

Woodbrook Townhouse Owners Association

Annual Meeting

November 10, 2016

The Annual Meeting of Woodbrook Townhouse Owners Association was held on Thursday November 10, 2016 at the Pilgrim Congregational Church in Bozeman. Co-President Debbie Nelson called the meeting to order at 7:00pm and introduced the Board of Directors, Manager, Treasurer, and Secretary. After welcoming everyone Board Debbie stated reminded that the Annual meeting is for Woodbrook Unit Owners and that only Owners of Record are to speak.

Roll Call:

Roll call recorded 32 owners present 16 by proxy for a total of 48. This constituted a quorum and business proceeded.

Minutes of the 2015 Annual Meeting:

Secretary Susie Becker read the 2015 minutes. Rod Gilbert moved to accept the minutes, Chuck Barnosky seconded and the minutes were accepted.

Manager's Report:

Gene Murray presented the Manager's Report.

The 5 year painting cycle calls for 15 units to be painted every 4 years and 16 units every fifth year. Therefore 16 units will be painted this year and the budget reflects this cost.

The streets need to be sealed on a regular basis and this work is continuing. The streets on the east side of Woodbrook will be sealed in 2017.

Snow Removal: The contract for snow removal remains the same, with a flat rate for the 4 months December to March. We pay "per event" during the shoulder seasons. The flat rate has increased from \$2400/month to \$2550/month. This is an increase of less than 7%, reflecting the Board's work to keep costs down.

Ground maintenance- the Board has made modifications to the budget and now includes everything but major tree work in this line item. This is why there is a change from the 2015 budget.

Murray discussed grounds maintenance. Much of the landscaping at Woodbrook is aging and we are replacing the older shrubs. Every year the Board and Gene perform a spring walk-around and identify priorities for replacement/removal.

Sprinkler System: The system continues to perform well and save thousands of dollars on water each year.

Murray stressed the need to be proactive. For example the Emerald Green Ash Borer is moving in our direction and we must be prepared to spray our ash trees.

Murray outlined several short and long term projects. He spoke about the exterior lighting; the glass globes are old and occasionally one will break. He is unable to purchase new globes for these fixtures

and believes it is time to consider replacing all of the outdoor globes. This will be an expensive project but is important for safety reasons. Another long term expensive project will be the replacement of the concrete driveways around Woodbrook. Many of these driveways have outlived their useful lives and are beginning to crumble. Gene Murray and board member Don Baide have begun working on this project and would welcome participation from residents.

Similarly, many of the fences around Woodbrook are failing and a decision must be made whether to repair or replace. Replacement would be a capital improvement and money would not come from the Operating Budget but from the Reserve Account. The Reserve Account was established for items which are expected to last a long time such as fence replacement and concrete.

There are 36 upper decks at Woodbrook. When the roof was replaced it was decided not to replace the membrane on the upper decks but to replace each as it failed. In order to be proactive, Gene asks that owners who have an upper deck to report any problems or leaks quickly, rather than risk damage to the interior of the unit.

The Homeowner dues (HOA) were not raised from 2007 until 2015. Prior to 2015 \$10/month/unit was paid into the Reserve Fund. Since 2015, when the HOA dues were raised from \$125/month to \$135/month, we have moved \$20/unit/month into the Fund. We have kept the dues low by doing assessments for many large projects such as the streets or sprinklers. But we have many major items coming up as Woodbrook ages.

Lastly Murray told everyone that we are doing a supplemental Fall Clean Up to remove leaves. He asked all unit owners to remember to uncouple their outside hoses before they freeze.

Robert Nichol moved to approve the report, Dennis Treut seconded. Approved.

Treasurer's Report:

Pat Dunn distributed copies and explained the Balance Sheets, Statement of Revenues and Expenses and Supplemental Statement of Reserves for 2016.

Dunn addressed the Bennett unit. Bennett did not pay HOA dues or other bills. The Bank ultimately took possession of the unit and sold it. When the unit sold the bank paid Woodbrook \$9000 to cover all of our outstanding bills. The new owners of the unit, KFF, LLC, have paid nothing since they bought the unit, they currently owe \$2196, and the Board has placed a lien on the property.

Dunn turned to the Statement of Revenue and pointed out the increase in 2016 over 2015, reflecting the increase in HOA. Don Baide drew attention to the fact that we have collected zero in fines and late fees which means that owners are paying their dues on time, which is great.

Dave Klumpar moved to approve the report, Sue Huls seconded. Approved.

Audit Report:

Treasurer Dunn read a statement signed by Gary Huls, owner. Gary Huls reviewed the accounts, revenues and expenses for 2016 and they appeared to be in order.

Donna Minton moved to approve the report, Dave Klumpar seconded. Approved.

Budget Proposal for 2016:

Dunn explained the Budget Proposal developed by the Board and sent to owners. It had minor updates. The income reflects the increased HOA dues to \$135/month. There is a new position, Resident Manager, which will be filled by Debbie Nelson. Debbie explained the responsibilities of the Resident Manager which include tracking rental units and acting as liaison between Woodbrook and management companies, realtors and others. Dunn next reviewed the expenses for 2016-2017 and explained that there may be a slight loss in the upcoming year. However Woodbrook has money in the Reserve Fund which can cover this loss.

