

SOUTHEAST FORTY HOMEOWNERS ASSOCIATION

2017 ANNUAL MEETING

Tuesday, November 14, 2017 at 5:15 PM

*Offices of Grand Teton Property Management, The Centennial Building
610 West Broadway, Suite 203*

Minutes

1. ***Attendance***

Southeast 40:

In person: Margene Jensen, Chet and Barbara Knobe (2), Amy Romaine, Gretchen Plender, Paula Hughes, Thomas Bresnehan, Sharon Wiley, Tricia Reed

By phone: Steven Jones

By proxy: Lynn Carlsen, DJ Anselmi, George and Ellyn Boone, James Roth, Jane Jerger

Other: Karen Jerger

GTPM: Tina Korpi, Julie Hamby

2. ***Call to Order***

The meeting was called to order at 5:20 PM

3. ***Determination of Quorum***

With 15 members present in person, by phone or by proxy, it was determined that there was a quorum.

4. ***Reading and Approval of 2016 Annual Meeting Minutes***

Chet made a motion to approve the 2016 annual meeting minutes as written. Sharon seconded the motion. The vote was all in favor.

5. ***Financial Review***

a. Review of 2016-17 Actual Incomes and Expenses vs. Budget

Julie reviewed the 2016-17 actuals. For the 2016-2017 fiscal year, the association had an income of \$53,172.06 and expenses of \$54,621.32 for a net loss of \$1449.26. The main area the association was over budget was in snow removal due to the heavy snowfall the previous winter. The association had \$6230.00 in maintenance reserve expense for asphalt sealing. As of 11.10.17, the HOA has \$2,799.03 in the operating account and \$54,009.16 in the maintenance reserve.

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b. Review of 2018 Proposed Budget -discussion of proposed dues increase

The 2017-18 proposed budget was presented with a 5% increase in dues. The areas where there are proposed increases is maintenance reserve, snow removal, and water and sewage. The members present discussed the proposed budget and the need to increase the maintenance reserve account. Tom stated he felt the dues needed to be increased more than 5% to put more funds into the maintenance reserve account as the association would continue to have maintenance expenses. Tom made a motion to increase the dues to \$250 per month with the additional funds to go to the budget for the maintenance reserve account. Amy seconded the motion. The vote was 14 for, 1 opposed. The budget with the increase in dues to \$250 per month passes.

6. Special Assessment- Roof Replacement and Financing Options

In late summer, it was discovered that one of the units had an issue with their roof leaking, and Smith Roofing felt the roof needed to be replaced as soon as possible so the leaks would not continue. The leak had caused mold and damage to the interior, which was costing the owners thousands to mitigate and repair. The board had contracted with Smith Roofing to replace the roof on this unit and the neighboring unit prior to winter. The board also decided to propose a special assessment to replace the remaining roofs in the spring. The assessment will also include the amount of the two roofs that were already completed. Julie stated that 2/3 (14) of the owners need to approve a special assessment. The members present reviewed the bid, which totals \$222,080, and discussed the roof replacement, noting the importance of replacing the roofs before there are any other issues. Tina recommended that they approve enough to provide for contingency funds in case any unforeseen issues are discovered when the shingles are removed. The final assessment to the owners would reflect the final cost of the project that hopefully will come in around the estimate of \$11,000 to 12,000 per unit. Gretchen made a motion to approve the special assessment for the roof replacement for \$300,000.00, which includes contingency funds in case any issues are found when the shingles are removed and giving the board discretion to choose the roofing contractor. Tom seconded the motion. The vote was 14 for, 1 opposed. The \$300,000.00 special assessment for roof replacement passes. Julie will work to obtain additional bids to submit to the board.

Tina reviewed financing options. The association can require all owners to pay the assessment in full by a certain time. All of the monies must be collected before the contract can be signed, materials ordered and the work scheduled. The other option is obtaining a loan. The association would only have to draw out what it actually needs to pay for the roof replacements. Tina reviewed what it typically required by the bank, which includes a loan resolution adopted by the board and assignment of dues, and how the process works. First Interstate will loan the funds for the project. Tina stated that the bank only allows the loan to be adjusted once a year, so the board can choose a time once

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a year when owners can pay more on their assessments. Also, a unit's share of the assessment is required to be paid in full when a unit is sold, and a lien is required to be placed on properties that are delinquent on the dues and assessment. The risk is if an owner does not make their loan payments, the other owners may be assessed for that owner's portion. It was pointed out that this is also a risk with any assessment.

The members present discussed the financing options. Amy made a motion to secure a loan for \$300,000.00 from First Interstate for a term of 10 years. Gretchen seconded the motion. 14 voted in favor, 1 was opposed. Obtaining funding from First Interstate was approved.

7. Other

- Julie updated the owners on the status of the proposed CCRs amendment.

8. Election of Directors

Chet Knobe will no longer be serving on the board. The owners present thanked Chet for his service.

The term of the Board of Directors is for one year. Those present decided to have 5 directors as allowed by the bylaws. Chet nominated the following slate to serve as the Board of Directors:

Sharon Wiley
Amy Romaine
Paula Hughes
Tricia Reed
Tom Bresnehan

Gretchen seconded the motion. The vote was all in favor.

9. Adjournment

With no further business, Sharon made a motion to adjourn. Paula seconded the motion. The vote was all in favor. Meeting adjourned at 7:30 PM.

Respectfully Submitted,

*Julie Hamby
GTPM*

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