

# **700 Golfmore Homeowners Association**

## **Special Meeting Minutes**

August 2<sup>nd</sup>, 2019, at 10:00am

Wells Fargo Advisors • 120 West Park Dr. • Suite 105 • Grand Junction, CO 81505

**1. Call to order - Pauline Lyttle-Porter: 10:06am**

**2. Voting members in attendance - Lindsay Keller**

- 1) **Unit B** - Pauline Lyttle-Porter
- 2) **Unit C** - Richard and Lindsay Keller
- 3) **Unit G** - Joe Coward and Darcy Erickson
- 4) **Units J and K** - Wendy Hayduk for Sally Wagner
- 5) **Unit L** - Robert Bray

**3. Voting members not in attendance, voting via proxy - Lindsay Keller**

- 1) **Unit A** - Lindsay Keller proxy for Jordan Novelli
- 2) **Unit D** - Keith Koler proxy for Keith Koler
- 3) **Unit E** - Cody Skinner proxy for Cody Skinner
- 4) **Unit F** - Pauline Lyttle-Porter proxy for Jim Bowers
- 5) **Unit H** - Lindsay Keller proxy for Jeff and Anissa Brady
- 6) **Unit I** - Pauline Lyttle-Porter proxy for Hope Kapsner

**4. Announcement of a legal quorum to conduct the Special Meeting business - Lindsay Keller**

- For the Special Meeting to proceed, the Secretary/Treasurer announced that a legal Quorum must be established. Lindsay Keller verified the presence of:
  - 1) **Unit B** - Pauline Lyttle-Porter
  - 2) **Unit C** - Richard and Lindsay Keller
  - 3) **Unit G** - Joe Coward and Darcy Erickson
  - 4) **Units J and K** - Wendy Hayduk for Sally Wagner
  - 5) **Unit L** - Robert Bray
- Six (6) proxies were examined, giving permission for their proxy to "be counted to achieve a Quorum."
- A legal Quorum was announced and business authorized to proceed.

**5. Purpose of meeting and motion - Richard Keller**

- 1) Every year, there are discussions as to whether our dues will be increasing. After researching industry best practices, the Board agreed that having a plan going forward would be in the best interest of all owners. The Board hired a company that specializes in Capital Reserve Studies. This study gives us an idea of what we can expect cost wise for a 30-year period and how we can best manage those expenses in a way that's fair to current and future owners. The Capital Reserve Study shows we are not saving adequately. This Special Meeting is being called to decide if we want to "pre-pay our big projects" or "pay them with assessments."

**6. Call for Discussion - All**

- 1) Robert Bray



## 700 Golfmore Homeowners Association

### Special Meeting

August 2<sup>nd</sup>, 2019, at 10:00am

Wells Fargo Advisors • 120 West Park Dr. • Suite 105 • Grand Junction, CO 81505

- Is it possible to determine what the additional dues might be if we were just looking at funding 70% for expected capital needs over just a 10 or 15 year-period?
  - Per Richard, on pg. 7 (*Cash Flow - Annual*) of the *Reserve Management Plan*, expenses are broken down in 10-year increments. The next 10 year-expenses are expected to be \$174,528.90. Current savings level over that time period would be \$162,000, still showing a shortfall in our Capital Reserves.
- In the *Special Meeting Documents*, it stated the Board is very reluctant to take the Capital Reserves below \$25,000. If Capital Reserves are too high, could the IRS say we are saving beyond what is needed?
  - Per Richard, the Capital Reserve Study didn't mention that having a high-balance in Capital Reserves would be an issue.
  - Based on industry best practices recommended from *Facilities Advisors Rocky Mountain*, it is acceptable to fund at 70% of projected costs to avoid accumulating large savings in low-interest bearing accounts.

