

Stoney Brook Homeowners Association
Minutes of the Meeting of the Board of Directors
February 23, 2022
Exclusively via Zoom
Amended by the Board – March 23, 2022

Directors Present: Robert Bulkley, Craig Weber, Jack Kiner, Debbie Wolach, Andy Klatskin, Hal Fireman, Laura Goff, and Evelyn Burke

Directors Absent: Bill Letson

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

Homeowners Present: Ellen Epstein (Unit 393), Bill Taylor (Unit 11), Trina Shanks (Unit 311), Alice Frerman (Unit 13), Stan Trout (Unit 474), Betty Lehman (Unit 307), Kerry Santambrogio (Unit 8), JoAnn Taylor (Unit 455), Vincent DiBiase (Unit 380), Paul Anderson (Unit 105), Amy Turner (Unit 22), Lorri Stonbraker (Unit 449), Dwaine & Jane Salzer Richter (Unit 371), Linda Watson (Unit 132), Paul Anderson (Unit 105), Steve & Martha Lederer (Unit 451), Mike Davis (Unit 17), Dolly Bunke (Unit 128), Carnig Izmirian (Unit 131), Michael Cook (Unit 375), Holli Benkelman (Unit 379), Jason Hopcus (Unit 130), Jerry Gordon (Unit 323), Mike Meisinger & David Zupancic (Unit 326), Jan Melson (Unit 214), Gina Black (Unit 380), and Dorothy Davis (Unit 504)

Call to Order: Mr. Bulkley called the meeting to order at 6:35 p.m. with a quorum established.

Homeowners Comments: Ms. Epstein received a letter from Mr. Bulkley in response to her comments/suggestions from January's Board meeting and stated she was a little confused and curious if these were Mr. Bulkley's personal views or as a representative of the Board as a whole, since the Board has not met to discuss them. Mr. Bulkley mentioned it was his opinion as President of the Board to respond in a timely matter to Ms. Epstein's letter. Ms. Epstein mentioned Mr. Bulkley misunderstood several of her comments but is sure that the Board will have whatever discussion that they deem appropriate over this and of course, even though your President, your vote has no more weight than anyone else. So, this is just one person's opinion and response to my suggestions and just wanted to be clear on that and make sure that I understood. Ms. Epstein inquired if any internal candidates are being considered for the new property manager. Mr. Bulkley mentioned it will be discussed later in the meeting. Mr. Trout asked if we reached the water use restrictions for February that determine our sewer rates for the year. Mr. Bulkley mentioned Denver Water was on-site today and possibly reading the meters. Mr. Trout suggested providing a link for the preliminary board minutes on the agenda. Mr. Fireman understands on the website the minutes appear under the document folder, is there a way to make a sub folder of the minutes to make it easier for people to identify when you click on that link. Mr. DiBiase believes the answer is yes but will need to confirm with Ms. Miller. Mr. Bulkley will discuss it with the Communications Committee.

Mr. Weber presented a statement from Mr. Winski:

I would like the Board to seriously consider taking action this year on an area that is begging for attention. Stoney Brook's recreational amenities are very attractive and functional except for one place. We have an attractive swimming pool, a great hot tub, 1 very nice tennis court, and 2 super pickle ball courts. All of these amenities get plenty of use and look great. However, court #3 has not been functional for 6 years, is a glaring eye sore, and I wouldn't be surprised if the fungus and mold growing on the existing surface is not a health hazard. In 2019 the Board authorized a committee to study possible uses for the court. The committee put in hundreds of hours over almost two years of research. The committee got plenty of positive feedback and suggestions from the 40 or 50 homeowners that attended a Q & A in person on two separate occasions. Among the attending homeowners at that time and I'm sure this hasn't changed – it was unanimous that something needed to be done. The committee presented their recommendation to the Board 2 years ago and for various reasons it was tabled.

