

**Sleeping Indian Homeowner Association  
Grand Teton Property Management  
P.O. Box 2282  
Jackson, WY 83001  
307-733-0205 Fax 307-733-9033**

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**2008 Annual Meeting Minutes  
August 12, 2008  
2:00 PM  
Sleeping Indian West 11**

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**1. Attendance**

Tom Knauss W-11  
Roberta & Richard Bondelie W-5  
Barb Burris W-1  
Richmond Cogburn (Elizabeth Cogburn) W-13

**By Proxy:**

Elizabeth Gilman W-3  
Erin A. Morgan W-6  
Ernie Schmidt W-15  
Kenneth D. Salo E-5  
John & Caroline Hall W-14  
Frank Tholis E-9  
Mary Akin & Greg Abbott E-7  
Franklin P. Holcomb W-8

**Others Present:**

Tina Korpi Grand Teton Property Management  
Rachel Block Grand Teton Property Management

**2. Call to Order**

The meeting was called to order at 2:03pm by President Tom Knauss.

**3. Determination of Quorum**

Tom stated to the members present that the previous meeting, originally scheduled on July 8<sup>th</sup>, 2008, was cancelled due to lack of quorum. Today's re-scheduled meeting only requires 30% of owners present for a quorum. Tina presented the proxies from various owners. With those present either in person or by proxy, it was determined that 39.3% of the ownership was represented.

#### 4. Reading and Approval of the 2007 Annual Meeting Minutes

Tom stated that the 2007 Annual meeting minutes were compiled by a stenographer. The members present reviewed the 2007 minutes. Tom motioned to approve and adopt the 2007 minutes as written. The motion was seconded by Roberta. Vote: All in favor.

#### Financials

##### 1. Review of 2007 Year End Financials

Tina reviewed the 2007 Year-End financials with the members present pointing out that the income was \$185,815.63 which included the Special Assessment for the exterior work that was completed. The expenses were \$193,659.71. The overage was due to approximately \$7,000 for step and retaining wall repairs completed during 2007, a project started two years earlier. See the attached budget spreadsheet for documentation.

##### 2. Review of the 2008 Year to Date and Projected 2008 Year End Expenses.

Tina pointed out that the year-to-date actuals shows an income of \$56,239.08 which is through July 31<sup>st</sup>, 2008. The expenses total \$57,350.20 which gives a net income of <\$1,111.12>. Tina stated that the loss is not a problem and is typical cash flow between income and expenses. Some incoming homeowners dues might not have been received as of yet. Tina mentioned that there is not a problem with any owner that is seriously behind in dues.

##### 3. Review of the Operating and Maintenance Reserve Accounts

The Operating Account as of July 31<sup>st</sup>, 2008 was \$26,328.03. The Maintenance Reserve Account as of July 31<sup>st</sup>, 2008 was \$44,662.75.

##### 4. Review of the 2009 Proposed Budget

Tina reviewed, in detail, the proposed 2009 budget. See attached budget spreadsheet for documentation.

a.) The line item that Tina changed in the proposed budget was in the laundry room and stairwell cleaning in the Buildings & Maintenance category. This was changed to \$4,500 because of rising fuel surcharges. She also changed the insurance to \$11,000 because of an increase due to inflation. Trash removal was also increased to \$8,500 because of fuel surcharges.

#### Old Business

##### 1. Old Business

###### A. Retaining Wall & Steps

Tom mentioned that bids received over the past two years for repairing the retaining wall and adjacent steps were extremely high. All exceeded \$40,000 for non-decorative finishes. After much consideration, last October The Village Gardener was hired to repair the wall on a "time and materials" basis. The garden area behind the old sagging wall was dug out and several "dead men" were installed to prevent the new wall from flexing. Tom was on site to supervise the job. The cost to repair the wall was just under \$4,600. At the same time the wall was repaired Grand Mountain Construction was hired to repair the steps. The cost for step repair was \$1,900.

