79**	**$1,939.29**	**$4,637.79**	**$1,607.79**	**$1,559.29**	**$16,507.79**	**$2,157.79**	**$2,734.31**
Net Cash Flow	**($19,947.99)**	**($16,876.99)**	**($26,836.99)**	**($3,833.83)**	**($3,933.83)**	**($4,385.33)**	**$62,566.17**	**($46,133.83)**	**($1,935.33)**	**($4,633.83)**	**($1,603.83)**	**($1,555.33)**	**($16,503.83)**	**($2,153.83)**	**($2,730.36)**
Ending Cash Balance			**($26,836.99)**	**($3,833.83)**	**($7,767.66)**	**($12,152.99)**	**$50,413.18**	**$4,279.35**	**$2,344.02**	**($2,289.81)**	**($3,893.64)**	**($5,448.97)**	**($21,952.80)**	**($24,106.63)**	**($26,836.99)**
Cash Warning				**LOW**	**LOW**	**LOW**	**OK**	**LOW**	**LOW**	**LOW**	**LOW**	**LOW**	**LOW**	**LOW**	**LOW**

TBK Bank Account Checking	$16,877.09
TBK Bank Account Savings	$46,895.66
First citizens bank	$93,736.74
Dues change to break even	**-$65.93**

2026 Treasurer Report:

Michigan Hill Owners Association
Treasurer's Report

Annual Meeting - 2026 / 2027 Dues Recommendation
Prepared by: Bill Stone, Treasurer

1. Financial Overview

The Association is entering 2026 with a stronger cash position than last year, but that is largely because road-related work was not completed last year and has not yet been paid for this year. That cash is helpful, but it should not be confused with newly built reserves or long-term financial strength.

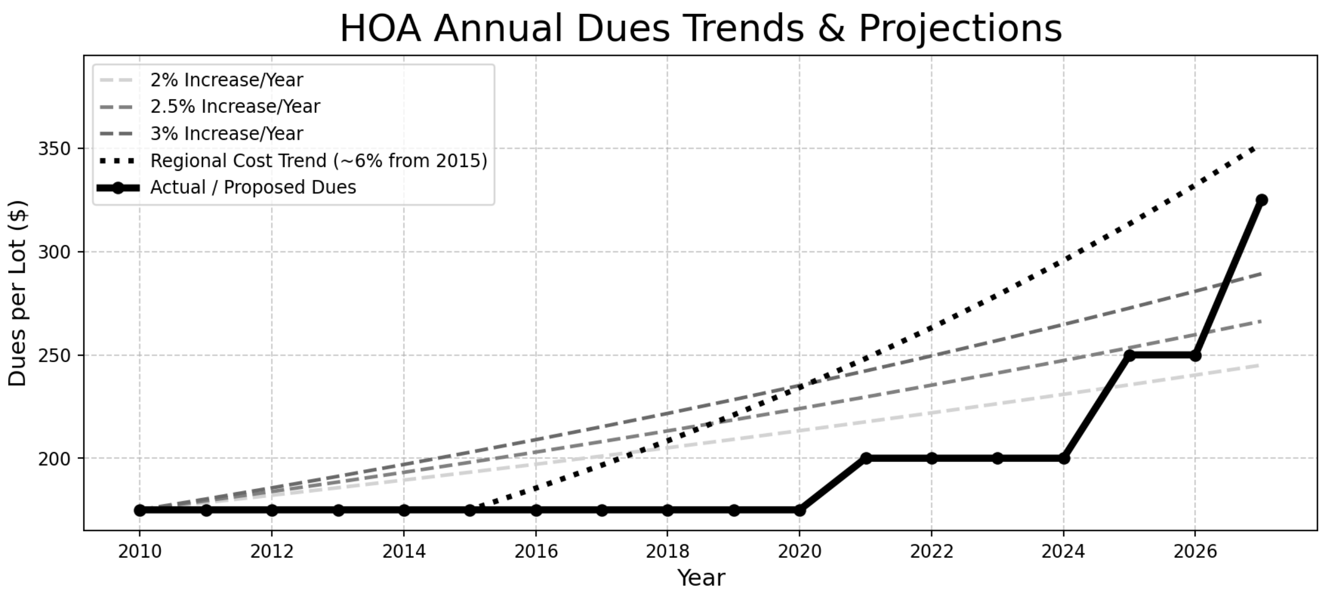
Item	Amount
2026 Operating Budget	$88,924.50
Revenue at 2026 Dues ($250/lot)	$62,797.51
Projected 2026 Deficit	-$26,126.99
Deficit Excluding One-Time Culvert/Road Repair	-$16,126.99
Estimated 2027 Ongoing Budget with 2.5% Inflation	$80,897.61
Break-Even 2027 Dues	~$322.30/lot
Recommended 2027 Dues	$325/lot

The 2026 dues level is already set. At that dues level, the HOA is projected to operate at a deficit if we complete the work in the budget. Current cash can absorb the deficit this year, but the budget tells the real story: annual dues do not cover annual obligations. Using prior-year carryover to pay normal expenses is not a sustainable plan.