Now that the roads and the assessment have been completed, this year would be a good time to get the project done. And it can be done easily without assessment or burdening this year's operating budget. There are sufficient funds right now in the Capital Reserve bank account. Another way to look at paying for its cost, there will be approximately \$100,000 coming in from this year's new transfer fee which could pay for most or all of the renovation.

So, the only 2 things that need to be done is :

1. Get Long Range planning to confirm there is enough money available to avoid any assessment and money which could be set aside to complete Court 3. This confirmation is available any time.
2. For the Board to review in detail the committee's recommendation; then decide what, if any, changes are needed in design, approve it, and get it done.

Let's put court 3 to use, make it look great, let it become an asset of Stoney Brook.

Thanks for entertaining this thought and I hope that this can be addressed by the Board with a completion target in 2022.

Mr. Bulkley mentioned this should go to the Finance and Long-Range Planning Committees. Mr. Weber agrees this seems to be an appropriate recommendation. Mr. Bulkley continued stating this is probably a priority that has been in the back of our residents' minds, the question is what monies we plan to use, since the reserve fund is currently not planned for this project. Mr. Fireman mentioned an option of staging this area over a couple of years.

Mr. Weber provided a statement for the minutes:

Misleading information is unfair to all Stoney Brook residents

Stoney Brook is a wonderful community in which to live, in part because so many individuals volunteer their time and their talent to serve on various SB committees or on the Board of Directors. All of us are volunteers who are doing the best we can to serve the best interests of the entire Stoney Brook community.

Occasionally, a homeowner shares a complaint during the "Homeowner's Comment" section of a Stoney Brook Board of Directors Meeting or at the Annual Meeting about the work or decision of a committee. Whenever possible there should be a full response from the appropriate Board member or Committee.

Why? When a complaint is focused on an individual or on the decision of a SB Committee, there are typically at least two sides to the story. If only one side of the story is heard (or read in the subsequent minutes) it can and will create the impression that the homeowner's concerns are valid and have been ignored and/or disrespected. Those attending the meeting and those reading the minutes of the meeting are then left with a misleading and incorrect understanding of the situation.

Balanced perspective is important. It is important to hear both sides. When only one side is heard at length, the resulting impression is misleading and unfair. Therefore, when a complaint is brought forth to the full community, the full community deserves to and needs to hear the complaint from both perspectives. To do any less, is to foster confusion and distrust.

Approval of the Minutes: Mr. Klatskin proposed a revision to the Finance Committee section of the January Meeting Minutes as follows: *Mr. Weber stated per guidance from other organizations, the chairman of the Finance Committee is also the Treasurer of the Board. Mr. Letson asked if there are written job descriptions that cover these two positions, and if so, we should follow those rules. Mr. Bulkley said that historically these two positions have been held by the same person. After further discussion, Mr. Fireman accepted the position of Finance Committee Chair. A motion (Klatskin/Fireman) to approve the January 27, 2022, Meeting Minutes as amended passed with no opposition.*

President's Remarks: Mr. Bulkley wanted to thank the residents for limiting their water usage and thinks we should be in good shape with our rates. Mr. Bulkley stated in the first month as Board President the word "transparency" comes up a lot. Mr. Bulkley mentioned it's at the Committee level where decisions are accomplished and then brought to the Board, if needed. Mr. Bulkley stated the Committee meetings will be posted on the website calendar and are open to the residents to attend but asked not to participate unless approved by the Chairman. The Communications Committee is working on how to get the information to the residents in a timely manner, easier access to documents, etc. Mr. Bulkley does not plan on stopping the Board meeting to discuss each chat conversation, they will be recorded and reviewed after the meeting. Mr. Bulkley thanked all who signed up to be a committee volunteer.

General Manager's Report: Mr. Lynch provided the following report:

ONGOING PROJECTS:

- Snow and Ice Removal & Clean up
- Removal of the Pine Trees dead branches

COMPLETED PROJECTS:

- Installed potting soil on lower Terraced planter along Union

Mr. Fireman inquired if the Xcel easement issue at 4605 entrance was resolved. Mr. Lynch responded not as of yet.