The garden was beautifully replanted by several owners and a long term renter during late spring 2008. Those involved will be reimbursed for the minor amount of materials used. Members present expressed their gratitude for a job well done. There is pre-existing irrigation and a large rain-water drain serving the garden area.

There is also a piece of missing cement that is in front of the retaining wall that needs to be replaced. Tina stated that Grand Teton Property Management will have this completed in the spring of 2009.

#### **B. Fire Alarm System**

A control box located in the storage area of the west building was found buzzing during routine maintenance of the area. Estimated quotes to have the problem fixed were \$8,000 and up. Companies servicing such systems insisted that both buildings would have to be completely re-wired plus all new components would have to be installed. Tom did not believe the information was accurate especially because there was no apparent problem in the east building. After some research, an outfit was located that replaced the defective control box with a modern unit. The cost was just under \$1,500. Tom was on-site to watch over the job. In addition, the outfit tested the wiring and every component in the west building system and documented it all on paper. The schematic is attached with the new control box operating instructions. This problem and subsequent repair did not affect the East Building, however, during this time the east building system was tested and the control box serving that building could not be found. That is expected to become a problem when that control box fails.

#### **C. E-4 (Zukin) Law Suit**

Tom explained that in June 2007 the previous owner of unit E-4, Zukin, filed a law suit alleging personal property losses that Zukin believed were the responsibility of the Association. The alleged losses included personal property, loss of use and rental income.

The incident causing these alleged losses occurred either during or several months prior to February 2006. It remains unknown exactly when because by Zukin's own admission the unit was not supervised for months at a time. It was not nor had it ever been on a rental program. It also remains unknown what caused the outside sewer-line to back up into the unit.

The law suit was filed during June 2007 after Zukin received approximately \$60,000 compensation from the Association's insurance company for authorized unit repairs. The unit had been completely repaired during 2006.

During June 2007 the Association's attorney advised that the Association would need about \$30,000 (non-recoverable) for legal defense plus another \$30,000 if the court ruled in favor of Zukin. At the July 2007 annual homeowner's meeting the members present decided to start collection of the anticipated \$30,000 legal defense expense beginning January 1, 2008, the next budget year. The \$30,000 was factored into the monthly HOA dues.

Subsequent to the July 2007 annual meeting and with support from the Association's own legal consul, the Association asked its insurer to defend the law suit per insurance policy coverage. In turn, the Association's insurer hired a local Jackson attorney to handle the case.

During December 2007 it became apparent that the Association would not need to commit \$30,000 for legal defense, the amount was reversed from the 2008 Operating Budget and the HOA dues were recalculated.

In the meantime, the attorney hired by the Association's insurer filed numerous discovery motions with the court. A large amount of time transpired and eventually Zukin was unable to respond to most.

During December 2007 and unannounced to the Association or its attorney nor the Association's insurer or its attorney, Zukin filed a motion with the court to dismiss the law suit "with prejudice". The dismissal was immediately accepted by the court. While that was some good news for the Association, it meant that Zukin could re-open the law suit in the future. During January 2008 the insurer's attorney filed a motion to vacate and change the dismissal to "without prejudice". That meant the law suit could not be re-opened. Zukin responded by demanding \$1,000 from the Association. The Association did not comply. Afterwards, neither Zukin nor his legal team responded to our attorneys or to the court. The vacate and change motion was accepted by the court after a customary 10 day waiting period. That was early February 2008.

The insurance company fully paid for their attorney. The Association encountered minor legal expenses for its own attorney prior to and when the law suit was initially filed.

Tom reiterated that is very important for each owner to have their own personal property and liability insurance. The Association can not insure nor can it pay for losses relating to personal property, usage, rent and things of that nature.

