

Stoney Brook Homeowners Association
Minutes of the Meeting of the Board of Directors
January 27, 2022

Amended by the Board – February 23, 2022

Directors Present: Robert Bulkley, Craig Weber, Jack Kiner, Debbie Wolach, Andy Klatskin, Hal Fireman, Laura Goff, Evelyn Burke, and 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), John Cowan (Unit 213), Alice Frerman (Unit 13), Kay Ceillely (Unit 378), Stan Trout (Unit 474), Ginny Schneider (Unit 445), Betty Lehman (Unit 307), Kerry Santambrogio (Unit 8), JoAnn Taylor (Unit 455), Vincent DiBiase (Unit 380), Jenny Austin (Unit 135), Joan Quilico (Unit 411), Stacy Beakes & Carol Hamilton (Unit 462), Bill Kelker (Unit 37), Paul Anderson (Unit 105), Amy Turner (Unit 22), Lorri Stonebraker (Unit 449), Kim Zeilik (Unit 424), Gail Horstman (Unit 216), Tonya Compton (Unit 506), Lenora O'Connor (Unit 38)

Call to Order: Mr. Bulkley called the meeting to order at 6:30 p.m. with a quorum established.

Homeowners Comments: Mr. Taylor inquired about the status of finding a new General Manager. Mr. Bulkley responded the committee is researching internally and externally, in addition posted an ad in the CAI classifieds and will continue the process for finding the right replacement. Ms. Shanks questioned if the Board is considering keeping Mr. Cowan as Treasurer. Mr. Cowan said he appreciates the consideration but will step aside from the Treasurer and Finance Chairman Committee duties. Mr. Bulkley mentioned Mr. Cowan will assist in the transition. Ms. Epstein read and requested the following statement be included in the minutes: I'd first like to extend my congratulations to our three new board members. I think that new ideas and different perspectives are important and am thrilled to see a change in the composition of the board. I believe that this transition and the upcoming change in management present great opportunity. It was apparent to me last night that the community feels a need for greater transparency. Some board members appear annoyed by any questions; and homeowner concerns are quickly dismissed with a preference to address everything behind closed doors and then announce decisions (or just quietly implement them with no announcement). I would like to see a change; and I know that I'm not alone. Transparency breeds trust; and I think that trust has been seriously lacking. People have questions as to whether the good of the community really is the motivating factor in all board decision making. As a former HOA Board member and a member of a nonprofit board, I'd like to make a few procedural suggestions that would help in building a foundation for trust. First, I would like to see implemented a requirement for a minimum of three competitive bids for all material contracts. Finance is not an area of expertise for me, but I believe materiality is a recognized financial concept, and is defined in the recent Stoney Brook audit. Whatever the formal definition, I know that several communities require competitive bids for any expense that amounts to 5% or more of their annual budget and/or where the actual cost of a single budget line item from a particular vendor is "materially" over budget. Of course, we all appreciate that more than cost factors into decision making, but a competitive bidding process will always lead to a more informed decision. It is critical that the Board define an objective process with oversight rather than relying exclusively on any one individual's recommendation or continuously using the same vendor with no exploration of others. Next, I believe that the only discussions reserved for closed door executive session should be those that involve confidential homeowner matters. The entire community shouldn't know who is behind on their dues or fighting a violation. Matters that impact the entire community, however, should not be discussed in secret. In that same vein, all materials that are distributed to the board other than those including confidential

homeowner information should be included in the materials distributed to homeowners prior to each board meeting. You invite homeowner comment at the beginning of meetings, and then don't allow comment as agenda items are discussed and voted upon during the meetings. Decisions are made with no room for homeowner awareness of or input into what is being considered. If all materials are distributed in advance, homeowners have an opportunity for input and can never claim surprise. Also, if there isn't one already, I would like to see a Code of Conduct signed by all members of the board. Such codes are typical with HOA and other boards of directors. They include an affirmation of the board member's commitment to act in the best interest of the community, not accept favors or gifts, give preferential treatment, etc. Finally, I would like a commitment by this board that any seat that opens before the next election be offered to the candidate who received the most votes of the nominees not elected last night. I read in last year's minutes that this was a "recommendation" after the 2021 election, yet unless my information is not correct, this recommendation was not followed when a mid-term seat became available in 2021. I'd like to see more than a recommendation this year. Committing to this honors the community's voice. Finally, I request that my comments be included in full in the minutes of today's meetings. Thank you for your time.