2. Dues History & Inflation Context

Dues were $175 in 2010 and remained unchanged for over a decade. They increased to $200 in 2021 and $250 in 2025. Meanwhile, the cost of insurance, snow removal, road materials, labor, maintenance, and construction continued to rise. This is the same basic problem described in last year's report: the math does not disappear just because dues stay flat.

Inflation is the gradual increase in the price of goods and services over time. A 2.5% annual adjustment is not aggressive; it is a conservative policy designed to prevent another decade of underfunding and a sudden large increase later.

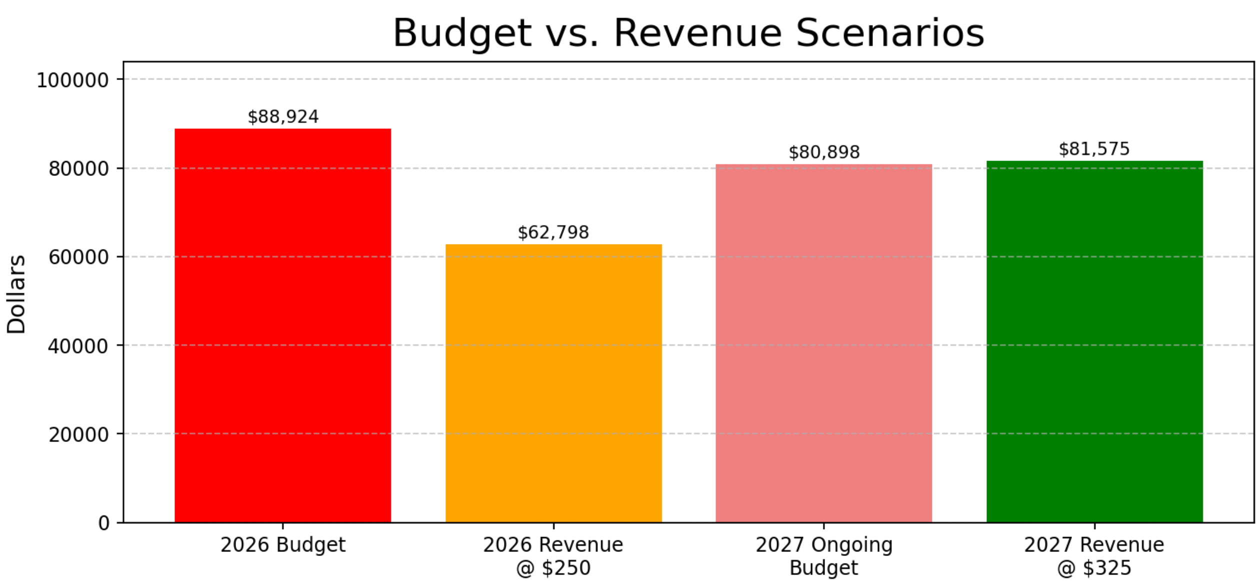


The graph keeps the same 6% regional mountain-cost trend used in the 2025 report. It shows why flat dues fall behind and why a 2.5% annual policy is a conservative catch-up, not an aggressive increase.

3. Budget Gap and 2027 Dues Recommendation

The 2026 budget includes a one-time $10,000 culvert/road repair. That repair should be completed using existing cash rather than permanently building that one-time item into dues. After removing that one-time cost, the ongoing annual budget is approximately $78,924.50. Applying a modest 2.5% inflation adjustment creates an estimated 2027 ongoing budget of approximately $80,897.61.

With approximately 251 lots, the break-even dues level is about $322.30 per lot. For a clean and practical number, I recommend annual dues of $325 per lot beginning in 2027, followed by a 2.5% annual increase policy beginning in 2028.



This recommendation barely gets us by. It is not a large reserve-building plan, and it is not designed to fund major road reconstruction. It simply brings dues closer to the actual cost of operating the Association after removing the one-time culvert item. Without this adjustment, the HOA would continue relying on cash left over from deferred work rather than a sustainable annual budget.

