

Draft sent out for corrections: 06-30-24  
Sent out for approval vote: 07-5-24  
Board Minutes approved by 8/8 vote: 07-8-24  
Posted Minutes on Website: 07-11-24  
Sent by email: 07-10-24

**Stone Brooke HOA - Board of Directors Meeting  
June 27, 2024 5:30 PM  
Stone Brooke Clubhouse**

**Call to Order**

Directors are: Loren Donaldson ( President), Jim Reynolds (VP & Liaison), Aaron Keller (Treasurer), Cheryl Martin (Secretary), Devan Iddings (Liaison), Bill Cahill (Liaison), Kathy Rathe (Liaison), Bob Bergmann (Liaison) and Marlene Johnson (Liaison). Cheryl Martin is absent. Jeff Borgmeyer is substitute secretary. Quorum is met.

**Stone Brooke Residents Present**

Joe Klein, Jeff and Mary Prater, Kori Ryan, Dean and Sharon Axland, Chad Marty, Bruce Dale and Marilee Lawler.

**Approval of Agenda**

Moved by Jim Reynolds, seconded by Aaron Keller, and the Board unanimously approved the Agenda.

**The May Board Meeting Minutes – Cheryl Martin**

The May 20, 2024 Board Minutes were sent out to the Directors for corrections on 06-03-24. The Approval Vote was sent out 06-06-24 with an 8/6 present Directors approval.

The Minutes were sent to each household by email and posted on the Stone Brooke Website as of 06-11-24.

The votes are recorded by Google Forms and can be viewed by contacting the Board Secretary.

**Treasurer's Monthly Report – Aaron Keller**

- **Financial Statement Summary For the Month Ending May 31, 2024**

Total Assets and Liabilities & Equity were \$486,932.84. The total current assets were \$302,451.35. This figure includes Accounts Receivable of \$29,161.52, prepaid insurance of \$1,736.69. Total Liabilities include net Accounts Payable of \$13,611.85, Accrued Real Estate Tax of \$4,653.07.

The statement of operations reported a Net Operating Revenue of \$66,712 and a Total Net Revenue of \$72,032. The Total Net Revenue figure included YTD Change of Investment Value of \$7,649, Realized Gain in Investments of \$784, and net reimbursement expense for hail damage of \$3,521.

The Balance Sheet records a due to/due from entry of \$15,294 which is essentially a loan from roofing reserve to TH Operations in order to eliminate a negative reserve in the Townhome Operations Equity as of December 31, 2023.

- **Investments**

The May 2024 Vanguard Summary Statement showed a \$3,780.36 loss and YTD \$8,694.36 gain. Ending balance is \$107,814.68.

**Approval of Monthly Report**

Moved by Jim Reynolds, seconded by Devan Iddings, and unanimously approved by the board to accept the May Financial Report.

- Aaron recommended in order to pay TMJ for roofing invoices by July 1 it would be necessary to sell \$70,000 in investments and take out up to \$35,000 from checking. Jim Reynolds, moved and Bob Bergmann seconded, and unanimously approved by the board.

- **Homeowner Accounts Past Due**

Aaron reported 2 homeowner's (One Class A and One Class B) were behind in dues payments. Aaron is working with the homeowner's and will charge interest starting Aug. 1.

## **Old Business**

- **Utility Box by 4037 Fletcher - Replacement of Timbers Around Utility Box - Marlene Johnson**

Grounds Committee June Report: Replacement of retaining walls around utility box near 4037 Fletcher: the cost of removal of timbers and putting a block retaining wall is around \$3,000+ tax. Discussion with Treasurer, Aaron Keller, suggested we wait until later in the year (fall) to see where the budget stands before contracting this job. This project will be deferred until next year.

