

RAFTER J RANCH
HOMEOWNER'S ASSOCIATION
BOARD OF DIRECTORS MEETING
Tuesday April 27, 2021, 3:00 pm
Online Meeting <https://zoom.us/>

MINUTES

GIVEN THE CORONAVIRUS (COVID 19) ISSUES, THE BOARD FELT THAT FOR THEIR SAFETY, AND THAT OF RESIDENTS, THAT THIS BOARD OF DIRECTORS MEETING WOULD BE HELD ONLINE.

In Attendance:

Directors: Karen Jerger, Mike Keegan, Kip MacMillan, Brian Remlinger, and Chuck Rhea.

Staff: Nancy Henderson, and Larry Lennon.

Property Owners: Sharon Lennon, Gina Lipp, and Jim Turley.

Guests: Jen Kennedy from Rudd & Company, PLLC.

1. Call to order.

Kip MacMillan, President, called the meeting to order at 3:01 p.m.

2. Financial Report from Jen Kennedy of Rudd & Company, PLLC.

Rudd & Company was contracted by the HOA to perform a financial review of the HOA books and financial records, and review fund balances. Jen reported that accounting controls are in place and there are no concerns regarding the books and records. Jen recommended to have a five or ten year plan on expenditures for improvements and also to determine how much cash to have on hand as a reserve. Having one to two years of funds on hand for operating expenses is standard, in addition to reserves for any identified future improvements. Currently, the HOA has five years of operating funds on hand. Karen has prepared a reserve study and recommends contracting with Rudd & Company to review it.

Income stability was discussed. Income from the ISD is for services provided by the HOA, which could be adjusted, but is not expected to disappear. Brian mentioned that HOA dues are not tax deductible as opposed to ISD assessments which are tax deductible, and if possible, he prefers to pay Rafter J dues and assessments through the ISD not the HOA. Jen noted that the tax deduction, depending on your situation, might be less advantageous with the new tax laws.

Brian questioned if the HOA legal documents require income from storage fees to be solely used towards storage area expenses, and if so, management of the fees and expenses should be reviewed. The Board agrees that management of the storage area is an issue for the Board to address.

Brian thanked Nancy for doing a good job in the performance of her duties related to bookkeeping.

3. Homeowners' issues and concerns.

a) Gina Lipp (1535 W. Pinto Dr., Lot 201): Dog waste signage update.

Gina reported that sign graphics are being drafted and when completed will be sent to the Rafter J office for Board approval.

4. Approval of the March 23, 2021, Rafter J HOA minutes.

A motion was made and seconded to approve the March 23, 2021 minutes. It passed unanimously.

5. Financial report.

a) Approval of March, 2021 financials.

Items of note are Professional Engineering expense for the Tract 3A density transfer, Tree Care Expense for tree trimming, and Miscellaneous Income of \$3000 for the sale of the 1999 Ford truck.

The Financials were approved as presented.

b) Update on interest income for reserve funds.

Karen will be meeting with representatives from the HOA's current banks later this week.

Preliminary discussions to insure funds with no risk will result in low interest, with money market accounts being more favorable to CD accounts for the next couple years. Due to the amount of funds, fully insuring the funds in local banks might be difficult. Karen will email the Board with the meeting details.

Karen is concerned about interest rates being below the rate of inflation and if the HOA is in a position of earning no interest, believes it might be worth looking into the plausibility of legally transferring the funds to the ISD, or to follow the concept made by Brian in 2020 of offering grants to homeowners by offering low or no interest home maintenance loans to homeowners.

c) Update on management of investment funds.

Karen spoke with two professional accountants who advised against the HOA holding funds in an investment portfolio. Karen is inclined to move the investment portfolio funds to an insured account, due to the Board "no-risk" discussions, professional advice, homeowner opinion, and a reserve balance that does not require additional funds from outside sources. Brian, Chuck and Kip thanked Karen for all the time and effort she has put in to help clear up financial questions that have come up in past years.

Brian moved to have all remaining investment funds held at First Interstate Bank be placed in an FDIC insured CD account for one year at one or multiple local financial institutions, which will allow, upon the maturity date, to reinvest the funds in another CD at a higher rate. Mike seconded the motion. It passed unanimously.

Chuck would like it made clear to homeowners that the HOA reserve funds will not be generating any significant amount of interest in the immediate future.

d) Update on reserve study.

Karen has created a draft reserve study, with the help of Eileen Mosman, Nancy and Larry. She reviewed her methodology and would like Board input. Proposed capital projects of large scale, such as storage area improvements, are not included in the study but need to be considered. The study is expected to be reviewed and updated periodically. Karen recommends a modest reduction in annual dues, and to review income sources again in the future. The Board agreed that the current amount being funded annually to the reserve can be reduced.

Karen suggested the Board create a Vision Statement that outlines stewardship priorities and supports the Board decision making process.

e) Preliminary fiscal year 2021-2022 budget review.

The preliminary budget was reviewed and discussed. The Board would like to see how a 10% reduction in dues will affect Excess Cash from Operations and will decide on the 2021-2022 dues amount at the May Board meeting. Storage fees will not be changed.

Charging single family lots and townhomes the same rate was discussed. Brian explained that single family lots and townhomes have equal access to HOA common area and should be charged

the same rate. Any discrepancy with ISD services or assessments needs to be discussed with the ISD.

f) Update on financial review.

The financial review performed by Rudd & Company instills confidence that there are no issues, and there have not been any issues with the HOA financial records. Confirmation has been made regarding the amount of funds to have in reserve, and direction given on how to manage income.

