

STONEY BROOK HOMEOWNERS ASSOCIATION  
2021 ANNUAL MEETING and BUDGET  
CONSIDERATION MEETING MINUTES  
January 26, 2022, via Zoom

**Board Members Present:** Stan Trout, President; Craig Weber, Vice-President; Andrew Klatskin, Secretary, John Cowan, Treasurer; Director; Uli Kappus, Director; Bill Letson, Director; Jack Kiner, Director; Robert (Bob) Bulkley, Director, and Debbie Wolach, Director

**Others Present:** Oliver Lynch, General Manager and Angela Miller, Office Manager

**Call to Order:** Mr. Trout called the 2021 Annual Meeting and Budget Consideration Meeting to order at 6:30 p.m. Mr. Trout introduced the 2021 Board of Directors: Craig Weber, Debbie Wolach, Bob Bulkley, Jack Kiner, Bill Letson, John Cowan, Andy Klatskin, and Uli Kappus  
Mr. Trout and Mr. Kappus are stepping down as Board of Directors.

**Report from the Secretary/Approval of the Minutes from the 2020 Annual Meeting and Budget Consideration Meeting:** Mr. Klatskin reported a certified quorum requirement had been met to conduct an official Members meeting. Mr. Klatskin referred to the “**Notice of Annual Meeting**” that had been mailed to Members required by the by-laws. Mr. Klatskin reported the office received a majority of votes to waive the reading of the 2020 Annual Meeting minutes. A **motion (Kappus/Wolach)** to approve the 2020 Annual Meeting minutes as written passed with no opposition and with no further discussion.

**President’s Comments:** Mr. Trout reported this past year has been eventful with the following items accomplished: Completed resurfacing the community roads on time and under budget. Mr. Trout thanked Mr. Fireman for overseeing this project. Mr. Trout reported the HOA introduced a Capital Reserve Funding Fee which is received from a sale of a unit at closing which goes exclusively toward capital items. Many thanks to Mr. Weber, Mr. Cowan and Ms. Walker and their committee for implementing this procedure; Mr. Trout mentioned we have completed a software-based Reserve Study to better assist in keeping items up to date for the Long-Range Planning Committee. Mr. Trout reported Porfie (Pops) retired in May but will be available for any special or seasonal projects, if needed. Mr. Lynch plans to retire this year. Mr. Bulkley is leading the Committee to prepare for Mr. Lynch’s replacement. The Social Committee held an outdoor band/catered event in September which was well received after dealing with a long haul of pandemic restrictions. Mr. Trout reported trash service has moved from Tuesday to Wednesday at the beginning of 2022.

**Treasurer’s/Finance Report:** Mr. Cowan thanked and complimented each committee member for their valuable knowledge and expertise in preparing the 2022 Budget and 5-year plan and the suggested Capital Reserve Fee. Mr. Cowan reported the HOA dues have an increase of \$40, the new rate is set at \$570/month effective January 2022 this is a 7.5% increase to cover costs incurred; HOA Insurance is budgeted with an increase of 14%. Mr. Cowan provided the 2021 YE Audit report to compare it to the budget spreadsheet. The 2021 YE cash flow from operations is \$267K which is \$12K less than the budgeted \$279K due partially to a mid-year 5% maintenance staff salary increase. After lower than planned Infrastructure expenses we cash flowed overall \$4,015.00 more than was budgeted. The 2022 Budget for the total Operating Expenses is a 6.7% increase from 2021 YE totals and is forecasted for a similar 7% increase for the next four years to fund for long-term reserves. In 2026 our reserves could be built to the level they need to be therefore the forecasted amounts might need to be adjusted.

Mr. Cowan stated we have two Reserves:

Operating Reserves (Repair and Replacement paid from Operating Cash Reserves). Items under this section are the yearly tree maintenance, exterior painting of units, and implemental improvement areas. Our HOA is fortunate to have a skillful maintenance staff, we can save money by repairing equipment rather than having to replace equipment. The year-end cash flow is \$25K, which brings the

Operating Reserve balance to \$273K. The plan is to have it in the range of \$300K - \$350K. The proposed 5-year plan shows the reserve balance reflecting such an increase to fully fund the reserve. The Capital Reserve section: 2021 Budget the Revenue from Allocation of dues \$44K; Road Repair and Pond Liner Replacement \$987K; Funding this year for all sources totaled \$1,037,000.

The 2021 YE estimate: Allocation of Dues \$44K + Capital Reserve Fee (new owners) \$30K; Road Repair and Pond Liner Replacement final cost \$865,936; Storm sewer repair \$25K. The Capital Reserve Cash Flow balance of \$170K. Mr. Cowan mentioned this account is a separate bank account and is only restricted for funding major items: truck replacement, seal coat streets (preventative maintenance), monument sign at the corner of Yosemite/Union, Pond 4 repair/liner. Mr. Cowan stated it cannot be emphasized enough that to be able to fund a long-range plan per the recommendation from the reserve study the proposed increase in dues and budget are necessary to prevent from being underfunded and eliminate any special assessments.

The Consolidated Reserve balance at 2021 Year-end \$487K and projected for 2022 a balance of \$560K. The proposed 2022 budget reports a \$275K Capital Reserve balance.

