

Sent to board for corrections:5-16-2024

Sent ballot for approval:5-17-2024

Board Minutes approved by 5 /7 vote:5-19-2024

Posted on Website:5-22-2024

Email sent out to residents: 5-22-2024

## **Stone Brooke Homeowners Association Annual Meeting**

### **Approved Minutes**

**April 22, 2024**

**Call to Order:** The 2024 Annual Meeting of the Stone Brooke Homeowners Association, held at Stonebrook Community Church, was called to order at 7:00pm by President, Jeff Borgmeyer.

**Verification of Quorum:** Pat and Hal Long verified quorum as defined by the Association's Covenants. There were 70 townhouse households along with 12 house households represented. Board Members present were President Jeff Borgmeyer, Treasurer Aaron Keller, Secretary Cheryl Martin, Liaison Marlene Johnson, Liaison Kathy Rathe, Liaison Jim Reynolds, and Liaison Devon Iddings. Vice President Jim Billings and Liaison Fred Johnson were absent. Seven Directors were present.

**Introductions and Recognitions:** President Jeff Borgmeyer welcomed all in attendance and thanked the Hospitality Committee for hosting the Ice Cream Social with the ice cream coming from Marmalade Moon . He recognized and introduced the Board of Directors along with the Committee Chairs.

**Appointment of Parliamentarian:** Jim Lohr was appointed as the Parliamentarian.

**Moment of Silence:** Jim Reynolds recognized Sara Weyer, Marjorie Uitermarkt, and Al Latuska as previous residents of Stone Brooke passing since May 2, 2022.

**Motion to approve agenda:** The 2024 Annual Meeting Agenda as distributed prior electronically was moved, seconded, and approved. MOTION CARRIED UNANIMOUSLY.

**Motion to approve 2023 Annual Meeting Minutes:** The minutes of the 2023 Annual HOA Meeting were approved as distributed electronically two times two weeks prior to the meeting date. MOTION CARRIED UNANIMOUSLY.

**President's Report:** President Borgmeyer thanked the committee chairs and committee members for their service and also shared appreciation of their efforts.

Looking over the past year:

\*This has been a difficult year for Stone Brooke. First, there was the large-scale hail event that damaged homes in North Ames last spring and then a dramatic increase in the number of water utility line failures. These two events severely depleted our Townhouse Reserve Fund. The hailstorm totaled nearly \$600,000 in insurance claims. More than 40 roofs were determined to have been totaled and required complete replacement. While most of the expense was covered by homeowner insurance, a significant amount came from Townhouse Roofing Reserves due to the cost of the upgraded class 4, 40 year shingles that were not covered by replacement insurance. These upgraded shingles cost on average almost \$3,000 per roof. Most of the roofs replaced were the older class 3 shingles. This cost was significant.

\*This spring TMJ is completing the last of the roof replacements and is beginning repairs on the minor roofing hail-related damage.

\*President Borgmeyer thanked the Hail Committee composed of Chad Marty, Aaron Keller, Sharon Axland, Jim Reynolds and Jeff Borgmeyer for all their hard work. They met at least biweekly if not weekly from spring to fall. Special recognition goes to Chad and Aaron who spent countless hours reviewing claims, patiently communicating with residents concerning their hail claims, contracting repairs, reviewing invoices, and collecting money. It was a tremendous amount of work and it's still ongoing. Thank you to all those involved!

\*The second event that impacted us was **water utility line failures requiring replacement**. Our Covenants specify that utility line maintenance for townhomes from the street to the entrance of the home is the responsibility of the Association. In recent years, on average, there has been less than one water utility line that required replacement, never more than two per year and often zero. In 2023 all of a sudden there were seven! This totaled over \$90,000 in costs. This is more than what is spent on lawn maintenance annually, 50% more than what is spent on snow removal, and represents over \$500 per townhouse residence which is not sustainable.

How can we mitigate the cost of water line utility repair costs? 1)Utility line replacement is insurable around \$50 per year added to homeowner insurance, or already included in coverage. 2)**All residents are encouraged to check out their own homeowners policy to check their coverage and options for utility coverage.**3) Look for communications from the Board in the coming months. This is a serious matter for us as an Association to think through and come up with a workable resolution. We can either continue to pay all of the utility line replacement cost that is above and beyond the money taken in through our dues, or issue special assessments, or have insurance pay for most of it. Collectively, this added insurance is something we can all do to lower our costs.

