

Stoney Brook Homeowners Association
Minutes of the Meeting of the Board of Directors
April 28, 2021

Approved by the Board – May 26, 2021

Directors Present: Stan Trout, John Cowan, Uli Kappus, Craig Weber, Jack Kiner, Christine Walker, Andy Klatskin, Robert Bulkley, and Bill Letson

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

Homeowners Present: Peter & Lucille Zwanzig (Unit 456), John Vondras (Unit 436), Kerry Santambrogio (Unit 8), Debbie Wolach (Unit 370), Sharon Kassenoff (Unit 212), Kay Ceilley (Unit 378), Bill Taylor (Unit 11), Hal Fireman (Unit 469), Jenny Austin (Unit 135), Evelyn Burke (Unit 44), Jerry Gordon & Laura Goff (Unit 323), Susan Schaecher (Unit 30), Terri Bunker (Unit 452), Linda Watson (Unit 132), Michael Pederson (Unit 458), Paul & Kathy Anderson (Unit 105), Vincent DiBiase (Unit 380), Walter Brauer (Unit 315), Larry Harper (Unit 340), Richard Schoenmaker (Unit 31), Tonya Compton (Unit 506), Dolly Bunke (Unit 128), Mark Winski (Unit 428), Mike Davis (Unit 17), Judith Hutson (Unit 408), and Jennifer Hilger (Unit 417)

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

Homeowners Comments: Ms. Zwanzig asked Mr. Fireman once the concrete is poured, what is the timeframe that is needed to wait for it to be cured enough to drive over it? Mr. Fireman answered five days, but ideally seven days to reach optimum strength. Mr. Taylor asked if the people are worried about the concrete, could they place boards down and drive over them. Mr. Fireman mentioned if it is a flat surface that you were bridging, it would be all right. If just transferring the load to another surface, it does not help just crossing a valley pan. Mr. Taylor requested the shrubbery between the Terraces and the Chateau be removed. Mr. Lynch will assess the evergreens but believes they are the Chateaus. Ms. Ceilley asked how we can justify spending \$10K on the pickleball courts, when it's not a line item in the budget. The courts are usable as is, and doubted we even received 100% of the \$300 pond assessment. Ms. Ceilley thinks we need to keep our budget flexible with the big bills we have coming up, so doesn't see a justification for spending \$10K. Ms. Ceilley commented the board wants to impose a big fee when someone sells and suggests naming it Road Reserves, since history shows our reserves get chipped away, to keep it for future roads, because no one wants to pay for it twice. Mr. Cowan responded that the pickleball court 1 is budgeted for \$12K which was approved at March's meeting. The board consensus was we should wait until October until we make sure that we have no issues collecting assessments or asphalt expenses. Regarding the pond assessment balance, currently \$6K of uncollected funds, but shouldn't be an issue to collect within the next 30 days. Mr. Cowan wanted everyone to know that every once in a while, people go above and beyond the call of duty when they go to work on these committees or contribute their time to Stony Brook. Brien Gidlow when he administered the insurance adjustments after the hailstorm. We did receive a quote for the cost of and it was over \$100K in services. If we were to pay the volunteer who submitted our road construction out to bid and is now supervising the project, it also would be in excess of \$100K. I think we owe all Hal Fireman gratitude for the time he's spending on this asphalt project; a full-time job and I think he's recognizing that now, but I just wanted to express my appreciation and that of the board. Mr. Brauer suggests that the assessments are unfair way to finance these big projects and should have followed the guidelines of a reserve study. Mr. Trout mentioned if the reserves are done correctly then an assessment is not needed. Although somethings happen and is not predicted as in the hot tub replacement due to the requirements of the City of Denver.

President's Comments: Mr. Trout wanted to just remind owners to pay their pond assessment to avoid any fines, this was due on April 1, 2021, the road assessment is due by June 1, 2021 and the office is set up to

accept credit cards with a small fee. Mr. Trout thanked Ms. Lehman for donating a collection of jigsaw puzzles and are located in the upper level of the clubhouse. Mr. Trout read about the House bill 21-1229 being introduced, our HOA already complies to most of the items for the CCIOA and this bill appears to focus on newer HOA's.

Approval of the Minutes: Mr. Trout noticed Unit 456 was missing from the Homeowners' present section. Ms. Walker pointed out a typo in the GM reported section with the correction in italics: Mr. Lynch replied the rails will need to be installed centered *on* the steps and deck, anchored, and sealed to prevent leaking while there is no water in the pool preferably.

A motion (Cowan/Bulkley) to approve the March 24, 2021 Meeting Minutes as amended passed with no opposition.

