

RAFTER J IMPROVEMENT AND SERVICE DISTRICT SPECIAL DIRECTOR'S MEETING

RAFTER J HOMEOWNERS ASSOCIATION OFFICE

2951 Big Trail Drive
Jackson, WY 83001
Phone: 307-733-5262
Email: Office@RafterJ.Org

Date: June 13, 2013 12:00 Noon

Minutes of Meeting:

Attending:

For The District:

Directors:

President: Gordon Gray
Treasurer: John Shipman
Secretary: Wayne Flittner

Staff:

Cynthia Wiley
Chuck McCleary

Also Attending:

Paul D'Amours, HCD Lawyer
Matt Ostdiek, Rendezvous Engineering
Jim Huspek, Homeowner (former ISD Board member)
Kip MacMillan, President Rafter J HOA

Call To Order:

President Gray called the meeting to order at 12:00 Noon. The agenda includes a continuation of discussion of loan payoffs from the June 6 meeting as well as discussion of a \$200,000 contribution from the HOA to the ISD to cover any construction overruns.

1. Loan Payoffs

All infrastructure costs have been finalized with the exception of road sealing. This item will be addressed next year. The current loan balance due is approximately \$1,193,950 excluding interest. In addition to a \$2,100,000 SLIB grant, special assessments were levied against the homeowners to pay for the project. The assessments were scheduled to be collected for 15 years and have been levied for 9 years with 6 years remaining. Remaining infrastructure costs to be collected from the special assessments totals \$726,166.33. All project costs have been paid.

Paul D'Amours stated that the loans can be paid earlier than required and that the special assessment can remain in place until all infrastructure improvement project costs have been paid for with funds collected by the special assessment. If the loans are paid off now, the ISD will save approximately \$100,000 in interest.

The ISD is able to pay off its loans this year by borrowing from the current reserve account, and should consider this as intra-fund loan to be paid back with continued collection of the special assessment.

Matt Ostdiek with Rendezvous Engineering presented three scenarios (see Exhibit A”) to allocate the SLIB Grant (\$2,100,000) to the various entities. This allocation impacts the special assessment payoff schedule (and amounts thereof) for each entity.

Gordon Gray stated that although the current Board is not necessarily bound by any previous Board’s actions, he felt that it was important to honor the original spirit and intent of the previous Board regarding this issue. Given the amount of work required in the NE40, the previous Board allocated additional SLIB grant funding to this entity. This is the nexus substantiating Scenario # 1. Scenario # 2 allocated the grant funds proportionately to each entity based on actual construction costs incurred. Scenario # 3 allocated the grant funds proportionately on the number of dwelling units within each entity based on actual costs incurred.

Gordon contacted Vern Martin, former President of Rafter J ISD, to verify his recollection. Vern felt Scenario #1 was the fairest allocation of the grant and most consistent with the previous ISD Board’s discussions and previous representations made to the other subdivision entities. Matt, Jim and Kip MacMillan agreed with Vern’s perspective. Paul D’Amours concurred that this choice was the most appropriate from a legal defensibility perspective. See Exhibit ‘B’ for further information.

Wayne moved to accept Scenario #1 as the basis for payment for the remaining special assessment for all entities moving forward. The motion was seconded by John. It passed unanimously. The Board also agreed to contact each entity to discuss the special assessment payoff options summarized in Scenario # 1.

Wayne moved to authorize the ISD treasurer, John Shipman, to pay off all infrastructure loans (Drinking Water - DWSRF #41 and Clean Water - CWSRF #52) on Friday, June 14, 2013. The payoff amount would be \$585,987.64 / DWSRF #41 and \$ 627,795.66 / CWSRF #52. The motion was seconded by John. It passed unanimously.

2. \$200,000 from HOA to the ISD

Paul D’Amours stated that an additional \$200K contributed by the HOA was committed to the ISD to pay for the project in the event the costs of the project exceeded the special assessment and grant funding amounts. The previous ISD Board discussed the possibility of having to impose another special assessment if the existing source of funding wasn’t sufficient. This \$200K was intended to help offset that possibility.

Given the fact that there is sufficient SLIB Grant / special assessment revenue to pay for the project based on actual incurred costs, John moved to authorize returning the \$200,000 to the HOA. The motion was seconded by Wayne. It passed unanimously.

Upon further research, the following HOA minutes dated September 30, 2009 were found.

The Rafter J ISD commitment is \$790k and they don't have the full amount. Thus, the ISD asked the Homeowners Board to contribute \$200k. Following discussion, Joe moved that the Homeowners Association contribute \$200k, and if the project is under budget, the unspent money will be returned to the Homeowners and ISD via a 2:5 split. Paul seconded the motion. The vote was 4 yes; 1 abstention.

With this information, the Board will correct the motion and return 60% (\$120,000) of the \$200,000 to the HOA. The ISD will retain 40% or \$80,000.

3. Adjournment

Hearing no further requests for discussion items, President Gray called for a motion to adjourn, Flittner moved, Shipman seconded all voted "aye". Meeting adjourned at 1:00 PM.

Minutes Drafted By:
Cynthia Wiley
Rafter J ISD Staff