**\*Townhouse Reserves**

The two events, the Hail Storm and the Water Utility Line replacement, costs approximately \$150,000 in nondiscretionary unbudgeted costs that have decimated Townhouse Reserves. In response Aaron requested and the Board approved having Criterium-Hardy Reserve Analysts review our Townhouse and Common Area Reserves and make recommendations. These are expected to the Board sometime in June.

**\*Additional highlights**

Significant expenditures on path maintenance occurred in 2023. Two complete sectional replacements as well as crack filling and sealing along the entirety of the path. This type of maintenance will need to be continued over the next several years to extend the useful life of the paths until enough money has accumulated in the Common Area Reserve for complete path resurfacing, targeted for 2028 & 2029.

The approach to Fletcher Court (\$7000) was replaced.

\*President Borgmeyer finished by stating his appreciation of working with the Board, Committees, and the Community these past three years. He stated that this is a wonderful community and he is fortunate to have the opportunity to live here.

**Treasurer's Report: Aaron Keller**

The complete report is available for viewing on the website.

The report was sent to all residents prior to the meeting.

It was moved to accept, seconded, and approved unanimously.

### Summary of 2023 Year End Financial Statements

*The year end balance sheet shows Assets of \$533,549, Liabilities of \$151,855, and total member's Equity of \$381,693. The liabilities reflect a \$128,785 in Accounts Payable which consists primarily of roof invoices to be paid. The Association has \$107,462 in net insurance reimbursements which will be applied against the accounts payable.*

*Equity numbers on the balance sheet are a reflection of Reserves available for overages in both Operating Expenses as well as Capital Expenses including roofs, replacement siding and common area improvements. Per the Declaration of Covenants for the association, the Common Area Reserves cannot be spent for Townhome Expenses and townhome Reserves cannot be spent for Common Area Expenses.*

Townhome Reserves include \$9,608 for siding replacement, \$93,286 for roofing replacement, and \$00 in Townhouse Equity (TH Operating Expenses produced a negative Operating Reserve of \$15,294 which was zeroed-out with funds from the Roofing Reserve). When all roofs replaced in 2023 are paid for, the Roof Reserve will be exhausted. Common Area Capital Reserves are \$54,769 and Common Area Operating Reserves are \$39,530 at year end. Fixed Assets Equity is not a cash asset which can be used for payment of bills.

The Year End Statement of Operations is showing a Net Operating loss of \$103,998, Net Other Income of \$109,964 (after taxes). The Total Net Income for the year was \$6,966. Net Operating Income was budgeted at \$64,283 (\$60,000 for Common Area Equity), the resulting deficit in excess of \$167,000 resulting in the virtual elimination of Townhome Reserves is attributable primarily to two expenses; roofing and hail related expenses in excess of budget by over \$80,000 and utility line repair expenses which were over \$81,000 over budget.

**The first priority of the new board will be to determine and implement a plan to quickly replenish Townhome Reserves.**

### **Committee Reports:**

ARCHITECTURAL CONTROL: Marlene Johnson-liaison, Dean McCormick-chair, Russ Richardson, Nathan Tosten, Candy Schainker, and Lyn Watson

The purpose of this committee is to assure that modifications to the townhomes are in context with the external style and design that is prevalent in Stone Brooke. Article VII of the Stone Brooke Covenants requires that "the nature, kind, shape, height, materials, and location are in harmony with external design and location in relation to surrounding structures and topography".

The committee reviewed and forwarded four requests to the Board of Directors for action during the period since the last Annual meeting conducted on April 24, 2023. Approval was recommended for all four of these requests; enclosure of area beneath sunroom, screened in porch and deck addition, deck stair replacement, and deck addition.

**BUILDING MAINTENANCE:** Jim Reynolds-Liaison, Sharon Axland-Chair, Darlene Schmidt, Gail Johnston, Dave Martin, Doyle Kepley, and Les Uhlmeyer. The general purpose of this committee is to oversee exterior maintenance of roofing repairs and replacement, rain gutter/downspout repairs and replacement, siding and trim repairs and replacement, and full unit or touch-up painting of townhome units. This is stated in the Stone Brooke Homeowners Association Covenants, Bylaws, and Policies. The committee also assists the Board with other special projects as needed.

Summary of the past year:

Can be read under the President's Report, the Treasurer's Report, and PSA's Report.

