

MOUNTAIN SHADOWS HOA BOARD MEETING MINUTES

Date/Time: September 2, 2020/8:30-10:30 AM

Location: Alan Seeger's Patio

Meeting called by: Don Thompson

Board Members Present:

Don Thompson, President

Alan Seeger, Vice-President

Ellen Bush, Secretary/Treasurer

Thor Oden, Director

HOA Members present: Cherry VanCour, Cheri Casey (Notetaker)

Meeting Called to Order by Don at 8:35 am.

Approval of Minutes: Meeting - August 5, 2020. Don- moved to approve. Alan- Second. Approved unanimously.

Approval of Agenda: Ellen noted need to amend the order of the Agenda. Alan moved to bring Thor's topic items up on agenda due to his limited time to attend. Don- Second. Approved.

NEW BUSINESS:

1. Don – Email to membership

Don stated he plans to wait for Phase 4 BOD meeting to include update from that meeting. Letter to include request for volunteers with listed (individual) expertise/skills. Email updates will be ongoing/periodic.

2. Don – Emergency Communication

Don noted the need for community alert and plan for response in emergency (i.e.: fire). Community coordination will be needed. Don offered his expertise as his Marine Corps training involved such activity. Don also recommended that a communication guide be created for emergency situations. Alan noted that he had a call from Boise Fire Marshall with plan for May 16th drill to assess readiness (Crouch and MS). Cancelled due to pandemic.

Don will follow up with Jon Del Valle and Boise Fire Marshall to coordinate a new date for the drill/readiness assessment.

3. Alan – Well House Repair (tree fell during recent storm)

Alan explained terms of liability insurance policy which has \$1,000.00 deductible. Damage included roof, gable, ridge cap, etc. Castle Mountain Homes (CMH) and Paul Shepherd bids have been received. Bids seemed reasonable for extent of repairs required. Job 'O2020-

WH2 Bldg Repair, Fallen Tree' was opened in Quick Books for this work. Thor noted that a side door should be added during repair for when the SWAB job is worked (job 'A2020-WH2 Vibration/Swab'). The swab job requires workers to see the well and each other while performing this job.

Alan- Moved to conduct repairs through insurance/claim with \$1,000 expense. Thor- Second. Approved unanimously. Alan is the lead on this job.

4. Thor – Dues Proposal

Thor noted the Board should increase annual dues by \$90.00 per property. This would generate \$8,000.00 annually to operating budget. Alan noted the \$90.00 increase is not high enough. Thor addressed, per By-Laws, the Board can raise 20% without HOA members vote. If the Board raised dues by the lower amount (\$90) in 2021, the Board can define future needs to determine the appropriate additional increase needed.

Don believes the Board should go to the membership with reasons for any larger increase. A 2/3 vote will be necessary for a larger increase. Ellen noted that a decision needs to be made soon as Dues invoices will be going out in December, for 2021.

Thor recommends an infusion of the \$90.00 increase now and another to be addressed at the next annual BOD would be appropriate. Ellen was not in favor of an aggressive increase unless there is some type of communication as to why the increase is so high. Ellen noted that some homeowners have expressed that gradual planned increases would be appropriate.

Thor moved to raise the dues by the \$90.00/yr. for infusion now. Alan- Second. Ellen stated that she will vote for this if information is included (i.e.: well cost, road cost, Infrastructure age, etc.). Need to get data from records to give actual dollar amounts. Alan stated that it appears we need to discuss balance sheet details before we vote on this. Thor tabled motion until financial discussion (later in this meeting) Don- Set prior motion aside at this time.

OLD BUSINESS:

5. Update on Current Action Items:

a) Thor – Road Repair Payment

Thor reported the road repair costs/invoice was much higher than Ricky Steele's original bid. There was no communication while the repair job was in progress regarding the increased square footage of asphalt being used. The approved price/bid to the HOA was for a minimum of 5,000 square feet. The original HOA measurements were taken by Ray and Thor utilizing a two-foot repair for the sides. Turns out that width of repair frequently involved 3-4 ft. therefore, the cost quickly increased. Thor has told Ricky about how he should have come to him when it appeared the asphalt amount was substantially over the original estimate. Ellen noted that the issue is communication; the original bid should have listed a dollar amount that could not be exceeded. Don stated

the HOA should not be left with the price billed, yet we need to be fair with the cost Ricky experienced. Don further noted that the HOA re-measurement of the areas repaired show only 150 sq. ft. less than Ricky's measurements. Alan stated it appears Ricky did the work he believed needed to be done. This was not unfair, just unfortunate. Alan further stated that the invoice warrants the amount due. However, future bids must include the maximum amount.

General consensus, now that the invoice has arrived, there are some areas that would not have repaired had the Board known it would increase the price.

Ellen noted we can only honor the invoice we have now. The question is how and when do we pay the bill. Thor recommended that we pay the \$14,000.00 now and determine how to pay the remainder later.

Alan moved to pay the allocated \$14,000.00 to Ricky Steele now. Don- Second. Approved unanimously.

Alan moved to honor the invoice as it stands at 8,000 sq. ft. Thor- Second. Approved unanimously.

Alan moved that once we decide how to pay, the final balance should be paid. Thor-second. Approved unanimously.

b) Thor – SWAB Job

Thor noted a South facing door/window needs to be installed at Well House #2 to allow the workers to see each other when they swab the well. Alan will work with CMH requesting them to include a South facing door when they repair well house #2.

