

**RAFTER J RANCH ANNUAL HOMEOWNER'S ASSOCIATION
MEETING MINUTES**

**August 18, 2020, at 7:00 p.m.
Gateway Church and online via Zoom**

Directors/Staff present:

Directors: Paul Boillot, Karen Jerger, Kip MacMillan, Chuck Rhea, and Pam Zernis.

Staff: Nancy Henderson and Larry Lennon.

1. Call meeting to order.

Kip MacMillan, President, called the meeting to order at 7:00 p.m. Chuck Rhea, Secretary, verified that the meeting was quorate. Kip thanked Gateway Church for hosting the annual meeting, and in addition to Nancy, thanked Jim, Lucas and Aaron of Gateway Church for their efforts in setting up the meeting.

Kip gave an update on the people who are working or volunteering for Rafter J. Karen Jerger and Chuck Rhea were appointed to the HOA Board to replace Brooke Gorsage and Joe Greene. Nancy Zawacki was appointed to the Design Committee to fill in for Phyllis Greene. The accounting firm Hawkins, Kominsky, DeVries & Associates (HKD) has taken over quarterly and annual bookkeeping tasks for Barb Fields. Frank Hess is the HOA attorney, in place of Paul D'Amours. Kip thanked Pam Zernis for her years of service.

Paul Boillot continued the meeting as Chairman, thanked Gateway Church, and reviewed the ground rules for those members attending online.

2. Approve 2019 Annual Homeowner's meeting minutes.

Mike Keegan motioned to approve the August, 2019, Annual minutes. Diane Peterson seconded the motion. Upon verification of online voting, the motion passed, receiving 69 votes in favor by show of hands or by proxy, and no votes opposed.

3. President's report.

Kip introduced the Rafter J staff; Nancy Henderson and Larry Lennon.

Kip encouraged the members to read a Rafter J Open Space and Trail Study that was professionally prepared by Hans Flinch, and to participate in a survey regarding the same. The study and survey are available on the Rafter J website <http://www.rafterj.org/>.

4. Financial report.

Karen Jerger, Treasurer, reviewed FY 2019/2020 expenses and the FY 2020/2021 budget.

The reported 2019/2020 yearend totals are projected not actuals. Due to turnover of the bookkeeping position, the yearend financials and tax prep have been delayed and 2019/2020 actuals are not available for the meeting. The only known, significant adjustment that will be made should be for the budget item Investment Income which is actually a gain, not a loss, resulting in an increase of Excess Cash from Operations.

The FY 2020/2021 budget was approved by the Board at the May Board meeting. The HOA legal documents do not require the budget to be approved by the owners. Owners have the opportunity to discuss and review the proposed budget at the monthly Board meetings.

Lee Kunze does not see any issue with transparency regarding HOA financials, but knows of some owners that are concerned. Karen responded: A CPA reviews the budget, financials, and prepares the taxes. An audit committee was formed in 2019, estimates for an audit were obtained, and the Board is open to discuss the reasoning of an audit to determine justification of the expense.

Vicky O'Donoghue stated that last year she suggested that the HOA be audited and she obtained quotes for the service. She believes it is important to know how much the HOA has and to understand where the funds are going.

Brian Remlinger questioned the amount budgeted as excess cash, and how it was calculated. Karen responded: The budget was formulated using historical data, anticipated future expenses, and by following past procedures, except for raising fees which were not increased for FY 2020/2021. Future capital expenditures are known and it is Karen's goal, with help from the CPA, to complete a comprehensive reserve study. Owners who are interested in forming a reserve study committee should contact the Rafter J office.

Brian Remlinger does not agree with investing reserve funds with the intent to create a future source of income, he believes this action infers that current owners are paying for the regular expenses of future owners; future owners should pay dues. Paul Boillot responded: This issue has been discussed in the past and can be reviewed in the monthly Board meeting minutes, which are available on the Rafter J website <http://www.rafterj.org/>.

Jean Day asked if there is a 3, 5, or 10 year plan for replacement of capital items. Paul Boillot agrees that a long term plan is a good idea and currently, anticipated projects are included in the annual budget. Karen Jerger stated that the HOA has a preliminary plan, to be completed this year, and input from owners is needed.

Sue Lurie asked if the HOA plans on selling the Lot located by the storage area, Tract 3A. Paul stated that the Lot was purchased when the developer intended to build three residential properties on the Lot. The original intent of the HOA was to retain the Lot as open space and sell the development rights to someone else in Teton County to recoup the cost of the purchase.