#### 2) Joe Coward

- To what extent was the roof replaced?
  - Per Pauline Lyttle-Porter - a bit of roof history! The roof was completely replaced by late December 2011. *Colorado Roofing and Waterproofing, LLC* removed the membrane and sheeting (sits on top of the plywood underroof) as well as soffits, rim fascia, metal, etc. (the tresses were not affected). Underneath the membrane, there had been leaks and significant damage to probably 2/3 of the sheeting of the roof. The roof has a 20-year Firestone warranty, starting 2012, and is inspected annually to comply with warranty requirements.
- How much was the Capital Reserve Study?
  - On-Site Analysis and Capital Reserve Study: \$1,250.00

#### 3) Wendy Hayduk

- Concerned the Association is increasing HOA dues too much and this will hinder the ability of units to sell, especially when looking at the projected increase over the next five years. When a showing is booked for Units J and K, they often cancel when they learn of how high the HOA dues are.
- As homeowners, we expect to have assessments, whether it be painting, roof replacement, etc.
- Would prefer to see a compromise on the amount saved in lieu of funding at 70% of projected costs.

#### 4) Robert Bray

- Appreciates the Association has budgeted accordingly without waste or frivolity.
- Suggests that increasing savings could possibly be fairer to current and future homeowners rather than assessments.



## 700 Golfmore Homeowners Association

### Special Meeting Minutes

August 2<sup>nd</sup>, 2019, at 10:00am

Wells Fargo Advisors • 120 West Park Dr. • Suite 105 • Grand Junction, CO 81505

5) Pauline-Lytle Porter

- The Board will not be making the Capital Reserve Study a public document (website included) and the Board will not formally be “adopting” it. We have only sent the study to current homeowners and it is intended to be an internal management tool only.
- This tool can be re-evaluated as needed and updated for approximately \$300 with *Facilities Advisors Rocky Mountain*.

6) Wendy Hayduk

- Called into question how the two ballot options were worded and believed they were very unfairly written. The third option was the neutral option that declared what to do if you didn't vote. From her perspective, it said, Who does not want to save? The first choice is *We are going to put money toward savings*. The second choice was *We are not going to save anything and I understand there's going to be big assessments*. To me, those were not the questions that we should be voting on.
- Recommended the wording should have been *We will agree to raise the HOAs to go into special capital funding* for Option 1 and *We agree not to raise the HOAs and that there will be assessments* for Option 2.
- Per Pauline, would Wendy like to propose a re-worded vote?
- Wendy declined to propose a re-worded vote.

**7. Pauline Lytle-Porter called for the Vote on the Motion. The Votes on the Motion were as follows:**

- 1) **Unit A** - Lindsay Keller proxy for Jordan Novelli - Voted “Aye” for Option 1
  - 2) **Unit B** - Pauline Lytle-Porter, present - Voted “Aye” for Option 1
  - 3) **Unit C** - Lindsay Keller, present - Voted “Aye” for Option 1
  - 4) **Unit D** - Keith Koler proxy for Keith Koler - Voted “Aye” for Option 1
  - 5) **Unit E** - Cody Skinner proxy for Cody Skinner - Voted “Aye” for Option 1
  - 6) **Unit F** - Pauline Lytle-Porter proxy for Jim Bowers - Voted “Aye” for Option 1
  - 7) **Unit G** - Joe Coward and Darcy Erickson, present - Voted “Aye” for Option 1
  - 8) **Unit H** - Lindsay Keller proxy for Jeff and Anissa Brady - Voted “Aye” for Option 2
  - 9) **Unit I** - Pauline Lytle-Porter proxy for Hope Kapsner - Voted “Aye” for Option 1
  - 10) **Units J and K** - Wendy Hayduk proxy for Sally Wagner - Voted “Aye” for Option 2
  - 11) **Unit L** - Robert Bray, present - Voted “Aye” for Option 1
- The vote on the motion was counted and approved by 9 “Aye” votes for Option 1 and 3 “Aye” votes for Option 2.
  - HOA Dues to increase effective January 1, 2020, as based on Enclosure II in the *Special Meeting Documents*.

**8. Adjournment - Pauline-Lytle Porter: 10:51am**

**9. Submitted on 08/05/19: Lindsay Keller - Secretary/Treasurer**