- **Water Utility Line Expense Mitigation- Jim Reynolds/Loren Donaldson**
  - Significance of the Issue: In 2023 there were 7 water utility lines that were leaking and had to be replaced. Cost: >\$90,000. \$10-15,000 per line, depending upon line location.
    - Represented >\$500 per Class A household in dues in 2023.
    - From a budgetary perspective, these expenses are not sustainable at this level.
  - An Expense Mitigation Strategy: Encourage Class A homeowners to include water utility line coverage as part of their homeowner's insurance. Note: The association can't require homeowners to do so. Filing an insurance claim would also be voluntary. SBHOA only replaces water utility lines for Class A members.
  - Propose SBHOA pay the deductible for Class A residents insurance claim as an inducement to encourage class A residents to voluntarily add utility line coverage to their insurance and voluntarily file a claim.
  - Propose Revising the "Board Policy Concerning Exterior Utility Line Maintenance". Adopted August 27, 2017 to state that SBHOA will pay the insurance claim deductible.
  - After discussion at the board meeting it was agreed to amend the "Policy" section to include the following statement.
    - "Homeowners have been encouraged to add Utility Line Coverage to their homeowner's insurance. For homeowners who have this coverage and agree to file a claim with their insurance carrier, if they have a Utility Line failure, the SBHOA will pay the deductible and replacement costs in excess of insurance coverage. This is only for Utility Lines maintained by the SBHOA and will not include home interior or landscaping costs."
  - Moved by Jim Reynolds, seconded by Marlene Johnson, and unanimously approved by the board to revise "Board Policy Concerning Exterior Utility Line Maintenance". Adopted August 27, 2017 as stated above.
  - Adhering to the process described in Article 5 of the SBHOA Bylaws for revising Board Policies, the revised draft policy will be circulated to SBHOA membership by Jim Reynolds for review and comment.
    - The process requires circulation of the draft amended policy to membership via email for a 20-day review period. All comments received need to be discussed by the board and if need be,

addressed by revision of the draft. Recirculated to membership, followed by another 20-day review period.

- **Townhome/Common Area Reserve Analysis Review - Loren Donaldson/Aaron Keller**

Loren Donaldson gave an extensive presentation to the board of the Ad-Hoc Reserve Committee 's review findings and recommendations. The Ad-Hoc reserve committee was composed of Loren Donaldson, Aaron Keller, Bill Cahill, Jeff Borgmeyer, Dave Martin, and Sharon Axland. Following the presentation and ensuing discussion, the board's endorsement to proceed as outlined below was sought. A motion to that effect was made by Bob Bergmann and seconded by Marlene Johnson. The board unanimously endorsed the committee to proceed. Below is a summary of the presentation, this summary will be included in the July SBHOA newsletter.

#### **Summary Presentation**

Last year's hail event, utility water line failures, and inflation have completely depleted our Townhome Operating Reserves and Townhome Roofing Reserves. These Reserves are necessary to provide funding for planned and unplanned expenses of the association. Restoring these reserves will require a One-Time Special Assessment.

During the past month, an Ad-Hoc Committee has been reviewing Stone Brooke's Cash Flow and Reserve needs for both the Common Area and Townhomes.

#### ***Common Area Capital Reserve***

Over the past two years inflation has had a significant impact on this Reserve, approved in 2022. After reviewing this Reserve, we believe that we will be able to stay within current funding levels by rescheduling several major projects.

#### ***Townhome Operations and Roofing Reserves***

These Reserves are fully depleted and the committee's preliminary evaluation has identified the need for a **One-Time Special Assessment for Class A Homeowners** to ensure adequate funding to cover planned and unplanned expenses.

**The preliminary evaluation identifies the need for a one-time assessment of at least \$2,000.** During July, the Ad Hoc Committee will work with the Criterium-Hardy Reserve Analysts to validate our assumptions and projections.

The Board will review and vote on the final assessment level at its July board meeting and will schedule informational meetings in August.

#### ***Implementation Plan:***

Jun 27	Board reviewed preliminary plan and approved go-forward actions
Jul 1 – 24	Ad Hoc Committee to finalize assessment plan
Jul 25	Board to review and vote on proposed assessment plan
Aug 1 – 23	Homeowner informational meetings
Sep 1	Homeowner voting to begin via proxy
Sep 16	Homeowner meeting for final vote

### **Committee Reports from Liaisons**

- ***Architectural Control: Marlene Johnson***  
*No items before the committee to report.*
  
- ***Building Maintenance: Jim Reynolds***
  - The remaining hail related total roof replacements were completed this spring, except for one. The remaining roof (hail claim was filed after this spring's campaign was completed) will be replaced next year. Minor roof hail damage (generally <\$1,000) will be addressed this summer. PSA is currently reviewing those claims.
  - Painting of the siding repairs that occurred this spring will begin in July.
  