General Manager's Report: Mr. Lynch provided a report.

ONGOING PROJECTS:

- Prep Pond for repairs at Unit 440
- ARBOR GARDEN: Pruning & tree removal.
- Pond & Stream clean up.
- Sprinkler startup

COMPLETED PROJECTS:

- 2 ponds cleaned & prepared for liners.
- Stream from Units 440-444
- Spring aeration & fertilizer
- New hot tub cover installed.
- Pool handrails installed.

Ms. Walker thanked Mr. Lynch and the crew for the installing the 4505 numerals on the entrance sign.

Ms. Walker has a few follow-ups from March's meeting minutes:

- Did we follow up with Mr. Schreiber on his painting/siding concerns even though his unit is not on this year's schedule? Mr. Lynch mentioned we gave Mr. Schreiber's Homestead Paint information to assess his unit.
- Court 1 - Mr. Cowan suggested Mr. Harper and Mr. Winski should discuss this issue further to make a final decision of court placement. Mr. Cowan mentioned yes this did happen and the intent is to place the pickleball courts end to end, not enough room to be side by side courts.
- Was HOA attorney contacted about drafting the recommended amendments to the covenants? Mr. Trout responded yes; they are with the Finance Committee.

Mr. Bulkley inquired if the sprinkler start-up will be delayed due to the road project. Mr. Lynch mentioned once the concrete portion is completed then there should be no issues to start the sprinklers.

Treasurer's Report: Mr. Cowan provided the March 2021 Financials. Mr. Cowan reported the Equipment Repair over budget (\$9K) as a result of the skid steer brakes were repaired; Vehicle Expense over budget (\$3K) due to the dump truck's transmission being replaced The Overtime account is over budget (\$5K) by cause of the snowstorm season. The activity of the Capital Reserve for the pond and road assessments were available for review of what has been collected as of March 31, 2021. The balance sheet as of the end of March reflects consolidated reserve balances of \$403,242 with \$504,914 in the bank checking or investments accounts, and another \$109,284 is in

prepaid insurance, which will result in increased cash flow over the next 4 months as a result of being a non-cash item in the Profit and Loss Statement. Ms. Walker asked at what point do we do something other than request nicely for the Chateau to pay their outstanding balance. Mr. Cowan has been in contact with the Chateau's management representative who confirmed it's in their accounts payable department for the payment to be processed. Mr. Bulkley wondered if this is the same issue with the dead hedges not being removed. Mr. Cowan believes the shrubs are our responsibility and part of the easement area which surrounds the utility box. Mr. Lynch will have them removed and not replant until Xcel finishes their project. Mr. Klatskin questioned how are we going to be more forceful in our collections of the assessments, especially the people have yet to pay the \$300 and most likely be delinquent in their \$3200 payment. Mr. Cowan suggested recommending to the board when the time is needed to start the formal collection procedure: 30-day notice, work out a plan for payment options and to exercise our lien rights and our collection of super-liens. Mr. Klatskin inquired when to expect to start paying for the road project. Mr. Cowan suspects in the next 10 days we should be receiving an invoice for the concrete approximately \$100K and the parking pads/milling work at the end of May for \$200K and then the remainder. Mr. Cowan mentioned Ms. Shanks asked in the Finance meeting what are we going to do if people don't pay, and we can't pay the contract. Mr. Cowan made a point, that the final bill will not be due until about 10 days after the end of June, by that time most of the prepaid insurance will be converted back to cash about \$250K and will be available just sitting there waiting for the insurance bill to show up on August 12th. Mr. Cowan said he doesn't foresee any cash flow problems until then. If assessments have been collected by then. If not then the \$100k line of credit could be used also if necessary. Mr. Cowan said he thinks we will have sufficient cash, but as a backup we do have an agreement with the bank for a loan should it be needed.

Finance Committee: Mr. Cowan provided the approved March 19, 2021 and preliminary April 26, 2021 meeting minutes.

Stoney Brook Reserve contributions and expenses to date have been primarily for the repair and maintenance to our assets in order to preserve them. Until last year there had been little consideration given to the rehabilitation or replacement of major assets.

As a consequence, we had insufficient savings this year to pay for pond liner replacement on two ponds needed earlier than planned or for the road reconstruction project. This created the need for two assessments.

We are now 45 years old, so it is obvious we need to plan for more of these major rehab projects. We are doing an updated reserve analysis now. We anticipate the results will indicate we need to accumulate close to 3 million in our reserves over the next 15 to 20 years. The roads alone will be over 2 million. That is \$10,000 per homeowner or \$55 to \$83 per month starting now and going up each year due to inflation. Our current contribution is only \$13 per month.