**CLUBHOUSE/POOL:** Devan Iddings-Liaison, Dave Martin-Chair, Vince Simon-Certified Pool Operator, Nathan & Neta Tosten -Treasurer, Kim Schrader -Scheduling, Carole Bunde-Secretary

The general purpose of the committee is to make sure that routine maintenance is scheduled for both the pool and clubhouse. Improvements are also considered and planned to fall within the yearly budget or the Capital Reserve Fund. The pool also requires yearly application for State and County Environmental and Health Permits to show compliance to the State and County Regulations.

There are two paid positions. The Reservation Secretary who schedules all events held at the Pool and Clubhouse. The Licensed Pool Operator who initially

opens and and seasonally closes the pool. He is also responsible for daily care and testing of the pool.

Summary of the year:

\*The Clubhouse was in use 179 days with 40 days with two or more events.

\*There were 9 pool parties plus several cancellations due to the weather.

\*Two new cabinets were installed in the clubhouse to help with large meal events.

\*One utility storage cabinet was added in the large bathroom.

\*A stool and sink fixtures in the small bathroom were replaced.

\*A new bike rack and cement pad was added along with a new winter pool cover, and some needed new deck chairs.

\*The roof and gutters were replaced because of hail damage.

Future Projects: 1) a new day cover for the pool 2) painting the inside of the Clubhouse 3) update lighting

INVESTMENT: Fred Johnson-Liaison, Ken Recker-Chair, Larry Cormicle, Bob Blattert, and Howard Levine

The purpose of this committee was authorized in 2008 by the SBHOA Board to invest \$100,000 at a higher rate of return than a bank savings account.

Subsequently a brokerage account was established with Vanguard. Since 2008 the total return on the original investment is 235%. There has been no additional amount added to the Vanguard Investment Account since 2008. Over time through 12/31/2023, the Board has withdrawn a total of \$113,500 for major projects and unexpected large expenses.

The Committee members meet quarterly or more often if needed. We review current investment holdings and potential opportunities for future investment consideration.

	12/31/23	12/31/22		
Vanguard Healthcare	\$27,135,78	\$36,113.87		

Vanguard Wellington Adm	\$45,368.21	\$54,510.39		
Berkshire Hathaway	\$26,749.50	\$23,167.50		
Vanguard Money Mkt.	\$263.20	\$100.69		
US Treas. Bills	\$24,603.63	.00		
Total	\$124,120.32	\$113,892.45		

Started the year with a \$113,892.45 balance and ended at \$124,120.32 resulting in a \$10,227.87 (9.0%) gain. During the year, due to increase in interest rates, moved a portion of investment into US Treasury Bills.

2024

In February \$25,000 US Treasury Bills were sold and withdrawn at SBHOA Board direction to cover extraordinary expenses (water lines and snow removal).

INSURANCE: Jim Billings-Liaison, Jim Billings-Chair, Joe Klein - member

The role of this committee is to ensure, to the best of our ability, that the residents of Stone Brooke understand and comply with the homeowners insurance-related requirements stated in the Association By-Laws and Covenants.

Home insurance coverage for all Class A homeowners is monitored yearly. Every Class A homeowner should instruct their insurance company to provide the Association with **an annual notification of home coverage**. In accordance with the Covenants and By-Laws of the Association, every Class A home should include in its **policy a rider that has SBHOA as an additional insured**, and ensure that the dwelling **replacement amount is adequate to cover the full cost of rebuilding** the residence in case it is destroyed.

- Given the volatile nature of our Iowa weather recently, it is imperative that every Association residence be adequately insured in the case of a severe weather event resulting in property destruction. At the same time, given the recent inflationary nature of our economy, the price of

materials and labor have increased significantly resulting in an increased cost of home replacement.

Over the past year there has been a significant increase in the number of residents who are in full compliance, with only a very small number who have yet to meet that standard. The Insurance Committee continues to communicate with these residents. **We encourage everyone to review their homeowners policy, and if necessary work with your insurance agent to ensure the policy amount is adequate and is in full compliance with the Stone Brooke Association Insurance Covenants.**

\*A new issue that involves homeowner insurance surfaced this past year, one that the Board of Directors would like the full Association to understand, come to grips with, and rectify. In accordance with our By-Laws and Covenants, the Association is responsible for the cost of repairing and/or replacing utility lines from the street to the townhome. In 2023, seven residences needed this done, at a cost to SBHOA of over \$90,000, or on average about \$500 per a Stone Brooke residence. A continued outlay of such expenses is unsustainable.