Election of Officers: Mr. Weber nominated Mr. Bulkley as Board President and Mr. Klatskin to remain as Secretary and Mr. Kiner seconded these nominations. Mr. Weber nominated Mr. Fireman Treasurer with Mr. Klatskin second this nomination. The Vice – President position is on hold, until the new Board members get familiar with being on the Board. The 2022 Board Officers were approved without objection as follows: Robert (Bob) Bulkley, President; TBD, Vice-President; Andrew (Andy) Klatskin, Secretary; Hal Fireman, Treasurer. Mr. Bulkley officially nominated Ms. Wolach as ARC chairman with Mr. Kiner seconding the nomination.

Approval of the Minutes: Mr. Klatskin provided revisions to the preliminary December minutes. **A motion (Letson/Weber)** to approve the December 15, 2021, Meeting Minutes as amended passed with no opposition.

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

ONGOING PROJECTS:

- Pond & Stream clean up

NEW PROJECTS:

- Terrace: Installation of the north end of fence along Yosemite to begin next week

COMPLETED PROJECTS:

- Clubhouse flooring (upstairs and staircase)
- Installation of terraced wall planters at Union (soon as everything is settled the top-soil/planter mix will be installed)
- Leaves clean up

Treasurer's Report: Mr. Cowan provided the December 2021 audited Financials. Mr. Cowan reported over budget (\$13K) for the year due to 5% salary increase mid-year in General Maintenance Staff; Office Supplies over budget (\$4.7K) mostly due to credit card fees from assessment payments. Legal is over budget (\$2.3K) for drawing up the documents for the Road/Paving Contract and the Capital Reserve fee; Trash removal over budget (\$5K) due to dump fees for leaves and removal of the Arborvitae trees along Yosemite; Grounds Expense under budget \$4.5K; Equipment Repair over budget (\$12K) due to skidster and snowplow repairs. The 2022 Budget reflects any increase in expenses for some of the older equipment. The Clubhouse Repair & Maintenance expenses over budget (\$5K) due to new cleaning service and first aid/masks stock.

Utilities Expense under budget \$11K due to less consumption. Cash flow from Operations over spent (\$25K); Reserve Expenses: on the other hand, offset this by (\$29K) under budget, leaving us \$4K in the good. The Capital Reserve Income includes dues paid and new owner fees along with the Pond and Road Assessment and the sewer repair leaves the Capital Reserve flow of \$170K and the Cash Flow for the year is \$194K. At the end of December, the balance sheet reflects consolidated reserve balances of \$487,423 with \$289K in our checking or investments accounts, and another \$188K is in prepaid insurance, which will result in increased cash flow over the next 7 months as a result of being a non-cash item in the Profit and Loss Statement. A **motion (Kiner/Klatskin)** to approve posting the 2021 Audit report on the website passed with no opposition.

Finance Committee: 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.

Chat Conversation: Bob and Jenny Austin: *thanked and agreed with Ms. Epstein's comments.* Mr. DiBiase: *am I to understand that homeowners are paying their monthly fees by credit card, and we are absorbing the 2.8% fee.* Mr. Bulkley agreed to research and address this concern. Mr. Trout mentioned it could be a legal concern if the HOA can charge for the fees or not. Mr. DiBiase stated if it's a legal concern then we shouldn't be accepting credit cards, absorbing the fees so individuals can collect frequent flyer miles.

