

Hoback Ranches Service & Improvement District

P.O. Box 33, Bondurant, Wyoming 82922

July 19, 2014 Annual Meeting

Meeting Minutes

A public meeting was conducted by the Board of Directors of Hoback Ranches Service Improvement District on Saturday, July 19, 2014 at St. Hubert's Church, Bondurant Wyoming 82922 at 1:00 PM.

Directors In Attendance:

| | |
|----------------|-----------|
| Richard Thomas | Chairman |
| Gary Ryan | Treasurer |
| Bill Conley | Secretary |

Chairman Richard Thomas called the meeting to order at 1:05 PM. Richard welcomed summer residents back to the Ranches and everyone to the annual meeting.

APPROVAL OF MINUTES

Minutes for Early Meeting, June 15, 2013

Minutes for Annual Meeting, July 20, 2013

Minutes for Early Meeting, June 21, 2014

Director Thomas moved to approve the above minutes. Director Conley seconded.

Motion Approved.

ELECTION 2014:

Board Director and Secretary Conley updated homeowners on May 6, 2014 election results. The number of Ballots: 253 were sent out;

@30 Ballots were returned for inadequate address or unable to forward address.

Ballots Returned: 80

Ballots Rejected due to incomplete information: 11

68 votes for Gary Ryan

1 Write-In vote for James Jacobson

Gary Ryan elected, and chosen by Board to assume role as Treasurer.

OLD BUSINESS:

NONE

NEW BUSINESS:

Class II Road Construction:

Director Conley reported that construction has begun on the first three miles from Highway 191 to the Hoback Ranches gate. The construction project was awarded by Sublette County to RS Bennett of Big Piney, and supervised by Rio Verde Engineering of Pinedale. The start date was delayed by weather, but at this point, completion is still expected by be around October 1, 2014. During the construction, there will be periodic road closures. Road closures will be posted at least 48 hours in advance, so all residents can use the East gate during that time. Closures will only occur on a Wednesday-Thursday combination due to limitations required by the USFS. Closures will be posted on the kiosk at the Highway 191 entrance and at the two kiosks within the ranches. Residents are reminded to be extremely careful during the construction phase, and to be extra attentive to all the equipment.

Winter Committee Update

Chairman Thomas reported that the Winter 2013-14 was for the most part stressful, with excessive snow fall. Though there were no significant issues in the plowing of the designated roads, and parking areas for the winter residents, it was a difficult season, and the Winter Access Funds were depleted. He reminded the audience that the winter road plowing activity and contribution to the winter committee fund is voluntary. The fund is currently exhausted of dollars as some residents who used the roads in the winter did not contribute to the fund, but fortunately some residents who do not even come into the ranches during the winter contributed, avoiding a deficit. The cost of providing the service for labor and fuel is slightly higher than in the past years. Contributions are to be sent to Kathryn Parker, Winter Committee Treasurer, PO Box 196, Bondurant, WY 82922. A reminder will be sent to all residents with the Fall Newsletter.

Road Maintenance

Director Conley and Director Ryan reviewed last year's maintenance activities, which included road blading, routine cleaning of debris catchers, and limited gravelling. It was announced that Director Ryan will be covering road issues in the future after he has more time to acquaint himself with all the issues. The residents were updated on the work scheduled to be done during 2014-15 season. There will be an initial focus on Rim Road to the east, due to the increased demand on the road during the road construction on the main entrance. Work will also be accelerated on Watson Draw, which has suffered from the recent rains, and lack of gravel. We also intend to place quite a bit of gravel on the road this year, strategically concentrating where it is most needed. Most of

the roads have been re-bladed as result of the recent unseasonal July storms and a number of ditches and culverts need to be re-cleaned due to beavers. Director Ryan stressed that we will continue to blade roads in the ranches as before with our busier roads taking the highest priority but we will also do tactical repairs in needed spots to prevent greater damage on less travelled roads.

Fencing Update:

Director Conley reported that the boundary fencing along the western boundary was repaired last summer. Most of the northern boundary from the gate to the western boundary has been either repaired or replaced with volunteer labor. New fencing was installed from the gate east towards Jay Smith’s property, or approximately 4000 feet. The fence posts and wiring are brittle due to age, thus Hoback Ranches will continue with a systematic upgrade of fence replacement in areas most prone to cattle incursions. The Meeks Brothers of Bondurant have been contracted to assist in replacing the fencing. Hoback Ranches will work with the USFS and the local cattlemen’s associations to better understand grazing activity, and prepare fences prior to the cattle placement. A significant part of the southern boundary along the Rolling Thunder Ranch has been repaired or replaced by Tim Delaney’s son and crew. On the southern boundary by Kismet and Signal mountains, and the Miller ranch, some new fencing has been installed by the residents and with assistance of donations from Ralph West.

Fire Incident:

There were no fire incidents reported during the 2013-2014 season. There are now 142 homes recorded on the 274 parcels in Hoback Ranches. It is important that all residents keep their contact information up to date with their respective “Fire Tree Notification representative or send updated info to: HRSID@yahoo.com.

Budget Review:

Director Ryan started by reviewing last year’s budget.