Treasurer's Report: Mr. Fireman provided the January 2022 Financials. Mr. Fireman reported an accrual of (\$13K) was posted for the Court 1 at year end, since we were not invoiced. The accrual was reversed in 2022, and we received an invoice for \$4K which leaves a \$9K remaining on the financials for the next several months. The Clubhouse Flooring over budget (\$3K) due to more materials were needed than anticipated. The cash flow at the end of January is \$60K with \$11K of this contributed to the Capital Reserves. Mr. Fireman explained the budget process between the operational/infrastructure and capital reserve accounts. Mr. Davis asked if we pay our annual insurance policy from the capital reserve. Mr. Fireman mentioned this is an operational expense that we pay every year. At the end of January, the balance sheet reflects consolidated reserve balances of \$547,497 with \$385K in our checking or investments accounts, and another \$164K is in prepaid insurance, which will result in increased cash flow over the next 6 months as a result of being a non-cash item in the Profit and Loss Statement. A **motion (Weber/Wolach)** to accept the Resolution that any excess of membership income over membership expenses shall be applied against the subsequent tax year member assessment as provided by IRS Ruling 70-604. A **motion (Weber/Fireman)** to accept the Resolution of the Allocation of 2021 Assessments to the Reserve Fund in the amount of \$237,113 plus the \$44,004 that was transferred as of 12/31/2021 passed with no objections. A **motion ((Weber/Fireman)** to accept renewing the Line of Credit in the amount of \$100,000 passed with no objections. A **motion (Weber/Fireman)** to adopt the Banking Resolution 2022.02.001 presented with the list of certain members of the Board of Directors entitled to sign on each account passed with no objections. Mr. Weber mentioned each check processed is required to have two signatures.

Architectural Review Committee: Ms. Wolach reported an approval for a small fence for a dog run at Unit 344. An owner is in process installing an egress window once a permit is received by the City of Denver. Ms. Wolach thanked everyone for their interest in volunteering for ARC. The Committee is pleased to welcome Mike Meisinger and believe he will be a great addition to the committee. Ms. Wolach mentioned a new sub-committee of ARC was developed to evaluate the exterior paint colors. Ms. Lederer, Landscape Committee Chairman, provided a priority project list. Ms. Wolach

mentioned Porfie has agreed to assist the Landscape Committee one day a week, starting in the Spring.

Insurance Committee: Mr. Beakes has yet to finalize his committee from the provided list of volunteers.

Election of an Officer: A motion (Wolach/Klatskin) to appoint Mr. Kiner as Board Vice-President passed with no opposition.

Education Committee: Mr. Bulkley stepped down as the Education Chairman and suggested that one of the new directors consider being the Chairman for the new owners' meeting that is held once a year.

Communications Committee: Mr. Trout reported the Committee (Susan Schaecher, Ann Kochenberger and Bob Bulkley) has met and will work on getting information out more frequently than the newsletter which is available every 60 days. In addition, the Committee is considering the idea of sending out a poll to see what residents want for communication content. The Committee is looking for more volunteers and anyone that has any public relations experience would be helpful. Any articles for the March/April newsletter should be submitted by February 25, 2022.

Mr. Bulkley would prefer residents send their comments and concerns to the office prior to the monthly Board meetings to give the Directors and Committees time to review.

The Board did receive a letter prior to the meeting from Mr. and Mrs. Lederer in regard to an update for homeowners on progress toward hiring a new property manager.