Architectural Review Committee: Ms. Wolach advised that the approval process for landscaping is found on page 4 of the current directory, item number 10, details how to request a landscaping change. The goal of the landscape committee and the architectural committee is to create harmony of exterior appearances with neighboring structures and enhancing property values. In the back of our current directory, there are guidelines for planting, mulching, weed control, perennial ground covers, and some other gardening suggestions. Our committee cannot compile a list of acceptable and unacceptable plants because plants that work in front of one unit may not work in front of another. The selection of plants is governed by light, soil, water, and space, so each unit's plan is unique. In the coming months, we will provide more information about our overall planting for Stoney Brook and guidelines on choosing appropriate plants. When starting your plan please make sure to have a lot line drawing, so you know where your property line ends. You cannot encroach upon common area. Your plans do not need to be professionally drawn, but they do need to be clear and large enough for us to follow. The forms you need to obtain ARC approval are on the website and are also available in the club house office. You need a line-of-sight approval from your neighbors. Please ask ARC to come out and help you identify those neighbors and guide you through the approval process. Mr. Kiner recommends a sub-committee for ARC should meet and educate the new owners of the guidelines.

Insurance Committee: Mr. Beakes will remain as Insurance Committee Chairman. The Employee Health Insurance Plan renewals were provided for the Board to review. The Kaiser Permanente plan increased by 5% which is lower than the other providers quoted; The dental/vision and Short- and Long-Term Disability plans will remain the same rate as the current plans. A **motion (Weber/Kiner)** to approve the renewal of the Employee Health Insurance Plan as provided was approved with no opposition. Mr. Beakes recommended to the Board to research broker agents, but know that Makey Towne of Moody Insurance broker, approaches the market for the best options and is very attentive to the needs of our association over the years.

Compensation Committee: Mr. Bulkley stated only he and Mr. Kiner remain on the committee, since Mr. Cowan and Mr. Trout are no longer on the Board. Mr. Bulkley recommended Mr. Kiner chair this committee, and his recommendation was approved with no opposition from the Board.

Communications Committee: Mr. Trout will remain as Communication Chairman. Any articles for the March/April newsletter should be submitted by February 25, 2022. Mr. Bulkley said he would like to have an email notice sent to remind residents to limit their water consumption especially during February since water usage during February determines our wastewater charges for the coming year.

Committee Chair Appointments for 2022 thus far:

- Mr. Fireman: *Finance Committee*
- Mr. Weber: *Long Range Planning Committee*
- Ms. Wolach: *Architectural Review Committee*
- Ms. Lederer: *Landscape Committee*
- Mr. Beakes: *Insurance Committee*
- Mr. Kiner: *Compensation and Safety Advisory Committees*
- Mr. Bulkley: *Education Committee*
- Mr. Trout: *Communication Committee*
- Ms. Goff: *Clubhouse Committee*

Old Business:

Solar panels policy update: Mr. Bulkley mentioned the current/updated policy is posted on the website.

HOA Dues' rate increase: Mr. Bulkley has received several comments of the increase in HOA dues. Mr. Bulkley realizes the hardship caused by pandemic issues and fixed income to some residents. The Board, Finance and Long-Range Planning Committees are continually trying to balance the expenses and keep the dues down while considering the updated Reserve Study.

New Business: The Board had no objection to the provided 2022 BOD meeting schedule showing meetings being held on the 4th Wednesday each month with the exception of November/December meetings will be held on the 3rd Wednesday.

Mr. Klatskin mentioned that the Board does not meet between scheduled monthly meetings unless a notice is given to the owners, but the homeowners who had made comments at tonight's meeting should be receiving a response on or prior to the next Board meeting.

Chat Conversation: Mr. Anderson: *what about the PEO?* (Professional Employer Organization). Mr. Cowan responded we won't be using their services at this time.

Executive Session: At 7:28 p.m., a **motion (Kiner/Wolach)** to adjourn into an Executive Session to discuss the personnel search process, 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, February 23, 2022, passed unanimously.

Respectfully submitted,
Angela Miller, Recording Secretary