Review of Last Year

| | |
|-----------------------|-------------|
| Property Tax Revenue: | \$53,038.40 |
| Interest Income: | \$794.75 |
| Total Income | \$54,643.15 |
| | |
| Expenses: | \$65,602.88 |

- All items close to budgeted amount except road maintenance
- Road line item exceeded by \$16,538.
- Other line items somewhat under budget though for a net loss of \$10,959.73

- Had up to \$16,500 of unreserved money budgeted for gravel crushing. A good opportunity didn't present itself, so a portion of this was moved to road maintenance instead to cover the overrun.
- Left us with \$20,871.21 in unreserved (carryover) funds.

Property Tax was slightly higher than the budgeted amount. Interest Income is quite a bit less. Overall revenue is just slightly over the budget estimate. All expenses came in on track. Road expenses for the year exceeded budget and there were some expenses fence expenses late in the year but did not exceed the \$5000 budget. All other expenses are within budget.

Director Ryan then went over the budget for the proposed fiscal year. The Assessor estimates Property Tax Revenues to decrease this coming year to \$43,500 including the 12 mil assessment..

We have estimated our needed expenditures at anywhere from \$50,000 - \$60,000 (depending on the amount of gravel placement and fence maintenance levels). Our fixed costs of administrative, insurance, advertising, legal, and accounting run at least \$7500 per year. When we budget for adequate gravel placement, our road maintenance budget should be about \$35,000. However, we also need to be saving for gravel replacement in the amount of \$9000 annually. The fence budget needs to be at or near \$5000 annually to have a chance of keeping up with the repairs. When you add this all up it amounts to about \$56500. Our revenue right now is expected to be around \$43,500, which fall way short of our needs. At 12 mils our total revenue would increase to around \$55,000 and our budget could actually balance.

We therefore propose to assess 12 mils again for this year. Our priority this year would be to secure some additional gravel while we have a cost effective source as the County Class II project is constructed. This will extend our stockpile another few years. In future years we would likely want to keep the mill levy at 12 to allow for placement of adequate yardage of gravel annually, and to keep saving money for future gravel replacement. We would also like to allocate around \$5000 to fence maintenance annually. The appropriate mil levy will be reviewed annually though considering our needed expenditures and the assessed valuation of the District. If valuations continue to rebound to historic highs we could reduce the levy.

Director Ryan then explained what a HRSID levy of 12 mils will remain in force for a couple more years while HRSID focusses on improving roads, and repairing fences which are over 40 years old and in need of replacement.

Revenue

- Estimated Property Tax: \$52,000
- Estimated Interest Income: \$1,000
- Total: \$53,000

Expenses:

- Increased accounting slightly anticipating need to spend time with the new Treasurer:
- Fence set at \$5000 again. Note already spent more than \$4000 of this in early July .
- Dropped legal fees to \$500.
- Kept postage at \$200 even though spent over \$400 last year.
- Road Maintenance: Increased this to \$45,000. We know there is work to fix the retaining wall erosion problem, plus there are 5 culverts that need to be replaced, plus we want to put more gravel down.
- Gravel Placed: \$9000 allocated again, assuming we could place 1000 CY.
- Cost of gravel purchased: Budgeted \$20,000 again in case a good opportunity presents. This would buy around 2000 yards. This would come out of the cash already socked away in the gravel fund for this. The value just basically transfers from cash to gravel in stockpile.
- Budgeted nothing for weed control as the County seems to be taking this on.

Summary: If all the expenditures within this budget are realized the net loss will be (\$12,600), which drops the unreserved or carry over fund balance to \$8,271.21. Note: cannot budget like this every year, but important with the retaining wall erosion work that needs to be done. The balance amount leaves a reasonable cash flow cushion.

RESOLUTION:

On behalf of the Board, Director Thomas Reviewed and Read the Resolution for 2014-2015 Budget. Motion to Approve: William Conley . Second to Motion: Gary Ryan.

Approved unanimously.

Director Thomas reviewed and read Resolution Hoback Ranches Administrative Procedures and Budget, approving the use of Pinedale RoundUp as the official paper, and authorizing the board to spend the money in the 2013-2014 budget as proposed. Motion to Approve: Gary Ryan, Second: William Conley. Approved: unanimously.

OTHER DISCUSSION:

Pete Teller asked the board to again consider his suggestions that good road maintenance practices be deployed over the year to keep the Hoback Ranch roads in good condition and to put more emphasis on his road, Kismet Lane.

1. Restrict heavy loads during the spring thaw and the wet season.
2. Keep all ditches clear of clutter so water can run off properly instead of running over the roads and washing off gravel.
3. Keep road crowns in good condition so that water runs off the road instead of down the road creating longitudinal ruts.

The Board confirmed that these suggestions have been implemented, and more attention will be given to Kismet due the increase in traffic with new residents. Mr. Teller also volunteered to assist the Board with installing new road signs and fixing broken road signs throughout the ranches this summer. Accepted.

ELECTION 2014

Chairman Thomas noted that the 2015 Election scheduled for Tuesday, May 5, 2015 for the upcoming year will be a "MAIL BALLOT".

- Ballot must be signed to be valid
- Ballots cannot be forwarded, so all residents need to ensure the address of record by the Sublette County Tax Assessor is correct.
- Absentee ballot is not allowed on Special Elections that occur outside the General Election process.

Next year's early summer meeting: June 20, 2015

Next year's annual meeting: July 18, 2015

Both meetings will be at 1:00PM at St. Hubert's Church, Bondurant, WY 82922.

Motion was made and seconded to adjourn the meeting. Chairman Thomas adjourned the meeting at 2:17 PM.