Chuck Rhea commented that the purchase of property is outside of a simple expense and is a benefit for all Rafter J owners.

Vicky O'Donoghue wants ownership of Lot Tract 3A to be in the name of the HOA, not in the name of Tract 3A LLC.

5. Old Business.

a) Eastside ditch.

Following the cooperative effort of applying bentonite in the eastside ditch, issues related to water in crawlspaces have not been reported for two summers. Rafter J's contribution for the project was just under \$11,000. The HOA is working with the irrigator to create an agreement to maintain the work that has been done.

b) Rafter J Open Space and Trail proposal.

There are three phases to the Rafter J Open Space and Trail proposal. Phase 1 is an inventory, based on maps and descriptions of existing trail routes and conditions. Phase 1 has been completed, emailed to owners, and is available on the Rafter J website <http://www.rafterj.org/>. Phase 2 is a survey that asks residents about their current use, and opinions about improvements and protections. A link to the survey was emailed to owners, and is also available on the Rafter J website <http://www.rafterj.org/>. The Phase 2 survey will stay open until September 15, 2020.

Phase 3 will be a proposed plan for future maintenance, improvements and protections of Rafter J open space and trails, based on the information gathered in Phase 1 and 2. There is currently no contract approved for Phase 3, and no timeline for this work. Paul Boillot thanked Chuck and Karen for added efforts in working on this project.

Lee Kunze thanked the HOA for trail work and maintenance. She appreciates the single track trails.

c) Flat Creek bank erosion.

The HOA is working on a solution to stabilize the bank of Flat Creek near Northeast Forty where erosion of the bank has increased.

d) Storage area.

Vicky O'Donoghue suggested the HOA add spaces in the storage area, only allow single spaces, beautify the area, increase security, and make it safe.

Mike Keegan questioned the possibility of creating more storage spaces by flattening out the area.

John Brazinski believes there is not enough area for all Rafter J owners to have storage space and suggests the HOA consider implementing a bid process for storage spaces.

Jean Day stated that the storage area is unsightly and suggests the HOA create a long term plan to add vegetation or screening to increase security and establish a visual barrier.

Paul Boillot encouraged suggestions to be brought to the Board to be discussed at the monthly Board meetings, and agreed that storage area efficiency could be improved. Previous discussions regarding storage area improvements are in the Board meeting minutes, which are available on the Rafter J website <http://www.rafterj.org/>.

e) Bylaw rule regarding capital expenditures.

Gary McConnell believes the HOA action to invest funds should have been considered a capital expenditure and, as a requirement of the Bylaws, should have been presented at an annual meeting. The Board does not agree that the investment account is a capital expenditure. Gary was informed that anticipated capital expenditures are included in the budget and he was asked to notify the Board of specific concerns regarding HOA procedures associated with capital expenditures.

6. Board of Directors election.

The terms for Paul Boillot and Pam Zernis are up. Paul Boillot, Brian Remlinger, and Bob Sanford are on the ballot for a 2 year term. Joe Gawaldo, Mike Keegan, and Vicky O'Donoghue are on the ballot for a 3 year term. Ballots are due no later than 5:00 p.m. on August 25th and will be counted on August 26th.

Paul, Brian, Mike and Vicky gave candidate statements.

7. Other Business.

Erin Turley is concerned about activities at Lot 336. She believes people might be camping in the parking area, the taxi service that operates in the winter is unsightly and not appropriate, and the building seems to be used as a residence. Paul Boillot noted to discuss these concerns at the next Board meeting.

8. Improvement and Service District (ISD) update.

Brian Schilling, Rafter J ISD President, presented an update on ISD activities.

- Steve Foster and Eileen Mosman serve as ISD Directors.
- The ISD oversees Rafter J infrastructure, inclusive of roads/pathways, sewer system, and water system.
- The 2013 Long Term Capital Improvement Plan is being updated to ensure funds are adequate to cover anticipated expenses and avoid special assessments.
- An increase in the annual assessment rate is expected for FY 2021/2022.
- The ISD budget is approved by the ISD Board in June. Owners are asked to provide input prior to the June annual meeting.
- Water main breaks in the south east area of Rafter J have been repaired and a claim was submitted to the Rafter J insurance company.
- Owners are encouraged to attend ISD meetings and read the meeting minutes, which are available on the Rafter J website <http://www.rafterj.org/>.

9. Adjournment.

Chuck Rhea thanked Pam Zernis for her service.

Paul Boillot adjourned the meeting at 8:35 p.m.