#### **D. Backflow Preventers**

Tina explained that along with the aforementioned lawsuit, there was much discussion about why the damage to E-4 happened in the first place. During 2006 the Association hired a mechanical engineer to assess the situation. He stated that possibly installing a back-flow preventer would keep this from happening in the future. The engineer, working with the plumber that had been on-site that day the damage was first discovered, tried to come up with a plan to install back-flow preventers at the necessary locations. In the end the mechanical engineer was not confident that back-flow preventers would fix the problem, might actually cause more problems, would be very expensive to attempt (\$50k range) and might not actually be possible to implement due to existing plumbing constraints. The members present determined all owners should be made aware of these facts via meeting minutes before a decision could be reached. No motions were made.

#### **E. Storage area**

Tom mentioned that the storage area is looking clean and the June clean-up helped the look of the area.

#### **F. Radon**

Rachel stated that all the bottom units in the East and West Buildings had been tested for Radon. There were several units that tested in the 14.0 range which is over the 4.0 limit. Two were in the east building and one was in the west building. The bid for W-2 was \$1,675 and the bid for E-1 & E-4 was \$2,800. Tom motioned to approve the bids. Tom also included that a board member will work closely with the contractor on pipe routing, placement of fans, etc. The motion was seconded by Barb. Vote: All in favor.

#### **G. Water Heaters**

Grand Teton Property Management will have these water heaters replaced as soon as possible. There is \$2,500 budgeted to have these replaced. These water heaters will be energy efficient.

### **New Business**

#### **1. Upcoming Maintenance Projects**

##### **A. Siding/Balconies**

**Balconies:**

The members present discussed the current situation with the balconies and decided repairs should be done at the same time siding repairs are made. Two balconies have been rebuilt within the past five years. All others need to be examined for structural defects and rotted wood and repaired/rebuilt as necessary. Tom mentioned that some owners are concerned about the spacing between balcony railing posts as an unsafe situation for children. This concern could be addressed during balcony repair. Current pricing for balcony repair is not yet know, but the previous two ran about \$4,000 each and that did not include rebuilding the railing systems.

#### **Siding:**

Tina received a \$100,950 bid from BEK Services for replacing about 35% of the siding on the West building. Repainting is included. The areas of concern are not contiguous; they are at various sections of the building. BEK believed conditions of these specific areas warranted residing now, but might be put off a year or two pending close monitoring of the areas in question. BEK could not guess as to how long the siding in question might hold out before replacement would become absolutely necessary. BEK also commented via phone during the meeting that some of the more crucial residing might need to be done very soon. BEK isolated that cost at around \$17,800. It was also discussed that such interim or "emergency" residing may not reduce the \$100,950 siding costs that might be deferred until later. Such interim work would only serve to protect specific spots on the building until the larger siding project could be addressed.

Members at the meeting empowered the Board to make decisions regarding when and how much siding should be replaced at any given time as determined by closely monitoring the situation.

Also discussed was upgrading the siding on both buildings to maintenance free or a low-maintenance type. The members present requested that Tina get bids for siding with alternative materials by the end of this year and communicate this information to the Board.

A special meeting will be held by the Board at year's end to review all pertinent information plus costs of alternative siding materials. The Board will update the owner's at that time.

The members discussed the large costs anticipated for siding and balcony repair and decided to discuss this in more detail when the entire Maintenance Reserve package is reviewed later in the meeting.

#### **B. Roof Inspection**

Barb mentioned that she noticed some shingles that had fallen off the roof when the snow was melting. Tom asked that Grand Teton Property Management have Intermountain Roofing inspect the roofs to prevent any future damage.

#### **C. Parking lot**

Tom asked Tina to obtain some information on chip and sealing the parking lot. Tina stated that this work is not recommended because it tracks oil all over the sidewalks and into the units. The parking lot will be sealed again in the summer of 2010. The members discussed striping the parking lot. Rachel will have Tim with Hofland Striping develop a striping map that the board will approve before the striping is completed. Roberta made a motion to empower the Board of Directors to approve the striping map once it is developed and then have the parking lot striped. The motion was seconded by Barb. Vote: All in favor.

