

Draft sent out for corrections: 07-30-24
Sent out for approval vote: 08-02-24
Board Minutes approved by 7/5 vote: 08-05-24
Posted Minutes on Website: 08-07-24
Sent by email: 08-07-24

**Stone Brooke HOA - Board of Directors Meeting
July 25, 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, Marlene Johnson, Kathy Rathe and Bob Bergmann are absent. Jeff Borgmeyer is substituting secretary. Quorum is met.

Stone Brooke Residents and Guests Present

Betty and Doyle Kepley, Judy Parks-Kruse, Vincent Simon, Sharon Axland, Marilee Lawler, Dean McCormick and Chad Marty.

Approval of Agenda

The agenda was modified slightly to correct a New Business agenda item previously listed as "Insurance" Committee", to "Investment Committee".

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

The June Board Meeting Minutes – Cheryl Martin

June 27, 2024 draft Board Minutes were sent out to the Directors for corrections on 06-30-24. The Approval Vote was sent out 07-05-24 and approved on 07-08-24 with an 8/8 present Directors approval.

The Minutes were sent to each household by email on 07-11-24. The Minutes were posted on the Stone Brooke Website. The votes are recorded and can be viewed by contacting the Board Secretary.

Treasurer's Monthly Report – Aaron Keller

• Financial Statement Summary For the Month Ending June 30, 2024

Total Assets and Liabilities & Equity were \$532,509.88. The total current assets were \$348,008.59. This figure Accounts Receivable of \$22,066.83, prepaid insurance of \$1,389.36.

Total Liabilities include Accounts Payable of \$228,142.25. The accounts payable figure at the end of June includes all roofing invoices received from vendors.

The statement of operations reported a Net Operating Revenue of -\$3,356.44 and a Total Net Revenue of -\$96,423.42. The Total Net Revenue figure included YTD Change of Investment Value of \$9,409.99 and Insurance Reimbursements net of Hail Damage Expenses of -\$103,543.79.

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 and will be paid back with any excess operating revenues at year end.

• Investments

The June 2024 Vanguard Summary Statement showed a \$1,259 gain, with a \$9,954 YTD gain, with an ending balance of \$39,307 after a \$69,767 withdrawal during the month.

Approval of Monthly Report

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

• 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 one of the homeowner's and now they are only \$75 dollars short. The second homeowner has been sent a cure letter and a lien will be placed on their property with 2% interest compounded monthly.

Old Business

- **Utility Water Line Expense Mitigation Policy – Jim Reynolds**

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 townhouse household in dues in 2023.
- From a budgetary perspective, these expenses are not sustainable.

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.

At the June BOD meeting, it was proposed that 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.

Additionally at the June BOD meeting the board approved revising the "Board Policy Concerning Exterior Utility Line Maintenance". Adopted August 27, 2017 to state that SBHOA will pay the insurance claim deductible and costs in excess of insurance coverage. 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."

Adhering to the process described in Article 5 of the SBHOA Bylaws for revising Board Policies, the revised draft policy was circulated to SBHOA membership by Jim Reynolds for review and comment on July 3.

Following the 20 day review period, two feedback comments were received.

- A resident requested to have their premium refunded. It was explained the proposed policy only refunds the deductible and any 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. Resolved.
- A resident with State Farm Insurance commented that State Farm would cover at \$50/year via a 3rd party insurer.

Approval of Revised Policy

After board discussion, Jim Reynolds moved to approve the revised board policy, Aaron Keller seconded. The board unanimously approved. The revised policy will be sent to Ed Adcock for placement on the SBHOA website. The revised policy will take effect 30 days after posting on the website.

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

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 Assessment for Class A homeowners.

During the past two months, an Ad-Hoc Committee (Loren Donaldson, Aaron Keller, Bill Cahill, Jeff Borgmeyer, Dave Martin and Sharon Axland) 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 Assessment for Class A Homeowners to ensure adequate funding to cover planned and unplanned expenses.

The evaluation identifies the need for a one-time assessment of \$2,500.

- **Class A Members One Time Assessment For Townhome Reserves**
 - Townhome Operating Reserve \$750
 - Townhome Siding Reserve \$250
 - Townhome Roofing Reserve \$1,500
 - Total \$2,500

Criterion-Hardy Engineers, Reserve Analysts have validated the assumptions and projections.

Vote to approve to seek a Class A members one time assessment of \$2500 for townhome reserves. Motion by: Jim Reynolds, Seconded by: Aaron Keller.

Unanimously approved.

Implementation Plan:

- | | |
|------------|--|
| Jun 27 | Board reviewed preliminary plan and approved go-forward actions (Complete) |
| Jul 1 – 24 | Ad Hoc Committee to finalize assessment plan (Complete) |
| Jul 25 | Board to review and vote on proposed assessment plan (Complete) |
| Aug 1 – 23 | Homeowner informational meetings |
| Sep 1 | Homeowner voting to begin via proxy |
| Sep 18 | Homeowner meeting for final vote (date tentative) |

There was agreement by the board for a board approved policy regarding Townhome reserves. There was also discussion on the possibility of forming a finance committee composed of the current and most recent President and Treasurer of the BOD to assist with financial strategy and knowledge continuity

from board to board.

Committee Reports from Liaisons

- ***Architectural Control: Marlene Johnson***

The Architectural Control Committee reviewed two deck proposals.

4112 Stone Brooke Road - Deck Replacement: This project has been Approved by the Architectural Control Committee. This project is a routine deck project with the only reconfiguration of the existing footprint being a reorientation of the stairs so they descend to the west.

A motion to **approve** the project was made by Aaron Keller and seconded by Jim Reynolds. The motion was **unanimously approved**.

1834 Waterbury Circle - Deck Expansion: This project was forwarded to the board without recommendation for Board review and action.

