

Woodbrook Townhouse Owners Association

Annual Meeting

November 10, 2015

The Annual Meeting of Woodbrook Townhouse Owners Association was held on Tuesday November 10, 2015 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.

Roll Call:

Roll call recorded 36 owners present and 17 by proxy for a total of 53. This constituted a quorum and business proceeded.

Minutes of the 2014 Annual Meeting:

Secretary Susie Becker read the 2014 minutes. There was a correction to the minutes; it was incorrectly stated that a change to the Protective Covenants must be approved by 75% of the Unit Owners. In fact, a change requires approval by 2/3 of the Owners. Sue Huls moved to accept the minutes as corrected, Serene Klumpar seconded and the minutes were accepted.

Manager's Report:

Gene Murray began by reminding Unit Owners that any changes to the exterior of their unit must be approved by the Architecture Committee.

Murray went on to report:

1. Sprinkler System: The system continues to perform well and save thousands of dollars on water each year.
2. Snow Removal: The contract will remain the same, with a flat rate for the 4 months December to March. We pay "per event" during the shoulder seasons.
3. Landscaping: The Board has conducted inspection tours of the Woodbrook grounds. As a result, many aging shrubs have been removed and/or replaced. The money for this work comes from the Operating Budget. We had a new grounds maintenance contractor this past summer and the Board has renewed the one year contract for 2016.
4. Painting: 15 units will be painted as part of the 5-year cycle.

Murray explained that the Reserve Account was established for items which are expected to last a long time such as fence replacement and concrete.

Murray stated that WTOA has been putting \$10/month/unit into the Reserve Fund. Woodbrook has not raised the HOA since 2006 and we still only put \$10/month/unit into Reserve Fund. Since the buildings and grounds are over 30 years old, Murray sees major projects included concrete and fence replacement, roof and driveway repairs in the near future and this has led the Board to increase the monthly dues to \$135/month with the additional \$10/month going into the Reserve Account.

Murray addressed the proposed change in rental policy by stating that he manages several associations in Bozeman and other associations have amended their rental policy years ago and that some have adopted a zero rentals policy.

David Klumpar moved to approve the report, Jeff MacPherson 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 2015. She also explained that the unit which had belonged to Mr. and Mrs. Bennett (1659 S Black) has been taken by the bank and is currently for sale. Once the unit is sold the bank will assign a negotiation team to settle our lien.

Dunn further explained that the remainder of the money borrowed during the Street Project will be paid off as of October 2016 and so the \$20,159 has moved from Loan Payable to Current Liability. \$29,119 in the Reserve Fund represents money residents have paid towards the loan which has not been transferred to the bank.

Klumpar asked about the item "Lombardi Trees" and Brad explained that these were trees removed from the Springer property at no cost to Woodbrook.

Klumpar asked how the money in the Reserve Fund is invested and if we might be able to get a better interest rate. Dunn explained that while the Reserve Fund may have a high balance right now, we have a lot of expenses in the summer so it would have to be a short term CD or similar investment.

Dunn also explained that she moved some money from the Mandated Reserve to the General Reserve in preparation for major repair work which is being planned.

Gary Huls moved to approve the report, C. Barnosky seconded. Approved.

Audit Report:

Treasurer Dunn read a statement signed by Gary Huls, owner. Gary Huls reviewed the accounts, revenues and expenses for 2015 and they appeared to be in order. Tom Dickson moved to approve the report, R. Gilbert seconded. Approved.

Budget Proposal for 2016:

Dunn explained the Budget Proposal developed by the Board and sent to owners. It had minor updates. She explained that the Board has voted to increase the monthly dues by \$10 to strengthen the Mandated Reserve account. Chuck Barnosky moved to approve the Budget, Marsha Karle seconded. Approved.

Old Business:

Rental Study Committee Update:

Rod Gilbert presented a report of the Rental Study Committee. The committee has been meeting for 2 years. There are 10 members on the Committee, 8 resident Unit Owners and 2 non-resident. The Committee has talked to a real estate agent, reviewed policies adopted by other associations and spoken with an attorney.

He explained that one of the rationales for limiting the percentage of rental units was based on the number that lenders use when approving home loans. Someone asked if this rule was the same for condos and townhouses, but Gilbert did not know.

Gilbert said that it is the view of the Committee that maintenance of the Woodbrook environment would become more difficult with a greater number of rental units; that renters do not take the care that owners do. He referred to the amount of work required by the Board to enforce the Rules and Regulations. Gilbert stated that at least one owner has sold her unit and moved because of the disturbance caused by neighboring renters.

Gilbert said that Owners are welcome to mark up the copy of the proposed rental policy language and submit it to the Committee.

Debbie Nelson said that there are currently 17 rental units: 3 on Tracy, 0 on Hoffman and 14 on Black.

Jean Murray asked about the City of Bozeman regulations concerning renters. The City states that no more than 4 unrelated people may live in a unit.

Brad explained that the Board currently spends many hours enforcing the Rules and Regulations and that the Board is now at the point where they feel the need to hire an outside entity to do the enforcement work. He pointed out that this will be expensive and that everyone at Woodbrook will have to pay for this, and the additional legal fees. He also said that if the new language does not pass the Board may still pass the provision that forbids pets in rental units.

There was a lot of discussion and many concerns were raised. Among them:

- Regarding the provision of no dogs in any rental unit. He felt that there are already rules concerning the number of dogs in a unit.
- There is no guarantee that someone who purchases a unit to live in will be a better neighbor than a renter.
- In the current rental market a landlord can charge an extra \$200/month to allow pets, that this was income they could no collect if no dogs are allowed.
- Most owners who rent their unit do follow the rules.
- Does this language simply grandfather in the problem units?
- Perhaps we should consider a zero rental policy with exceptions for hardship situations.
- Does not being allowed to rent your unit lower your resale value?
- How would an owner move up on the waiting list?
- Can an owner lose the right to rent if they are irresponsible?

For many of these questions there was no definite answer.

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

Roxanne Klingensmith told that she had bought in Woodbrook because it was a community. She feels a personal responsibility to her neighbors and the community at large.

Susie read a statement from Mr. and Mrs. Rhodes (1657 South Black) which stated that they could not support the proposed change. They suggested that all current Owners be allowed to rent their unit if they choose and any new owners would not be allowed to rent at all.

The discussion wound down and many people submitted their ballot. The Board felt that an effort should be made to collect all 71 ballots before a decision was made.

New Business:**Increase in Monthly Dues:**

As stated elsewhere in these minutes, the Board has raised the monthly HOA dues to \$135/month. This increase goes into effect on January 1, 2016.

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. It will be very expensive to replace all the driveways, he estimated \$10.50 a square foot, or about \$350,000.

Murray said that we needed to replace the truly bad ones soon and then think about a way to do the rest which is fair. Don Baide that the Board does not want to cause anyone a hardship.

Brad asked everyone to think about a fair way to share this cost, a way which is fair to everyone. He feels we may need to have a special assessment to raise this money.

There being no further business Debbie adjourned the meeting at 9:30 pm

Respectfully submitted,

Susie Becker

Secretary