**Via Chat:**

Ms. Lehman: Do you think when we reach \$1million in total reserves that dues will increase less than 7.5% annually?

Mr. Cowan: Yes, depending on inflation for Operating Reserve but the Capital Reserve will need to be funded continuously; Mr. Trout mentioned HOA Insurance rates.

Mr. Karsten: Court 3 moved to 2026, why?

Mr. Cowan: Court 3 has \$150K as a placeholder in 2026 in the Capital Reserve funds; Mr. Cowan mentioned it has been suggested we move a portion of that amount (\$25K) in the interim to make the court functional or useable by installing temporary bocce ball courts.

**Long Range Planning Committee:** Mr. Weber reported the Committee was focused on four projects. The Pavement of the community roads; The establishment of the Capital Reserve Fee with the leadership of Mr. DiBiase and Mr. Loewenstein, of which 76% of the membership voted in favor to move forward with this fee. The revision of the Reserve Study. The Paint Cycle annual inspection allows to spread out the cost than originally proposed due to the preparation, application, and quality of the paint to an 8-year cycle. The Paving – an engineering consultant, asphalt laser and core testing was performed to distinguish the condition of the pavement to factor the results into our planning process. The Capital Reserve Study has a couple of components: determining the life cycle of our assets (10 or 30 years) and how many years remain before it needs to be replaced and estimated cost. Mr. Weber mentioned that based on the 30-year Reserve Study summary report for 2022 the fully funded balance is \$1.7M therefore we are less than 30% being fully funded. To establish a healthy Reserve standpoint, we need to be in the 70% - 130% funded, the new Capital Reserve Fee fund will assist in this improvement. Mr. Weber mentioned as of today the Association Reserves has included our audited \$487K as the starting point in the study report.

Mr. Weber stated our dues have been on a 3% increase track, the proposed budget reflects an increase due to the inflation rates.

Mr. Cowan pointed out that the Reserve Contribution column of the Reserve Study ties into the amounts as the presented proposed budget report.

Mr. Cowan reminded the membership to keep an eye on your water consumption, particularly this time of year (January – February) since this determines our sewer rates for the year.

**Insurance Committee:** Mr. Beakes reported the policy was renewed on August 13, 2021, within the perimeters that were anticipated. Mr. Beakes stated Moody Insurance agents have agreed to do a meeting with homeowners to discuss coverage. Mr. Beakes recommends owners to contact your personal insurance agent to acquire loss assessment coverage. Mr. Beakes mentioned this year the Committee will be looking at increasing the valuation rates due to the recent Marshall Fire being underinsured.

**Education Committee:** Mr. Bulkley certified that the Association has complied with the 2005 Senate Bill SB05-100 by conducting the annual Homeowners' education meeting on October 6, 2021. The annual education meetings are open to all Owners.

**Nominating Committee and Election Results:** Ms. DuHadway explained that there are provisions for nine Directors on the Board and each term is three years. There were six candidates for the three open seats on the Board. The candidates were Evelyn Burke (Unit 44), Ralph Hellman (Unit 136), John Cowan (Unit 213), Laura Goff (Unit 323), Mark Winski (Unit 428), and Hal Fireman (Unit 469). Ms. DuHadway thanked all the candidates for running and in addition thanked Ms. Bradbury, Ms. Bowlds, and Ms. Minson for their assistance. The Board Members elected to three-year terms this evening were Evelyn Burke, Hal Fireman, and Laura Goff.

**Homeowners' Comments: via Chat-** Ms. Epstein inquired if we are getting three bids for projects? Mr. Trout responded we generally try to obtain 3 bids, but not vigorously. Mr. Cowan mentioned the major expenses are put out to bid and even though we end up using our usual contractors it is because they would have the lowest bid and are pleased with their services. Ms. Epstein asked isn't there is a requirement that three bids be obtained not only for tree maintenance and painting but for legal, insurance services, etc. Mr. Trout and Mr. Cowan agreed, no it is not a requirement, but it is a good policy, not always practical.

Mr. Loewenstein asked if the ARC Committee thought about updating the exterior paint colors, the current color scheme seems very outdated. Ms. Wolach responded the Committee will certainly consider it.

Mr. Albert asked if we could get larger dog poop bags. Mr. Trout mentioned we have the standard size which should be sufficient.

Mr. Izmarian wrote there are many cracks in the new roads. Are they covered under warranty from the road contractor? Mr. Fireman responded he will be in touch with the contractor to come out in late Spring to apply crack sealant.

Mr. Albert inquired about the guidelines and requirements for requesting a landscape design at his unit; several proposals have been denied. What is the Landscape Committee's responsibility? Ms. Wolach responded it does need to be clarified but after discussion at a later meeting, the Landscape Committee is to unify the look of the community; there are guidelines in place (back of directory lists type of plants, trees, etc.)

**Other Business:** Mr. Kappus thanked Mr. Cowan for his dedication and expertise for serving on the Board and as Finance Chairman.

**Adjournment:** There being no further business and, on a **motion, (Mr. Cowan, Unit 213 and Mr. Bulkley, Unit 416)**, the meeting was adjourned at 7:44 p.m.

Respectfully submitted,  
Angela Miller, Recording Secretary