

DRAFT

Minutes

R-Ranch POA Board of Directors
Special Meeting of the Board
Monday, 1/30/2023 5:30pm
Via Zoom Only

1. Call to Order at 5:40pm by Mark Osborne
2. Pledge of Allegiance
3. Roll Call by Emilie Simmons
 - Mark Osborne, President
 - Mark Grenbemer, 1st Vice President
 - Robert Tennes, 2nd Vice President
 - Jason (Jay) Adams, 4th Vice President
 - Curtis Hancock, Treasurer
 - Emilie Simmons, Secretary

Heath Kauffman, General Manager is present

6 Directors were present, quorum was established.

4. Hearing no objection, the Agenda was adopted as presented.
5. Heath Kauffman led a discussion about the proposed insurance coverage for February 2023-January 2024.
 - a. Last year insurance was \$281,830.13. This year insurance will be \$344,899.33. That is an increase of approximately \$63,000. Overall rates went down by 10%, but our insurance increased due to the addition of the new pool lodge to insure. We budgeted \$404,887.75, so this proposal is within our budgeted amount.
 - b. Insurance premium can be paid in one lump sum, or can be paid with \$68,000 down payment, at a 7.95% interest rate, and monthly payments.
 - c. We need to keep insurance in mind as we consider the rebuild. We will pay more to insure whatever we build.
 - d. Ranch legal was consulted, and we have no choice but to pay for fire insurance according to our governing documents. We would have to change the Red Book in order to drop or reduce that coverage, which will require a vote of 66 $\frac{2}{3}$ % of the Owners.
 - e. Heath suggested that rather than paying interest to the insurance company for financing our insurance premium, that we should temporarily transfer funds from our other account to self-finance the insurance. Curtis suggested that the rebuild funds would have been earning interest while waiting to be used to build something, so the Ranch could use those funds to pay the insurance, and then make payments with interest back into that rebuild account. This will make it so

the Ranch will not pay interest to someone else, and the rebuild account will increase with the “interest” that we put into that account.

- f. Discussion was held. Robert pointed out that the financing agreement amount proposed by the insurance company does not match the proposed insurance premium they offered. Interest would range between \$13,000 and \$80,000 depending on which numbers are accurate. Heath called the Broker (John Marshall) during the meeting, put him on speaker. He attempted to answer the Board’s questions about the difference in the amounts on the paperwork. Since he was not in his office, he was unable to resolve the questions during the meeting. He agreed to email the correct numbers by the following day.
6. There were no Owner comments during Owner comment time.
7. There being no resolution possible due to missing information, meeting will be continued on 1/31/23 either via email or Zoom, once the insurance broker provides the corrected proposal. Mark O. adjourned the meeting at 7:37pm.