**If homeowners would 1) check for utility coverage within their current policy, 2) and if no coverage is found include a rider to their homeowners insurance policy covering the cost of utility repair and/or replacement. It would add an additional \$50-60/year to the premium. And if you have coverage use it to pay the cost of repairs or replacement.**

**The Stone Brooke Board strongly encourages everyone to work with their insurance agent, and know if this coverage is already in your policy or add the necessary rider to your policy. Thus, in the case where a utility line is in need of repair or replacement, the Board is proposing to cover the deductible cost to the homeowner, if they have and use this policy rider to pay for the utility line work on their home. The Board is asking for the community to support this initiative.**

GROUNDS: Marlene Johnson-Liaison, Jean Marsden-Chair, Sharon Knudsen, John Wilson, Cheryl Martin, Hal & Pat Long, Jeff Borgmeyer, Julie Larson, and Paul Domoto.



The Grounds Committee is responsible for the maintenance, upkeep, and improvement of our 17 acres of common area grounds including tree maintenance, paths and bridges, general grounds maintenance, and coordinating with contracted lawn, tree, and snow removal services.

#### Highlights of Grounds Committee Activities in 2023:

\*Planted, fenced, watered, and tended new trees (7 redbuds, 1 white oak, 2 white pines) and continued to water trees planted in 2022.

\* Path repairs managed by PSA.

\*Continuous work removing/trimming back invasives, cleared out overgrowth on the berm south of concrete path, West Woodland Path, and the bed west of North Fletcher Parking Lot.

\*Representatives from Iowa/Minnesota Conservation Corps toured the grounds and provided suggestions for improving areas.

\*The committee hosted a spring bulb exchange.

\*Doyle Kepley stepped up to take over perimeter mowing when Ron Thurman notified us that he would no longer be available for this service. Doyle said that he's willing to continue to do the fall perimeter mowing and would give us ample notice when he decides he no longer will provide the service.

#### Plans for 2024:

\*The Board approved the proposal from Country Landscapes to remedy stormwater erosion issues for HOA owned easement between 1512 & 1514 Stone Brooke Road which will include a rainwater garden catchment area eligible for \$1500 rebate from the city to help offset costs. Plans are to move forward on this project.

\*We are working with various city departments to coordinate dredging the north end of the waterway, which is part of the city's stormwater drainage system.

\*We are checking with the city before replacing the collapsing retaining wall around the utility box near the North Fletcher Parking Lot.

\*The committee reviewed the Capital Reserve allocations for the coming years to better proactively plan improvements.

\*PSA is assisting in the process of finding opinions for replacing the South Bridge.

\*We are seeking consultant advice on prairie management to include converting the area designated as "South Creek Prairie" into a Savannah and will plan future tree purchases based on this guidance.

HOSPITALITY: Kathy-Glatz Chair, Kathy Rathe-Liaison; Crystal Iddings, Bob Bergmann, Nathan & Neta Tosten, Lynn Franco, Beth Reynolds, and Mary Wilson are committee members.

This committee is responsible for planning periodic social gatherings for the enjoyment of residents and communicating through a monthly newsletter.

Activities held this past year include:

- \*Marmalade Moon Ice Cream Social at the Annual Meeting
- \*Country Western Night with music by Royce Johns and a catered meal from Whatcha Smokin BBQ
- \*Spring/Fall Potluck luncheons - 3
- \*Pie & Ice Cream Social with speaker Lorrie Hanson from the Ames Resource Recovery Plant
- \*Halloween Movie Night - Haunted Mansion
- \*Holiday Wine & Cheese Social
- \*Come and Go Coffee/Tea with Treats - 2
- \*Easter Egg Hunt
- \*TGIF Happy Hour
- \*Promoted Royce Johns in concert in Ames

Community Service Opportunities

- \*Overflow Truck for Non-Furniture Donations
- \*Back to School Teacher Supplies for Ames and Gilbert School Districts
- \*Holiday gift Giving to Bridge Home
- \*Pillowcase Sew-A-Thon for Sleep in Heavenly Peace
- \*PDF sent out to all residents of *WHERE YOU CAN RECYCLE IN AMES AND SURROUNDING AREA*

Plans for 2024-2025:

- \*Continuing a few activities that have been well-received in the past—the potlucks, our Holiday Gift Giving, food trucks, and Holiday Wine and Cheese Social.

\*Based on the responses from a survey sent out earlier this year, new activities are being considered—A Stone Brooke Tour of Homes, a Progressive Dinner, and Neighborhood Outside Gatherings.

