Rock Creek Overlook Homeowners Association, Inc.

**Board of Directors Meeting**

**Minutes**

**December 8, 2014**

Present: Julia Pitkin-Shantz (Pres), Arthur Halpern, Justin Temple, Kris Sollid

Absent: Dipti Singh

Guests: Faye Kramer, Wolfgang Ludwig, Nersi Zand

1. The meeting was called to order at 7:37 pm by Julia Pitkin-Shantz. Notice of the meeting and its changed date was confirmed.
2. Approval of Minutes of 11/12/14 Board Meeting: Moved, seconded, and passed. Minutes of Members Meeting cannot be approved until next Members Meeting
3. Old Business - Bylaws Amendment from Members Meeting  
   The Bylaws amendment received 18 votes from members in good standing and has therefore been approved. The text of the motion and explanation sent to Members after the meeting is attached to these Minutes (Attachment A). After the amendments are drafted by the HOA’s attorneys, they will be filed as required and provided to each Member.
4. Approval of actions taken since previous Board meeting: After the Budget Committee Meeting, the Board met in Executive Session to discuss a matter regarding communications received by Board members from a non-member present at the meeting. A motion regarding communications between RCO community members and Board members was made, seconded and approved. The text of the Motion is attached (Attachment B).
5. Open Member Forum  
   A. Attendees asked Board members about the proposed reduction in member dues. The RCO annual budget was explained, in detail, as was the recently conducted Reserve Study. The study served as rationale for Board budget and dues decisions.

B. Faye asked about financial procedures and controls: No Board members have access to Community funds. The management company collects and disburses funds. Copies of checks and bank statements are provided monthly and posted on our website. Check writing, approval, and statement balancing are handled by different employees. The books are audited annually by an independent CPA firm.

C. The approved Bylaws amendments were explained.

1. New Business  
   A. Reserve Advisors Report of Transition Items  
    a. Concrete Sidewalks  
    I. The condition of community sidewalks has been previously addressed  
   by the Board.  
    II. The County has inspected and approved as satisfactory.  
    III. RCO Grounds Committee or ad hoc Transition Committee will address future sidewalk repair options and bring their recommendations to the  
   Board.  
    IV. The Board is soliciting Class A community members to volunteer for an ad hoc Transition Committee. If you would like to volunteer, please contact the Board.  
    b. Landscape and Poor Grass Coverage  
    I. Decisions deferred until spring.  
    II. Poor drainage issues were noted as still occurring.  
    III. Pictures with time stamps dated within 24 and 48 hours of rain  
   events are required to document drainage issues.  
    c. Light Fixtures  
    I. Grounds Committee will take responsibility for documenting water accumulation in fixtures, quarterly and after heavy rains.

d. Masonry  
 I. The Board will talk to the County, the HOA attorney and Lisa regarding our masonry warranty.  
 e. Retaining Walls  
 I. Craftstar did not have the retaining wall near 2001 in the original community plans, but built it anyway. The County did not approve the retaining wall, but require that it be removed. County responsibility for needed repairs was discussed.  
 II. HOA (Julia) will approach County inspectors and attorneys.

B. Snow Plowing Contract  
 a. The Board is discussing with our neighboring community, Ashleigh Woods, to compare snow removal contracts.

C. Approval of 2015 Budget: A motion to approve the budget was made, seconded and approved. New Budget is Attachment C.

D. Nominations for Grounds Committee Chair: A Volunteer is needed due to resignation of Dan Hittinger.

1. Committee Reports  
   A. Grounds: Black metal fence repair is underway.

B. Covenants: letters of violations were mailed on December 4th. No responses from members have been received to date. Committee will follow up non-compliance after 15 days have passed.

1. Unfinished Business: nothing additional.
2. Adjournment: The meeting adjourned at 9:11 pm.

Minutes submitted by Kris Sollid, Secretary

**Attachment A**

**ROCK CREEK OVERLOOK HOMEOWNERS ASSOCIATION, INC.**

**FOLLOW UP FROM ANNUAL MEMBERS MEETING ON NOVEMBER 12, 2014**

At 7:30 pm, the start time of last night’s Annual Members Meeting, we did not have a quorum and could not conduct business. In order to meet the 15 Member quorum requirement, we contacted additional Members and requested their presence. Three proxies had been timely submitted and approved by the Secretary prior to the November 11th deadline. Twelve Members of Rock Creek Overlook HOA eventually attended in person. It was an appropriate start to a meeting in which to consider lowering the quorum requirement.

**Amendment of the By-Laws:** Amendments require a majority, or 16 votes, for approval. Based on comments received prior to the Meeting, the Motion to amend the bylaws was discussed and voted on as two separate items.

1. **Quorum:** Both Lisa Ringler and counsel from Rees Broome stated at the meeting that the typical quorum for their client associations range from 10% to 25%. Most HOA By-Laws do not require a quorum of 50% because of the difficulty of getting participation by that many homeowners. There is a specific procedure in the Bylaws if a quorum is not reached at an Annual Meeting. Notice for another Members meeting must be made, and whatever number of Members attends that meeting is considered to constitute a quorum. So even if only three Members were in attendance, those three can elect the Directors.

The consensus was that lowering the requirement to nine homes was too low. After discussion, we agreed on eleven. That is equivalent to 36% of our thirty (30) homes.

*All twelve Members approved the following Motion*:

**Section 4.6, Quorum**, amend “fifty percent (50%)” to “thirty-six percent (36%)”

1. **Directors as Members:** There was some discussion and general agreement.