6. Maintenance report.

a) Weed control.

It was anticipated that maintenance of grass areas by mailboxes and playgrounds for 2021-2022 would follow the JHCWC Trout Friendly Lawn Program, but spraying for dandelions and clover are not included in the program. Controlling dandelions has been an ongoing homeowner concern, resulting in spraying for dandelions. Following discussion, the Board agreed to follow the Trout Friendly Lawn Program to the best of the HOA's ability except for spraying for dandelions and clover.

b) Flat Creek staging area by NE40.

The muddy staging area has been seeded and Brian recommended temporarily signing the area so that pedestrians are aware not to trespass.

c) Big Trail playset slide.

The lower portion of the Big Trail playset slide has cracked and the slide will be removed. The slide access area will be boarded until a new slide is installed. A warranty claim has been filed. Larry will post an informational sign on the playset.

d) Update on cul de sac improvements.

Native grass seed has been purchased, but top soil will not be available until mid-May.

7. ISD report.

a) Update on water main repairs.

Water main repairs located behind Legacy Lodge are complete. Westwood Curtis did not have to bore under the highway due to a culvert that was found and used to lay the pipe.

b) Main roadways and pathways in Rafter J have been swept of winter sand.

c) The next ISD meeting is May 17, 2021, 5:30pm. Owners will be able to attend online.

d) 2020 Dodge truck lease.

The ISD owns the 2020 Dodge truck and the HOA is insuring it. Because of this arrangement, the insurance agent recommended having a lease in place. The ISD and the HOA have been discussing vehicle and equipment ownership and related responsibilities. The Board agreed to have Kip sign the lease.

8. DC report.

a) Jaimeson Fisher (1650 W. Quarter Horse Dr., Lot 181): Doors, deck and pavers-Approved.

b) Beau Littell (3240 S. Double Tree Dr., Lot 281): Windows, sliding doors, stain siding, and asphalt shingle roof-Approved.

c) Sylvia Gaye Richardson (1925 W. Cinnamon Teal Rd., Lot 10): Paint doors and trim-Approved.

d) Tom and Melanie Hall (1170 W. Hay Sled Dr., Lot 55): Paint exterior and trim-Approved.

- e) Maria Lundgren and Brad Dickey (3260 W. King Eider Rd., Lot 325-042):Paint-Denied.
- f) Jared Steinman and Stephanie Ferris (1785 W. Diamond Hitch Dr., Lot 292): Shed-Denied.

9. Office report.

None

10. Old business.

- a) Update on realignment of service road/berm located on Lot 200 and Lot 201.

Kurt Stout completed a concept design, to be submitted to the Board for approval. Upon approval, a permit will be obtained and a cost estimate submitted.

- b) Update for Flat Creek erosion repairs.

The project is finished and completion reports have been submitted.

- c) Update on transferring development rights.

Jorgensen Engineering met with Teton County Planning Department. A report of the meeting will be submitted to the Board. Brian summarized the findings:

- Tract 3A has three development rights, allowing three residences and three 1000 sf accessory units, for a total of six residences.
- The development rights can be split up, transferred to anywhere within Rafter J or can be sold to anyone in Teton County but, there is a County process to follow and Tract 3A would need to be put in a conservation easement.
- Rafter J boundary line adjustments for the storage area are not an issue and can be easily updated.
- Rafter J can develop 1000sf employee housing units without using any development rights.
- Lot 332, if used for multiple 1000 sf employee housing units, is not required to be subdivided.

- d) CCR Compilation approval.

Following discussion, it is understood that the CCR Compilation is an in-house working document that does not change or alter the original CCRs or Amendments.

Karen motioned to approve the CCR Compilation. Mike seconded the motion. It passed unanimously.

- e) Update on HOA legal counsel.

Jim Lubing has worked with Rafter J in the past and has comparable fees to Holland & Hart, who is willing to work with the HOA.

Following discussion, Chuck moved to use Jim Lubing for HOA legal counsel. Mike seconded the motion. It passed unanimously. Kip will contact Jim Lubing.

- f) Eastside ditch maintenance.

Karen has not been able to finalize a maintenance agreement with the water operator, but was told that there has been communications with Westwood Curtis. Larry will verify with Westwood Curtis if there has been any communications regarding ditch maintenance.

Karen would like the HOA to take responsibility for its own actions by sending a letter to homeowners who live next to the eastside ditch, informing them of how to protect the integrity of the ditch. Kip suggested including all properties along other ditches. Mike offered to include this in the monthly meeting summary

Chuck moved to have Karen write a letter regarding information on how to maintain ditch integrity, to be sent to all homeowners. The motion passed unanimously.

g) Open Space and Trails Master Plan.

The Board has been asked by Hans Flinch to seek individuals who are interested in volunteering to work on the Open Space and Trails Master Plan process. Karen is concerned that this deviates from the original proposal of beginning the process with a charrette, open to all residents but, this approach might be more productive if the smaller group of professional volunteers creates some ideas first, than submit the proposals to all residents to comment on. The Board agreed to the change and will include the volunteer request in the monthly meeting summary.

11. New business.

a) Request by graduate student to sample Flat Creek.

Kip has signed an agreement from a University of Wyoming graduate student to collect samples from Flat Creek for a research project. The samples will be taken May through September.

12. Review action items.

Action items were not reviewed.

13. Adjourn.

Karen moved to adjourn. Chuck seconded the motion. All were in favor and the meeting adjourned at 5:10 p.m.