WELCOME COMMITTEE: Jim Billings-Liaison, Char Hulsebus-Chair

Members are Dean & Sharon Axland and Chuck Glatz.

The Committee is responsible for connecting with new Stone Brooke residents.

New residents are visited and given a Welcome Packet containing information about Stone Brooke which includes governance, dues, waste management, activities, and the most recent Stone Brooke Directory.

When residents are thinking of selling their townhouse or house there is a *Stone Brooke Check-off List* to help follow the exit procedure from Stone Brooke Assoc. Contact any of the members for that list.

\*In the past year Stone Brooke has welcomed 8 new households; Bunzel, Copley, Helmich, Coopriider, Crouse, Merrick, Fry/Wunder, and Dale.

\*The Welcome Packet was updated.

Welcome Packet Contents:

Payments:

- ACH Authorization Agreement to provide direct payment of dues to Stone Brooke and garbage fees to the provider.
- Information concerning Association dues, garbage service, and insurance responsibilities.

Governance:

- Stone Brooke Board of Directors
- List and descriptions of committees and with contact information.
- Communications through *The Stone Brooke Connection*, monthly newsletter.
- By-Laws, Covenants, and Policies are located on the Stone Brooke Website.

Social:

- Clubhouse inventory/procedures
- Pool and Clubhouse rules
- Social activities list

### *People and Map*

-Current list of residents which is updated each quarter, sent by email, and not available to the public outside of Stone Brooke residents.

-A Stone Brooke map showing streets, units, and walking paths.

### *Looking Forward:*

\*The Committee welcomes new committee members to help with spotting residences for sale and providing Welcome Packets to new residents.

### *PSA-Chad Marty:*

Chad and Chris are the primary contacts to field any townhouse or Common Grounds concerns dealing with a contracted business; lawn mowing, snow removal, painting, siding, and roofs.

Chad shared that through his experiences with other HOAs and knowing how Stone Brooke Association takes care of its assets and income, it is apparent that SBHOA weathered this last storm in a stronger financial state than many of the other HOAs in this area. Our damaged roofs are just about all finished.

One hail damage roof is left to finish. Then minor hail damage section repairs will take place.

- > Roofs Replaced due to hail damage - 43 plus 5 roofs replaced because they were connected.7y
- >Planned maintenance roof replacement - 7
- >Small maintenance work orders for siding, trim and gutter repairs - 73
- > Full Paint - 12 Units
- >Trim Paints - 16 Units
- > Gutters - 21 Units
- > Small work orders - 84 Units
- > Utility Line Repairs - 7

### *Projected plans for 2024:*

\*Only roofs affected by hail damage will be replaced.

\*Pausing the gutter and downspout replacement plan.

\*Holding off on full and trim paints until later in the year after the Treasurer can access funds.

\*Will be doing normal work orders to replace damaged trim and siding.

\*The siding and gutter will be replaced in the atrium of 4111 SBR

**Presentation of Board of Director Candidates:**

Loren Donaldson.... 1st term    Bob Borgmann.... 1st term    Bill Cahill.... 1st term

**Election of Directors:**

It was moved, seconded, and a show of hands showed unanimous acceptance of the candidates.

**Comments and Discussion from the Floor:**

The floor resolutions should be submitted to the Secretary in writing preferably before the meeting. There were none.

**Comments from the Board:**

There were none

**Adjournment:** Moved, seconded, and voted to adjourn at 8:30 p.m.

*Respectfully submitted by Cheryl Martin, Secretary to the Board*

**Good of the Order**

A short meeting of the 2024-2025 Board members was held immediately following adjournment of the Annual Meeting to elect the board officers and determine the date and time of the Orientation Meeting.

\*The following officers were elected:

Jim Reynolds - Vice President    Treasurer - Aaron Keller

Loren Donaldson - President    Secretary - Cheryl Martin

\*Orientation Meeting - April 29, 4:00 Clubhouse

\*Assignment of board liaisons to committee's were agreed upon as follows:

Grounds Liaison - Marlene Johnson

Architecture Control Liaison - Marlene Johnson

Building Maintenance Liaison - Jim Reynolds

Clubhouse/Pool Liaison - Devan Iddings

Hospitality Liaison - Kathy Rathe

Welcome Liaison - Bob Bergmann

Insurance Liaison - Bill Cahill

*Respectfully submitted by Cheryl Martin, Secretary to the Board*