The committee chair noted that the committee reviewed the proposal and had no issues with the general appearance of the proposed deck or the materials proposed for the deck (they have been used on other recent deck projects in Stone Brooke).

During the review, concerns were raised about the proximity of the proposed deck to the property line and potential impact on 4304 Stone Brooke. The configuration of these two units is somewhat unique in Stone Brooke with the limited property at the back of the units and the "U" shape. If each homeowner expanded decks to the demising property line, the decks would be immediately adjacent to each other. The proposed deck expansion would extend to within a few feet of the rear windows on 4304 Stone Brooke.

The committee chair also noted there is precedent in Stone Brooke for the work that is included in this proposal. The homeowner noted that the condition proposed is very similar to the condition at 1826 Waterbury (the deck at 1826 Waterbury extends all the way to the demising property line.) There are other decks in Stone Brooke that are located adjacent to the demising property line but the configuration of most of these lots is different.

It is not clear that the proposed project violates any of the requirements of the

covenants. The covenants do require that “the nature, kind, shape, height, materials, and location are in harmony of external design and location in relation to surrounding structures and topography”. It is not clear to the committee whether this requirement would apply to this situation. **The committee requests that the Board review and determine whether this project can be rejected with regard to this requirement.**

After lengthy board discussion and careful review of the provided plans and photos of the site, a motion was made by Jim Reynolds to **reject approval of the current design of the project at 1834 Waterbury as not being consistent with the covenants requirements.** The motion was seconded by Devan Iddings and the motion to reject was approved unanimously.

- ***Building Maintenance: Jim Reynolds***

- ***Roofing***
 - *Homeowner had a plumbing pipe break and is requesting the HOA cover some or all the expenses. BMC will discuss it at the next meeting.*
- ***Siding/Trim Repairs***
 - *2 work orders have been approved and completed. One very small one and one to replace trim that is allowing water into the porch.*
 - *6 pending work orders. BMC will discuss options at the next committee meeting.*
- ***Painting***
 - *Dutchman's was given work orders to paint repairs done on 29 units.*
 - *Dutchman's was given a work order to paint the siding and trim replaced at 4111 SBR.*
 - *No other painting will be done this year.*

- ***Clubhouse and Pool: Devan Iddings***

- *At the June 27, 2024 SBHOA BOD meeting, a resident expressed concern that they feel some residents are not complying with pool rules and asked our committee to review. This was discussed at length at the July committee meeting. All residents have received*

the pool rules which are very specific. It's an honor system to use the pool and our committee feels that most residents comply. If there are residents who feel there are some who are not in compliance, they can contact any committee member, contact names are posted in the clubhouse hallway.

- Options for additional shade around the pool deck were discussed.
- Vince Simon, pool operator, expressed concern about pool pump efficiency. He will have it checked to be sure it's working properly.
- Kim Schrader, clubhouse reservationist, reported only one opening for a Wed night pool party remains.
- No new information with respect to the date of energy audit.
- Key return compliance improvements are actively being discussed.
- Monday, September 2, 2024 (Labor Day) will be the last day for the pool to be open.

- ***Grounds: Marlene Johnson***

City Forester, Gabby Edwards, verified the dead tree on the island in Fletcher Circle and the overhanging branches at the entrance of Fletcher Blvd. are part of the city's right of way and added them to the city's list for removal/trimming.

Volunteers removed substantial overgrowth of honeysuckle at the intersection of paths located near the "Troll Crossing" sign. Committee Chair and Dan's Custom Landscaping forester, Rex Johnson (RJ), identified dead ash trees to be removed, and RJ agreed to chip the honeysuckle for mulch in place when they are out here, as well as the regular brush pile.

Because of the sheer size and diverse nature of the common grounds, the committee decided to identify specific areas for improvement/landscape development and focus efforts on one area at a time.

- ***Hospitality: Kathy Rathe***

Food Truck and Outdoor Games at the Clubhouse Parking Lot scheduled for Fri., Aug 9. 5-7 pm.

Stone Brooke Tour of Homes scheduled for Sun., Sept. 8, from 2-4 pm. The purpose is to have an open house for residents to see renovation of fellow residents. Seven residents have already signed up their homes. Closer to the date, all residents will receive a map and short summary of the renovations that have been done at each home.

- ***Insurance: Bill Cahill***

Nine residents have been sent notices of non-compliance with SBHOA insurance requirements.

- ***Welcome: Bob Bergmann***

- Welcome Packet: Committee Representatives will be providing input for updates.

Comments from Property Service Agency: Chad Marty

- **Maintenance of garage doors and service doors**

A letter will be sent to residents in the fall who need to address outstanding maintenance issues concerning their garage doors.

- **Bridge**

Looking into the cost to hire an engineer to produce building plans and scope of work. Will discuss if the cost is justifiable once we have an estimate from Strand Associates.

- **Path Replacement**

Getting quotes from 2 local contractors for 600 linear ft of new concrete paths and two contractors for asphalt paths for replacement in 2025. Asphalt prices keep going up and are not comparable to concrete.

New Business

- **Investment Committee**

Since managed investments related to the townhouse reserve had to be liquidated the committee recommended to the board the SBHOA Investment Committee be dissolved. Aaron Keller moved to disband the Investment Committee, Devan Iddings seconded and the motion was unanimously approved.

- **Question from Jo Dee Townsend - Aaron Keller**

Resolved prior to the meeting.

Comments from Audience

No additional comments

Comments from the Board

No additional comments

Adjourn: Devan Iddings moved to adjourn, Bill Cahill seconded, and the board unanimously approved at approximately 7:40PM

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

Next scheduled BOD Meeting is August 22, 2024 5:30 at the Clubhouse