Dave Klumpar asked about the tax the City charges for tree maintenance and it was explained that the tax covers all trees in the City, not just the ones on or near Woodbrook property.

Helen Mulroney moved to approve the Budget, Rod Gilbert seconded. Approved.

Old Business:

Leasing Policy Update:

Debbie Nelson reviewed the work done by Rental Study Committee in 2015. The Committee talked to a real estate agent, reviewed policies adopted by other associations and consulted an attorney. They produced recommendations. An amendment to the Leasing Policy was passed by the Unit Owners in November 2015.

It was brought to the attention of the Board that two items of legal importance had inadvertently been left off of the 2015 ballot. The two items were: the number of unit owners voting in favor of the ballot that was necessary to pass the amendment and the deadline for the voting. On the advice of our attorney, the Board decided to rescind the amendment and ask the unit owners to vote again.

The language of the policy was adjusted to address other legal concerns. Every unit owner received a copy of the proposed language prior to the Annual Meeting.

Debbie highlighted some of the changes:

- Owners may have a live-in health care worker
- There will be no pets allowed in rental units. Pets already living in rental units are grandfathered in, but may not be replaced.
- We no longer ask owners for copies of leases but do require that everyone living in the unit sign a Statement including their name, vehicle information and that they have been provided with a copy of the Woodbrook Rules and Regulations.

The City of Bozeman ordinance allows no more than 4 unrelated people living in one unit. Robert Nichol asked what recourse we have if too many people live in a unit. Nelson answered that this is hard to enforce.

Gene Murray works with other homeowners associations in Bozeman. He stated that many associations have been considering limiting rentals for years. Several associations have amended their rental policy years ago and that some have adopted a zero rentals policy. Murray read a letter written by the Woodbrook Board of Directors dated April 11, 1986. In that letter the Board stressed the need to consider limiting the number of rental units in Woodbrook.

Phyllis Bock moved to accept the amendment as presented. Dick Thompson seconded. Debbie Nelson asked for discussion.

- Gordon Watson: how many rentals do we have? Answer: 20, which is 25% of the units and 2 rentals over the 18% cap.
- Dave Klumpar asked for clarification of Number 11 which deals with written leases.
- Mylene Leary asked whether the associations Gene Murray mentioned were condos or townhomes. Her banker has told her that the rules are different and his bank has no problem lending to townhomes with rental units. Gene answered that there is no differentiation between the 2 for FHA purposes. Don Baide added that banks set their own lending policies and that these policies can change. Leary asked that this issue be clarified before the voting ends on November 20th.
- Robert Nichol: there are 2 issues really, one is protecting property value but the other is protecting quality of life at Woodbrook.
- Don Baide: owners with rental property should also be concerned with the maintenance of their property.
- Jeanne Moe: moved to Woodbrook from Southbrook stated that because there were so many rentals there that the association could not raise a quorum.
- Helen Mulroney asked how many unit owners had bought in Woodbrook but have no intention of ever living here?
- Rod Gilbert: what we are really giving up is the right to sell our unit to a future landlord.

For some of these questions there was no definite answer.

Some of the people present shared their own personal experiences with renters, both good and bad.

Ballots are due on November 20, 2016.

New Business:

Election of New Board Members

Don Baide asked those owners who are interested in running for the Board to introduce themselves. In all, 2 incumbents, Eleanor Truitt and Don Baide, were seeking another term, 3 candidates have previously expressed interest including Rachel Briggs, Phyllis Bock and Donna Minton. A new unit owner, Tom Johnson, stood and expressed his interest in being added to the ballot. According to Article 3 – Section 3.2 of the Woodbrook By-Laws owners can elect up to 6 members to the Board. Dave Klumpar moved to have the ballot reflect that there were 6 candidates for the Board of Directors. Chuck Barnosky moved to accept the slate of nominees. There were no objections and the slate was elected.

Don Baide acknowledged Debbie Nelson and Brad Garnick, two outgoing Board members. He told the association that Debbie and Brad had worked countless hours to improve Woodbrook.

Election of New Architecture Committee Members

According to the Woodbrook By-Laws the Architecture Committee is comprised of 1 Board member, the manager, and 2 owners. Kathy Thompson is seeking reelection to the Committee. In addition Pat

Hansen has expressed an interest in being on the committee. There were no nominations from the floor. Rick Thompson moved to accept the slate of nominees. The motion carried.

Concrete Replacement Policy:

Gene Murray described the driveway status at Woodbrook. Many of the driveways are crumbling and and/or sinking. Some of these driveways are original and have outlived their life expectancy. He said that he did not know the best way to approach this issue and that we should tackle it as a group.

He and Don Baide are beginning to work on this project. Much of the legwork such as measurements and visual assessment has been done. They would like 2 or 3 unit owners to join them. The goal is to replace all of the driveways, beginning with the worst ones and proceeding from there.

In terms of financing, Woodbrook could possibly pay for this work partially from the Reserve Fund with homeowner contribution.

There being no further business the meeting was adjourned.

Respectfully submitted,

Susie Becker

Secretary