*All twelve Members approved the following Motion*:

1. **Section 5.1, Number**, delete “The Directors need not be Members of the Association, however, commencing with the 75% Annual Meeting,” Replace with “All Directors shall be Class A Members.”
2. **Section 9.1, Designation**, amend the sentence “Thereafter, except for the President…” to “Thereafter, the officers of the Association shall be Members.”

The Proxies could not be used because the Motion was changed. If four additional Members approve the Motions listed above, the amendments will go into effect.

**ACTION REQUESTED:** **If you agree with the proposed changes, please reply with your approval.**

**Attachment B**

**Motion regarding communications with the Rock Creek Overlook Homeowners Association Board of Directors**

December 3, 2014

The Board voted to meet in Executive Session after the Budget Committee meeting ended to discuss emails sent by the non-member in attendance and his actions at the committee meeting. After discussion, the Board decided to adopt the following communication policy to protect all Directors from stressful communications.

**Whereas,** the Board of Directors (Directors) are volunteers who live in Rock Creek Overlook and devote their energies to benefit the neighborhood, and;

**Whereas,** the Directors are Fiduciaries for the Rock Creek Overlook Homeowners Association (HOA) and are required to act in the best interests of the HOA, and;

**Therefore,** the Board must protect and increase the assets of the HOA to ensure sufficient operating and capital reserves exist to allow expenditures without incurring debt or requiring special assessments.

**Whereas,** if communications from a resident or Member are inappropriate, too frequent, include demands for information, threats, and otherwise objectionable content, and such communications adversely impact any or all Directors;

**Whereas,** the HOA has hired a company to handle the ongoing management responsibilities of the HOA, the office of which serves as the HOA’s business office;

**Now, therefore,** the Board of Directors of the Rock Creek Homeowners Association hereby resolves;

1. That any Rock Creek Overlook resident or HOA Member may be prohibited from contacting any Director via any means;
2. That the entire Board may prohibit a resident or Member from contacting them via any means;
3. That the Board may continue to communicate via email to such resident or Member unless she or he requests otherwise;
4. That the Board has instructed Chambers to respond only when necessary to comply with local and state laws, and only with information not otherwise available in any other location; and,
5. That any such restrictions will remain in place unless and until modified by the Board.

The Board voted to terminate Executive Session and adjourn the meeting.

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Approved by Board** | | | |  | **2015** |  | **2014** | **2014 YTD** | **2014** |
| **12/8/2014** | | | |  | **APPROVED** |  | **Budget** | **Nov** | **Est. Dec** |
|  | Total number of members: | | |  | 30 |  |  |  |  |
|  | Assessment rate/month: | | |  | **$155** |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| **Operating Income** | |  |  |  |  |  |  |  |  |
| Assessments Income | |  |  |  | 55,800 |  | 61,050 | 65,842 | 71,392.27 |
| Interest |  |  |  |  | 0 |  | 25 |  |  |
| Late Fee Income | |  |  |  | 0 |  | 20 | 30 | 30 |
|  | ***Total Income*** | |  |  | **55,800** |  | **61,095** | **65,872** | **71,422** |
| **Administrative Expenses** | | |  |  |  |  |  |  |  |
| Management Contract | |  |  |  | 5,940 |  | 5,940 | 5,445 | 5,940 |
| Insurance Policy | |  |  |  | 1,800 |  | 3,300 | 1,511 | 1,511 |
| Audit & Tax Preparation | | |  |  | 1,300 |  | 1,300 | 1,100 | 1,100 |
| Miscellaneous Administrative | | |  |  | 1,500 |  | 800 | 1,334 | 1,334 |
| Annual Common Ownership Fee | | |  |  | 270 |  | 100 | 270 | 270 |
| Legal (2014 Actual is net of reimbursements) | | | | | 3,000 |  | 3,000 | 7,086 | 7,311 |
|  | ***Total Administrative Expenses*** | | | | **13,810** |  | **14,440** | **16,746** | **17,466** |
| **Operating Expense** | |  |  |  |  |  |  |  |  |
| Common Area Landscaping | | |  |  | 13,000 |  | 20,000 | 12,889 | 12,889 |
| Snow removal | |  |  |  | 12,000 |  | 8,000 | 12,230 | 12,230 |
| Repair and Maintenance | | |  |  | 2,000 |  | 4,000 | 393 | 800 |
| Street lights, other common lighting electric service | | | | | 1,990 |  | 2,500 | 1,579 | 1,800 |
|  | ***Total Operating Expenses*** | | | | **28,990** |  | **34,500** | **27,091** | **27,719** |
| **Reserve Expense** | |  |  |  |  |  |  |  |  |
| Operating Reserve/ Unexpected | | |  |  | 3,000 |  | 4,000 |  | 4,000 |
| Contribution to Replacement Reserves | | | |  | 10,000 |  | 6,000 | 6,000 | 10,000 |
| Reserve Study ($2,000 carried over from prior yr) | | | | | 0 |  | 1,000 | 1,150 | 1,150 |
|  | ***Total Reserve Expense*** | | |  | **13,000** |  | **11,000** | **7,150** | **15,150** |
|  | ***Total Expenses*** | |  |  | **55,800** |  | **59,940** | **50,987** | **60,335** |
|  |  |  | **Net Income/(Loss)** | | **0** |  | **1,155** | **14,885** | **11,087** |