4. Road, Pond, and Deferred Maintenance Reality

The most important point for membership to understand is this: deferring road work does not add to our reserves. It only delays the bill. We did not use funds for road-related work last year, and we have not yet used them for road-related work this year. That makes the cash balance look stronger, but it also means road maintenance is being pushed forward, not solved.

Mountain roads are not optional cosmetic items. They are essential infrastructure. Snow, runoff, freeze-thaw cycles, drainage, and gravel loss all create real wear. The longer maintenance is delayed, the higher the risk that normal annual work becomes a larger project requiring special assessments or major reconstruction.

5. Reserve Fund Planning

The Association currently has approximately $157,509.49 across the listed accounts. That number should be read carefully. A significant part of that position exists because road work has been deferred, not because the HOA generated a true long-term surplus. If budgeted road work is completed, the cash balance will decline. The budget gap remains even though the current cash balance is temporarily healthy.

For this reason, I am not recommending a separate reserve catch-up assessment this year. However, I also do not believe we should present the current balance as proof that reserves are fully funded. Our reserves are probably still too low for an Association responsible for roads, culverts, drainage, pond, and common-area infrastructure, pending a professional reserve study.

6. Treasurer's Recommendation

Keep 2026 dues as already set, understanding that 2026 is projected to run a deficit.
Use existing cash to absorb the 2026 deficit and complete the one-time culvert/road repair.

- Increase annual dues to $325 per lot beginning in 2027.
- Adopt 2.5% annual dues increase beginning in 2028 to keep pace with inflation and avoid sudden jumps later.
- Do not treat deferred maintenance as savings. Delayed road work can become a larger and more expensive problem if ignored.

This approach is conservative. It uses the current cash position responsibly, avoids a separate reserve catch-up this year, removes the one-time culvert item from the ongoing dues calculation, and sets dues at a level that should barely cover normal operations moving forward. It also makes clear that deferred maintenance is not savings and cannot be used as a long-term budget strategy.

Key Takeaways for Membership

The current cash balance is helpful, but it is not proof that the HOA is overfunded. It is largely the result of road-related work that was not completed last year and has not yet been completed this year.
The $10,000 culvert/road repair is a one-time 2026 item. It should not be used to inflate dues permanently.
The $325 recommendation is based on the ongoing budget after removing that one-time item, then applying a modest 2.5% inflation adjustment.
The 2.5% annual policy is meant to stop the cycle of holding dues flat for years and then needing a larger correction later.

A professional reserve study is still the best way to confirm the proper long-term reserve target for roads, drainage, pond, and common-area infrastructure.

Closing Remarks

Michigan Hill has operated on underfunded dues for many years. The proposed 2027 adjustment is not about building an excessive fund or spending more than necessary. It is about catching up with economic reality, protecting the roads and pond, avoiding surprise special assessments, and keeping the Association from using deferred maintenance as a substitute for proper funding.

The responsible path is to make smaller, predictable adjustments now rather than wait until deferred maintenance forces a much larger correction later. This proposal keeps the same practical message from last year: we can either keep up with costs gradually, or we can fall behind and pay for it later in a much more expensive way.

Sources and notes: 2026 budget and account balances are from the Michigan Hill HOA 2026 cash-flow spreadsheet. Inflation discussion follows the same framework used in the 2025 Treasurer's Report and current BLS CPI context. Reserve language is a planning recommendation, not a professional reserve study.

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ACC Report: June 2025 – June 2026

ACC Requests:

Lot Number	Address	Request	Approve
105	124 Fremont Knoll	Paint residence, 2 accessory structures and add metal skirt	Yes
239	2801 Michigan Hill Road	Metal roof	Yes
75	938 George Pass Lookout	Residence with garage	Yes
51	215 French Pass Circle	Metal roof	Yes
116	505 Fremont Knoll	Deck	Yes
29	640 Glacier Peak View	Residence and 2 accessory structures	Yes
117	433 Fremont Knoll Lane	Deck	Yes
30	586 Glacier Peak View	Garage	Yes
197	99 Ohler Court	Paint residence	Yes

ACC Violations:

Lot Number	Address	Violation	Result
216	770 Selkirk Lane	Trailer not removed after use	Removed
271	2350 Michigan Hill Road	Dog enclosure fence using metal T-post and no ACC request	Removed
269	2433 Michigan Hill Road	5th wheel trailer parked extended time, possible use as dwelling and no active building permit	Reported to Park CO, Alex w/code enforcement
75	938 George Pass Lookout	Trailer and Conex container	Resolved – See above ACC request
29	640 Glacier Peak View	2 small accessory structures built w/o ACC approval	Resolved – See above ACC Request
245	706 Mount Guyot Circle	Parking trailer on lot, started May 23rd and not removing	Notice sent