The Committee believes it appropriate to shift some of this burden to new homeowners. The committee recommends we institute a fee to be paid by new owners at closing. The amount proposed is 10 times the monthly dues. This year that would be \$5,300 per home sale. We have averaged 20 sales per year, so that would generate total \$106,000 per year in new reserve revenues. If approved, and accepted by homeowners, it would lower that \$83 per month obligation by \$37. The committee researched other organizations around the country and found these fees are a common practice and they range from \$500 to \$20,000 with \$3,000 to \$5,000 not being uncommon for HOA's who own their own roads.

If implemented, it would result in future increases would be smaller and building reserves to avoid future assessments. That is a benefit to both current and new homeowners. It is a win-win.

To accomplish this change the covenants will need an amendment approved by 67% of current homeowners. The Board approved the drafting of this amendment at the last meeting. Our HOA attorneys, with the aid of Andy Klatskin, have completed that document.

Mr. Cowan requesting Board approval for the execution of this plan. This will include finalizing the reserve study to document the amounts required and developing a community-wide presentation similar to what Chris prepared for the road reconstruction project.

A motion (Cowan/Weber) to authorize the Board President and Treasurer to execute whatever necessary steps to implement a fee of 10 times monthly dues to be assessed as a fee to new homeowners at their closing. This fee to be implemented as soon as possible, but not before June 1, 2021. Mr. Kappus appreciates the research the committees have done, but thinks the fee should be \$10K, this will increase our reserve fund which could control the increase in monthly dues. Mr. Kappus requests the board to consider the fee be 20 times the monthly dues. Mr. Bulkley added we need to sell this recommendation to the community and justify it. Mr. Buckley's argument is that we are never going to make up for not having a reserve fund but prepare it now, so we have a plan going forward. Mr. Bulkley continued the reason we are assessing the road project this year because we got a heck of deal than doing it two years out. Mr. Cowan mentioned a presentation will take place for the owners and a vote of 67% approval before any finalization of such fee. The motion passed with majority in favor with one opposed (Mr. Kiner) and one abstain (Ms. Walker).

Mr. Cowan said **this is a way to fund the preservation of Stoney Brook for the long term without substantial increases in dues. The Finance Committee Recommended Name: *Preservation Capital Transfer Fee***

Mr. Cowan recommends Mr. Anderson with background in HOA management be added to the Finance Committee. **A motion (Letson/Weber)** to accept Paul Anderson as a new member of the Finance Committee passed unanimously.

Architectural Review Committee: Mr. Kiner mentioned there have been owners that continue to use red mulch for their landscape, red mulch is not acceptable per the HOA landscape guidelines. Owners have been notified to replace their mulch. Mr. Kiner will be asking Mr. Lynch to have the crew remove their mulch and replace it with the required brown mulch at owner's expense, if necessary. Mr. Kiner reported six approvals and three requests still open. Mr. Kiner and ARC members will no longer be doing in house visits (unless vaccinated) to discuss requests to avoid any risks. ARC will be happy to meet outside of your unit instead.

The Rules Committee: Ms. Bunker, Ms. Burke, Ms. Wolach, Mr. DiBiase, Ms. Walker and Mr. Kiner. Mr. Kiner provided updated rules and along with the City of Denver guidelines for new signage in the pool/hot tub area. The Board shared concerns of # 12 rule for the pool regarding the number of guests allowed and pre-approval of larger groups. The Board suggested there needs to be more clarification before posting. The pool and hot tub hours are 8 a.m. – 10 p.m. The crew needs time to clean and prep for chemical balance starting at 7 a.m. in case a city inspector shows up unexpected. The clubhouse does not have a defibrillator (AED) due to liability and certification are possibly needed. Mr. Pederson mentioned the Good Samaritan Law could protect from any liability and the device is pretty much self-explanatory. Mr. Kiner will do research on cost and regulations of having an AED available.

A motion (Kiner/Trout) to approve the recommended rules and information with the exception of Rule #13 the number of swimmers allowed is to be determined passed with no opposition. These rules will be included in the newsletter.