- ***Clubhouse and Pool: Devan Iddings***
  - No update available for timing of City Energy Audit. Stone Brooke is on the city's waiting list.
  - The need for striping of the Clubhouse parking lot was discussed and deemed not a priority at this time.
  - Kim Schrader will work with her high school son to develop a database to better track keys being issued to new Stone Brooke residents and keys to be returned from those leaving Stone Brooke.
  - Pool rules were resent to Stone Brooke residents.
  - A resident brought to the attention of the board that some resident's are not accompanying guests to the pool and the # of guests in some instances seem excessive. Board recommended that Devon take this back to the committee for discussion.
  
- ***Grounds: Marlene Johnson***
  - ***Dredging of Drainage Ditch (north on the East Wetland Path) Status***

*No further update from the city on dredging creek north of East Wetland Path, will follow-up.*

- ***Project to resolve the Common area erosion issue by the Wooden Bridge, Erosion after recent rains.***  
*Regarding drainage improvement project near wooden bridge: Rainwater does escape the dry riverbed between the pines. The landscaper is aware of this and, as we understand it, is waiting for the seed to become better established before more river rock is added.*
- ***Pin Oak tree (planted in 2022), East Wetland Path:*** *While in town this week, Bob Bergmann removed weeds surrounding the Pin Oak and trimmed some tree/vines along the east prairie path yesterday. He will top dress the tree with an iron fortified fertilizer as it looks a bit deficient and spray some roundup to kill weeds under the tree drip line. There are plans to move the tree to a better location in the fall after it drops its leaves.*
- ***Additional tree maintenance;*** *Maintenance on trees planted in the last several years were performed in June, including increasing the size of protective caging for those trees that needed it and conversely removing cages from trees that have now grown sufficiently and no longer require protection.*
- ***Invasives:*** *Committee members have been spraying invasive burdock found in the common area.*
- ***Hospitality: Kathy Rathe***
  - ***Held Events in June;***
    - *Surprise Rock Scavenger Hunt - 28 residents brought back a rock to the Clubhouse to have their names put into a drawing for 5 door prizes; thanks to Kathy Rathe for organizing and all those who helped paint and place the rocks on the paths*
    - *Five people participated in the Notebook Folio class led by Lynn Franco.*
  - ***Upcoming Hospitality Activity for July;***
    - *Mon., July 15, 5-7pm, Stone Brooke Clubhouse's parking lot and grassy area - **Food Truck and Outdoor Games***
  - ***Future Activity being Planned;***

- Open houses event to showcase recently completed remodeling. 5 residents have already volunteered to showcase their remodels. Additional homes being sought. If interested contact Kathy Glatz or a committee member.
- **Insurance: Bill Cahill**
  - **Compliance:** Reminders to residents that are not in compliance with SBHOA regulations will be sent in July.
- **Welcome: Bob Bergmann**
  - **Welcome Committee:** The welcome committee provides information for anyone moving in or out of Stone Brooke. If you need information or know someone who may be moving from Stone Brooke, please contact a committee member (Char Hulsebus, Sharon Axland, Chuck Glatz or Lori Kappmeyer).
  - **New to Stone Brooke:** Welcome to the following residents who moved into our neighborhood in June:
    - Linda Manatt, 1511 SBR
    - Stephanie and Earl Fox, 3607 Fletcher Blvd.
    - Marc Alewelt, 1834 Waterbury Circle
  - **Stone Brooke Directory:** Updated Directory will be sent via Email to residents in July.
  - **Welcome Packet:** Committee Representatives will be providing input for updates.

**Comments from Property Service Agency: Chad Marty**

- **Maintenance of garage doors and service doors**  
An email draft letter intended to be sent to residents who need to address outstanding maintenance issues concerning their garage doors will be provided to the Maintenance Committee for review and comment in July.
- **Path Sealing - work left from last fall**  
*Speck will review and make recommendations later this summer on path sealing cracks that were filled last year, as some fillings have sunk below path grade.*

**Comments from Audience**

No additional comments

**Comments from the Board**

No additional comments

**Adjourn:** Bob Bergmann moved to adjourn, Marlene Johnson seconded, and the board unanimously approved at approximately 7:30pm.

Submitted respectfully by Jeff Borgmeyer, substituting this month for Cheryl Martin, Stone Brooke HOA Board secretary

**Next scheduled BOD Meeting is July 25, 2024 5:30 at the Clubhouse**