

## **Hill Pond on Spring Creek (Wallenberg Dr.)**

### **Annual HOA Meeting Minutes**

**Wednesday, May 23, 2018 – at the Gardens at Spring Creek classroom**

**Chaired by Rick Hoffman – current HOA Vice-President**

#### **Quorum Established & Meeting Called to Order**

Meeting was called to order by Vice-President Rick Hoffman

Board Members Present: Mary Catherine Murphy, Rick Hoffman, Carrie Eagan, Jeff Eagan, Sam Cooper, Lee Cooper, Julie Savidge, Tom Seibert

Other HOA Members Assisting with presentations: Dave Dornan, Tom Trout

#### **Introductions**

Board members were introduced; then all association members also introduced themselves. New residents - Dave Burton & Larry Paroz were welcomed to the neighborhood.

#### **Approval of Minutes**

Minutes from the May 17, 2017 HOA Annual Meeting were approved.

#### **Reports of Committees/Officers (Part 1)**

##### **Power Point presentation by Dave Dornan**

This gave a brief history of our neighborhood & HOA. It also described the structure & laws governing our HOA and how these relate to the Covenants, Articles of Incorporation, Bylaws, & Responsible Governing Documents (RGP's). It showed the progress the current Board of Directors has made in regards to getting our governing documents in line with current state laws & requirements (including the new RGPs and proposed amendments to the By-Laws.) He commended the current Board for its diligence & service over this past year.

#### **New Business**

- 1) Discussion of the newly proposed amendments to the By-Laws was opened prior to voting.
  - A) Al Lamborn expressed concern regarding Article 2.8 Meetings of Members – Quorum. He suggested that a 20% constitution of quorum was too low and should rather be higher. After discussion, a motion was made by Marshall Fraser to require the quorum to be 50% rather than 20%. (All other wording would remain the same.) Al Lamborn seconded the motion. It passed with a vote of 26 FOR to 0 AGAINST, (no abstentions.) It was suggested that current members take on the responsibility of encouraging new members to attend HOA meetings. It was also noted that the use of proxies makes the higher quorum requirement more attainable.
  - B) Al Lamborn expressed concern regarding Article 3.5 Board of Directors – Vacancies. He did not think it wise that the Board be given power to fill vacancies of Director positions without consent or input from the membership. After discussion, a motion was made by Al Lamborn to change the wording from . . . (current wording)  
*“Vacancies on the Board of Directors, caused by any reason other than the removal of a Director by a vote of the Members, may be filled at a special meeting of the Board of Directors held for that purpose at any time after the occurrence of the vacancy, even though the Directors present at that meeting may constitute less than a quorum. The filling of vacancies shall be made by a majority of the remaining elected Directors constituting the Board of Directors.”*  
to. . . *“Vacancies on the Board of Directors, caused by any reason other than the removal of a Director by a vote of the Members, shall be filled in the following manner: The Board of Directors shall within 2 weeks propose in writing (may be electronic), a nomination for the vacant position to all Members. Then all Members will have 2 weeks to return ballots to the Board. Requirements for quorum & voting shall follow specifications in 2.8, 2.9, & 2.16 with ballot counting performed by a neutral party. If the*

*nominee is not elected by the Membership, the process of nomination & voting shall be repeated until the position is filled."*

Marshall Fraser seconded the motion. It passed with a vote of 21 FOR to 4 AGAINST, (no abstentions.)

- C) When there were no further questions or discussion regarding the By-Laws, a motion was made by Al Lamborn to accept the written amendments to the By-Laws with inclusion of the previously discussed revisions. Dan Ganster seconded the motion. It passed with a vote of 30 FOR to 0 AGAINST, (no abstentions.)
- 2) Yerachmiel Gorelik asked about the requirements for disbanding the HOA entirely. Board members shared how they had asked the same question & seriously looked into that early this past year, consulting with attorney Pete Dauster. The main reasons this is not possible are: a) It would require approval from 100% of the mortgage holders, and 2) It would require finding someone else (presumably the City) to assume ownership of our Common Areas. Relinquishing our Common Areas would in itself create another whole set of issues. A show of hands was asked for as to how many members present would NOT want to disband the HOA and at least 15 hands were raised (representing at least 36% of our overall Membership.)
- 3) Board members presented a brief explanation of the need for revision of our HOA Covenants & explained that in order for the Covenants to be amended, a 75% approval of Members & 75% approval of lien holders is required. Rick Hoffman discussed the Board's desire for a "straw vote" (unofficial vote) to gauge the level of Member support before beginning revisions & approving spending money for legal counsel. (Pete Dauster - HOA Attorney has estimated that revision of our Covenants would be ~\$2400 while complete rewriting would be ~\$4000.) Carrie Eagan recommended revision (rather than complete rewriting) with a committee of Board Directors & any interested Members working on this before asking the attorney to review. Rick Hoffman suggested forming a Covenant Revision Committee, & offered to serve both as a member & Board liaison on such a committee. The following individuals also volunteered to be on such a committee: Ann Hunt, Marshall Frasier, Al Lamborn, & Dan Ganster. Al Lamborn asked that since this has financial implications, the Treasurer's Report be given before proceeding with the "straw vote." Rick Hoffman agreed & asked for the Treasurer's report & financial discussion next.