Specifically, the Lederers asked if: (answers in italics)

- A deadline for hiring Oliver's replacement(s) has been established. *Mr. Bulkley mentioned the Board should have an answer by March's Board meeting, and The Board will be discussing extension of Mr. Lynch's contract through June due to a busy season of work order requests and a major project.*
- The hiring committee has written and presented a detailed job description for the property manager position. *Yes, and posted on the CAI-Rocky Mountain website.*
- The Board has discussed and approved a compensation package for this position. *not at this time because we don't know who's exactly going to be in it and until we get the person and that their salary demands are but have a general salary range.*
- The position has been posted, and where. *www.cai-rmc.org*
- The hiring committee has received resumes and/or applications from interested candidates. *nobody came up until this last week and so we will interview those 2 people before making a decision.*
- The hiring committee has identified and interviewed qualified candidates. *we've already interviewed one person in-house we think is a very viable one and we're lucky to have that candidate.*
- The person(s) selected by the hiring committee will be presented and approved by the Board as a whole. *Yes, the Board is the only one who can make that decision.*
- A plan is in place for familiarizing the new property manager(s) with the maintenance schedule, landscape systems, and crew (preferably while Oliver is still here). *If the Board approves Mr. Lynch to stay through June, we will hire someone by May 1st this would give the new manager two months to work with Mr. Lynch.*
- A plan for ongoing performance evaluation of the new property manager(s) will be developed and implemented by the Board. *Yes, we have suggested a performance review be put in place.*

Mr. Bulkley mentioned the Manager Search Committee did research management firms. Mr. Fireman continued that the Search Committee looked at two Management Companies and had some preliminary discussions in terms of what each could offer us. We looked at both a standard model where they hire the property manager to take over all the accounting functions and all maintenance, and a hybrid model where they would take over management functions and manage our staff in the preliminary analysis of what they have to offer. This would add about \$60K a year to our operating cost to cover their management company overhead. We discussed how the majority of homeowners prefer to maintain our current staff as employees. Mr. Fireman recommended to the Search Committee hiring a competent in-house manager. Since we have the policies, procedures, and personnel in place we don't see a justification for burdening the association with an additional approximately \$60,000 in annual expense.

Old Business:

Mr. Bulkley, Mr. Fireman and Ms. Wolach will meet periodically with Mr. Lynch and the new manager to review upcoming projects and expenses.

Mr. Bulkley read his response to Ms. Epstein comments from January's Board meeting:
Dear Ms. Epstein:

Kindly permit this letter to serve as my response, as President of the Stoney Brook HOA, to the comments you made at the last HOA meeting on January 27, 2022. The written transcription of your comments, at your request, have been included in the Minutes of that meeting.

As you know, our Declaration prohibits the Board from meeting without a notice to homeowners. Since our January meeting, the Board has not met to consider your suggestions. I will not respond to the generalizations you mentioned about the feelings of other homeowners, but as a Board member and a homeowner, I do hope the majority of our neighbors appreciate the work the Board members do. We on the Board are volunteers and the decisions we make affect all homeowners, including each Board member. Let me address what I understand were the five points spelled out in your letter.

1. A requirement for a minimum of three competitive bids for all material contracts. The Finance Committee and the Long-Range Planning Committee try to anticipate the projects and expenses which will be incurred. The implementation of those projects is generally left to the General Manager, who also oversees the day-to-day work of our maintenance staff, as well as the emergencies which occur. The GM is limited in his authority to hire contractors up to a specific dollar limit, above which he must seek the approval of a two-member team of appointed Board Members. His experience and knowledge of the skilled vendors which are hired is in my mind, invaluable. As I understand the current economic environment, most reputable contractors are not interested in spending their time providing bids unless the customer is serious about hiring them. It is my understanding that competitive bids are now obtained, if possible. However, I am not supportive of a "requirement" that competitive bids be obtained, as that may cause us undue delay in making required repairs. Board members fully realize that our decisions affect each Board member as well as each homeowner. There is every incentive to have expenses kept to a minimum.
2. Discussions reserved for Executive Sessions. Our Bylaws, at Section 6.4, provide the guidance for topics which are properly the subject of Executive Sessions, and as a practical matter we have restricted our discussions in Executive Sessions to personnel matters, and legal matters, including your suggested topics covering how we will treat homeowners who are delinquent in their dues.
3. Distribution of Board meeting materials. I have no objection to your suggestion that additional materials be distributed to the homeowners in advance of our Board meetings, and

I will ask our Communications Committee to make a recommendation to the Board regarding distribution of those materials.