6. Ellen – Financial Report.

Ellen noted that the Board had received the following reports via email prior to the Meeting: Financial Report, Budget Overview, Balance-Allocation Report, Approved Amount vs Actual by Job, Job Status Report, and Volunteer Time by Job.

Based on the Balance-Allocation Report, Ellen noted the Association is experiencing a cash flow shortage. Cherry manually merged the Balance-Allocation Report with the Budget Overview to illustrate the Association's current account balances (including CD) with amounts still outstanding to be paid. The current jobs listed on the merged report are forecasted to be completed and due before the end of year, well before the 2021 Annual Dues invoices are sent out (12/16/20) and due (1/15/21). After paying the invoices, there will be a cash flow shortage and we will be heading into snow season. There are 2 options to relieve the cash flow:

1. Postpone the completion of job(s) until next year. Current high dollar jobs included road work (completed and waiting to be paid), mail box job (later on agenda), swab job (scheduled to start shortly), Well House #2 repairs (fallen tree) and then there is snow removal. Cherry asked if the swab job can be postponed and Thor stated no.

2. All CD's have matured this year except one, CD-0021, that matures 9/3/20. If cashed, the amount would provide the cash flow needed.

Alan noted that currently "outside/extraordinary" jobs are actually normal and to be expected (should be in the projected budget). Don affirmed what Ellen had pointed out, that we need to account for budget availability when/before jobs are approved.

Alan stated that there is a challenge in that most of the jobs are due to a reaction to a problem encountered. Cherry noted there is a Preventative Maintenance (PM) schedule created yet nobody is managing this PM schedule. If someone managed the PM schedule, this could reduce 'knee jerk' cost/repairs. Cherry also noted there are 2 open jobs with no lead - 2 vaults that are flooded and if these vaults freeze this winter; it could cost the Association much more in repair than if they were repaired/fixed before winter.

Don stated that Preventative Maintenance is to be added to the next meeting agenda.

Thor left the meeting.

Ellen noted that if the CD is cashed, the Board must have a plan to replace reserve funds when dues are received. Ellen stated that the Board should have a policy to direct funds routinely to reserve accounts. Alan stated that since we are not on firm ground financially, we need to address our underfunding to the HOA. Ellen suggested the need to analyze the funds needed to cover ongoing expenses, road repair, and reserves. Alan stated that we cannot, at this time, promise to pay back the CD in Jan. 2021. Alan affirmed the need for an outside evaluation to validate the BOD direction and funds needed to cover HOA costs. Ellen called for an action now to make funds available for bills due. Cherry discussed possibilities to add a "pay back" allocation in Quick Books to specific budget areas to account for CD payback (to keep the CD repayment paper trail clear). Ellen wants a clear plan to make the CD repayment. Should we move to: 1. increase dues by \$90.00/year; 2. cash matured (25K) CD; 3. allocate portion of HOA increase fee to repay CD?

Don - Called for a vote on the 20% dues increase to homeowners. Vote: Don – Opposed. Alan – Opposed. Ellen- In favor. Thor – In favor (as indicated by motion earlier in the meeting). Tied Vote. Ellen stated she could not move to cash CD without ability to allocate HOA fee increase since the vote was a tie.

Alan moved to cash the CD-0021 to infuse money for temporary budget short fall. Don – Second. Vote: Don – In favor; Alan – In favor; Ellen – Opposed .Motion passed to cash CD-0021 on September 3, 2020.

Ellen offered to work on identifying appropriate resources to help with MSHOA financial analysis. Don will work on letter to HOA which will include "future HOA due increase" potential and BOD work on analysis.

Ellen moved to approve final (excess) bill payment to Ricky Steele on February 1st, 2021. Alan – Second. Approved unanimously.

7. Alan – Architectural Committee Report

No report at this mtg.

8. Update on Current Action Items:

a) Ellen - Meter Reading

Reported \$1,000.00 received for overages. Alan, Ellen and Cherry will meet to review data collection and invoicing processes. Linda Denny is willing to learn and assist with the data collection process.

b) Alan - Mail Boxes

Alan (for Bob) reviewed that USPS requires 2 more sets of boxes. Job will cost \$2,100.00. Already have approved \$1,400.00 to this project.

Ellen moved to approve additional \$700.00 needed for this project. Don – Second. Approved unanimously.

c) Ellen – Procedure and process for Finance Manager/Treasurer

Deferred to next mtg.

d) Don – Phase 4 update

Deferred to next meeting, yet the following discussion was held about next week's Executive Session re: phase 4. Alan stated that the bishop is interested/available to meet with the HOA group. Don stated that BOD needs to be careful regarding discussions with others before the next Meeting. There has been discussion about subdividing some of their property to tie into the MS well. Don stated he has been advocating to meet with the Bishop to hear their plans. Thor had previously explained in conversation that the delay has been because the Bishop and the Finance Director have each been on vacation. They are ready to meet now. Ellen stated she will scan paperwork from Larry and send it to BOD members. Alan wants an Executive Meeting before meeting with Bishop because there are issues/concerns that need to be squared with the HOA first. Next week's meeting needs to be an Executive Meeting as there are issues the BOD need to review together. Need to discuss Thor's comment about "accepting a HOA payment (2 years)" from the Diocese.

Meeting adjourned at 12:30 pm