The Signage Committee: Ms. Wolach, Ms. Stonbraker, and Ms. Lederer

Ms. Wolach provided drawings from Ms. Stonbraker of potential new entrance signs and in process of getting multiple bids. The lettering and caps can be interchangeable amongst the two choices. Our crew will be able to build the framework and bottom of the signs with the same stone that is used on the units. The goal is to replace the signs at 4505, 4605 S Yosemite and the 8505 E Temple entrances, in addition a sign at the corner of Yosemite and Union. The signs will be lit from the bottom up with securing lettering to prevent vandalism. Mr. Kiner anticipates the costs will be approximately \$10K. Mr. Weber asked if there will a sign at the Verbena area and updating the out of sequence addresses on the signs? Mr. Kiner mentioned there is a small sign and will see if we can add one for this area. Ms. Wolach answered the entrance signs are phase 1 and the remaining signs will be done in different phases. Ms. Walker suggested since we are modernizing our signs will be updating the font on the street signs as well. Mr. Wolach replied yes and to refurbish the signs to no longer having the ducks. Mr. Bulkley asked about the funding for this project. Mr. Kiner mentioned the plan is to place it in the 2022 budget.

Safety Advisory Committee: Mr. Kiner had nothing to report at this time.

Insurance Committee: Mr. Beakes had nothing to report at this time. Mr. Bulkey asked about the timeframe to collect quotes. Mr. Trout will confirm with Mr. Beakes, but it's usually 30 days in prior to renewal to receive information from an underwriter.

I-25 Interchange: Mr. Trout reported it looks like Union may not be an entrance or exit on I-25.

Road Reconstruction: Mr. Fireman reported the week before last we were six weeks behind our original schedule, and they put on an additional tear up crew last week so now we're only three weeks behind. Currently 24 driveways have been replaced, therefore basically 10%. Mr. Fireman disclosed the Terraces curb and gutters will need to be re-engineered to prevent any hazardous ice build-up and drainage issues. This project will include removing the sidewalk as well so this will drive up the expense. Mr. Fireman stated roughly \$35K of the contingency fund will be used for repairing the Terraces drainage and concrete problems.

Social Committee: Ms. Bunker addressed the retirement of Porfie, who will be retiring at the end of May, but still will be working for the Grounds Committee one day a week. Ms. Bunker will have more information in the upcoming May/June newsletter.

Mr. Lynch recommends the clubhouse be open for events. Ms. Bunker will start planning for a summer event, since we are starting to open the clubhouse.

Communications Committee: Any articles for the May/June newsletter should be submitted by April 30, 2021. Ms. Walker will assist the Finance Committee setting up a presentation to owners regarding the new owner reserve fee account.

Old Business:

Clubhouse opening - Mr. Lynch suggested keeping the 6 feet distance rule and follow the City of Denver guidelines and the same for the pool opening.

Ms. Goff's suggestion was to post the role requirements or profile of the board officers on the website for any future candidates who might consider running for the board.

Ms. Goff and Ms. Kassenoff provided the recommendation for a clubhouse fee only for non - Stoney Brook events. Rational – There is currently a lack of funding for clubhouse maintenance and If this fee were in place in 2018-2019 \$10K would have been collected if a usage non-refundable \$75 fee had been in place. Details – renters of the clubhouse will be charge \$75 per event in addition to the

deposit and cleaning fee; the \$75 which will go towards appliance replacement, wear/tear and investing in improvements. Ms. Hutson questioned how these were paid for in the past. Mr. Cowan mentioned the general fund. A **motion (Kiner/Cowan)** to accept the recommended clubhouse \$75 fee to be implemented was tabled until further review from the board over the number of people in the party where this fee would apply. It was pointed out that many times these larger events are all outsiders with only the sponsoring homeowner present.

New Business:

Owner request of tree removal located on community property: Mr. Weber provided the ARC guidelines for changes to the exterior of a unit and where to find these forms to request changes including the tree removal request in the common area. Mr. Weber proposes ARC to develop guidelines and require Neighbor Consent Forms if an owner requests the removal of trees and shrubs in the common area to avoid the recent issues and complaints from the Fall 2020 board meeting. A tree removal form is on the website.

Final Questions: Mr. Taylor asked why we need new signage because they seem fine. Mr. Kiner the current signs are starting to crumble and fall apart. Ms. Hutson inquired if a committee had made plans for the new pond liners. She wanted to know if a plan is in place to make decisions for the pond liner color/material and would this be handled similar to an ARC process where owners surrounding the pond would have an input. Mr. Cowan mentioned the plan for the liners has been in place for almost a year. The color has already been chosen and is premixed into the new liner material. It was picked to blend to the other pond elements and will be different from the previous liner colors that were installed in the stream or the cream color installed 8 years ago in the pond behind unit 214.

Adjournment: At 9:10 p.m., there being no further business, a **motion (Kiner/Klatskin)** to adjourn until Wednesday, May 26, 2021 passed unanimously.

Respectfully submitted,
Angela Miller, Recording Secretary