4. Code of Conduct. I do not agree with your statement that our HOA is typical of other non-profit organizations. As set forth in Section 3.2 of the Declaration, the Board's purpose is to "...manage the Stoney Brook community so as to provide a community of high quality and to enhance and protect the property value, desirability and attractiveness of the Stoney Brook Community and the Lots therein." Our Bylaws provide the guidance for regulation of the Board, including at Section 5.7 a prohibition on accepting compensation for services. We're not a typical non-profit, especially since we don't raise money for non-corporate activities. Every decision that's made by the Board affects each Board member personally.
5. Appointment of Board vacancies. Our Bylaws, at Section 5.6, now provide those vacancies be filled by a majority vote of the Board. I am not in favor of changing that provision to require that the Board offer the vacant seat to the candidate who received the most votes of the nominees not elected. I think it is appropriate for the Board to consider non-winning candidates, but allowing a majority to make the determination is, in my mind, the proper way to proceed.

I, too, will ask that this response be entered in the Minutes of our February meeting.

Thank you for taking the time to express your suggestions. I hope you will join me in committing to keeping Stoney Brook a wonderful place to live and to support congeniality among our homeowners.

Ms. Epstein said she will send a follow up statement responding to Mr. Bulkley's misunderstandings of what she suggested.

Mr. Fireman offered a comment about competitive bidding, that it's a nice thought but the reality of the world today, it's tough to find competent qualified vendors that are willing to spend a lot of time offering proposals. That's something our manager has to cultivate, to identify competent contractors and get them to offer a proposal. Mr. Fireman's experience with the roads last year, he invited 10 companies to offer us a proposal, and these are companies 7 out of the 10 he has worked with before, 3 agreed to offer proposal, but 2 actually did. Therefore, competitive bids are easy to ask for, but a lot harder to accomplish. Mr. Fireman recommends that the new manager continually update their source of vendors, and have a list of qualified vendors, and periodically compare prices. Although, Mr. Fireman thinks it's very unlikely we get 3 qualified vendors or contractors to offer us a proposal in a timely manner given the current market conditions.

Board appointment of vacancies: Mr. Bulkley stated that Mr. Weber received a position on the Board when Mr. Bulkley was the fourth person in line to be appointed, if needed. Mr. Weber explained even though he never ran for the Board, he was Chair of the LRP at the time and was nominated to become a Board director. When that time expired, he ran for the Board and became a director full time. Mr. Bulkley mentioned the current selection process enables selection based upon what the Board needs, as an example an attorney or finance experience to assist with the Board.

New Business: Mr. Fireman mentioned there are certain instances a credit card is needed to purchase items. Mr. Fireman proposes we speak to the bank and prepare a Resolution for a credit card for use by the manager for certain items needed by the HOA, with a limit and monthly Board audits. Currently Mr. Lynch is using his personal credit card and gets reimbursed. Mr. Bulkley would like this to go to the Finance Committee before making a decision.

Mr. Bulkley confirmed homeowners using their credit card for payment of dues will need to pay the service fee associated with using their card. The Board agreed to have the Finance Committee put that policy in place.

Executive Session: At 7:46 p.m., a **motion (Klatskin/Weber)** to adjourn into an Executive Session to discuss account in arrears and personnel matters, which passed unanimously. At 7:59 p.m. a **motion (Kiner/Weber)** to resume the regular session passed unanimously.

Adjournment: At 8:00 p.m., there being no further business, a **motion (Kiner/Bulkley)** to adjourn until Wednesday, March 23, 2022, passed unanimously.

Respectfully submitted,
Angela Miller, Recording Secretary