#### **D. Parking Issues**

Tom mentioned that it was discovered in July that another Association was instructing people to park in the Sleeping Indian lot. Tom sent emails to Wind River HOA, JHRL and Rendezvous Mountain Property Management to have this stopped immediately. The situation has been better since then, but we are still getting the occasional person parking that was instructed by another management company. The members present discussed that striping the parking lot will also help the situation. Tom mentioned possibly placing a car tag system in place might also help with the situation. Tina stated that we have this system set up in other Associations and it doesn't seem to help the issue. It seems as if the problem has been dealt with and the members felt that we should hold off before going in the route of placing tags in cars.

Another issue with the parking lot is that several owners are storing cars in the lot on a long-term basis. There was some discussion about finding long-term off-site parking for those that want to store cars in the Jackson area. It was also mentioned that long term vehicle storage in our own lot causes snow removal difficulties and increased costs, danger with emergency vehicle access and, of course, inadequate parking spaces during busy seasons. No motions were made at this time.

## **2. CC&R Update**

Tom mentioned that we have received a rough draft that is about eighty pages long. There still needs to be work done on them and the budgeted money for attorney fees will be used up.

## **3. Management Report**

### **4. 2009 Proposed Budget Approval**

At last year's annual meeting the members decided the annual Maintenance Reserve contribution for 2008 would not be increased. However, to keep up with rising repair costs and trying to avoid sudden Special Assessments, an additional contribution of \$36,000 (annually) will be deposited into the Maintenance Reserve account starting January 1, 2009; next year's budget. The extra contribution will be dedicated for siding and balcony repair work only. The additional contribution is considered temporary pending how future repairs and related expenses work out.

The additional contribution calculates to \$135 for a 2-bedroom, \$105 for a 1-bedroom and \$75 for a studio per month. Barb motioned to approve the 2009 proposed budget. This was seconded by Roberta. Vote: all in favor.

## **5. Election of Officers**

Kris and Tom's positions are up for re-election.

Barb nominated Tom to serve on the Board. Tom nominated Kris. Barb motioned to nominate Tom and Kris. The motion was seconded by Roberta. Vote: all in favor.

Barb then motioned to elect the slate. The motion was seconded by Roberta. Vote: all in favor.

## **6. Other**

### **A. Snow Screens**

The members present stated that the snow screens have been working great and everyone really seems to like them.

### **B. Insurance- Full Replacement Cost**

One of the homeowners questioned the insurance and whether there is a cap on the full replacement cost of the building. Tina confirmed that there is a true full guaranteed replacement on the building. Please see attached Insurance declaration pages.

### **C. Shuttle Bus issues**

Tina had a meeting with all the contacts concerning the new shuttle bus situation. It will cost each unit in Teton Village \$360 per year. There was question on whether the commercial properties are contributing. Tina stated that the commercial properties are contributing a good amount of money to make this happen. Tom stated that he would like to see a chart of what residential, commercial and condos are funding for this to go through.

**D. Striping the steps**

Roberta explained that the steps need to have the steps striped for safety purposes. Grand Teton Property Management will have this completed. The members also discussed placing a non-slip substance on the steps. Grand Teton Property Management will look into this.

**E. Bike Storage**

Roberta stated that purchasing a hanging bike rack for the property. Tina stated that we are not allowed to hang anything around the building due to fire safety purposes. Tom mentioned that there might be a place to put a shed that will allow people to store their bikes. This will be looked in to further in the future.

**F. Laundry room vents**

Grand Teton Property Management will make sure to clean the laundry vents in early May every year.

**7. Set date for 2009 Annual Meeting**

The members present decided to hold the 2009 annual meeting on July 14<sup>th</sup> at 2pm.

**Adjournment**

With no further discussion, the meeting was adjourned.

Respectfully submitted,  
Rachel Block  
Property Manager  
Grand Teton Property Management