## **Reports of Committees/Officers (Part 2) - Treasurer's Report & Discussion of Finances**

- 1) Tom Trout gave a report on 2017's income & expenses. He also introduced the Board approved budget for 2018. The amount in reserve as of January 1, 2018 was \$7628.59. The projected amount as of January 1 2019 is \$5298.59. (See 2017 Treasurer's Report & 2018 Budget under Annual Treasurer Reports for details.) The need for a separate Reserve Account was mentioned. He also reported that Dick Thomas had performed an audit for several years up until 2014, and Marshall Frasier recently audited our finances for the last 2 years. Marshall Frasier reported that all financial records were consistent & had been accurately reported.
- 2) Sam Cooper gave an update on other financial matters. He described our new "Neighborhood Beautification Committee" with members Garry Auld & Rick Hoffman, which allows our HOA to continue to allow these members to maintain our common spaces next to mailboxes as volunteer members while being covered by our HOA insurance policy for liability. This allows us to save quite a bit of money by not having to hire a landscaping company. He brought up the fact that our Reserve fund is low, especially considering upcoming costs to our HOA in the future: Covenants revision, maintenance of common areas (including tree removal/trimming which will likely be \$5000-\$10,000 & dealing with the impending Emerald Ash Bore issue), erosion of our pond bank, possible legal costs of dealing with neighboring development issues, etc. Bonnie Helgeson asked for & has been granted a \$200 yearly raise for her book keeping services. He reminded Members that when she no longer desires to fill this position for us, it will cost us significantly

more to replace her. He also noted that we have not had a single raise in our annual dues since the HOA was established in 1984, even though the cost of living has increased every year. He reported the Board's recent decision to raise annual dues to \$150/year, starting in January 2019. This is intended to rebuild our Reserve Fund and could be lowered at any point in coming years if we see that we no longer need increased dues.

Al Lamborn objected to the fact that Membership was not notified earlier of the intent to raise annual dues & that this was not specifically mentioned in tonight's agenda. Several other members agreed that they would have preferred to have been notified earlier. The Board noted this complaint for future reference.

### **Nomination & Election of New Board Members**

Rick Hoffman announced the 3 Board nominees per our rotating nomination schedule for this year. These 3 had accepted nomination formally in writing prior to the meeting: Dick Thomas, Doug Hinerfeld, & Diane Crews. Rick asked for any other nominations from the floor, but none were presented. Rick asked for volunteers for a Ballot Tally Committee; Joan Lamborn, Al Lamborn, & Dan Ganster volunteered & were appointed. Written (secret) ballots were distributed, filled out, collected, & counted by the Ballot Tally Committee. All 3 nominees were elected by a majority of votes. New Board Members were welcomed (Diane Crews was present but Dick Thomas & Doug Hinerfeld were not able to be present.)

### **Old Business & Round-table Discussion**

Rick Hoffman opened the floor for old business & Round-table discussion.

- 1) Members thanked last year's Board for their service.
- 2) New Development
  - A) Rick Hoffman updated Membership on the 22 acre parcel west of our HOA owned by Blue Ocean. He said there is a group of Wallenberg & Sheely neighbors who has been meeting with Blue Ocean regarding future development. He reported that Blue Ocean has been very attentive & cooperative to work with, which is very encouraging.
  - B) Rick Hoffman updated Membership on the smaller "Young's Pasture" parcel northwest of our HOA. This was described as a "nightmare." A small group of Wallenberg residents has privately filed suit against the city. The suit basically claims citizens were not given due process during the development review process and the city violated its own land use code. The owner is now in the process of trying to sell the property to another out of state developer. This has serious implications to our neighborhood.
- 3) Carrie Eagan reported that Kate Forgach (who was not able to be here this evening) has suggested that our current contract for trash removal be reviewed to ensure that we as an HOA are getting the best price for this service. She has offered to research & get bids from several trash companies & bring that to the Board for consideration.

### **Adjournment**

It was moved (Dan Ganster), seconded (Tom Seibert), & passed by majority vote to adjourn the meeting.