

Tomahawk Creek HOA Board Meeting

Meeting Minutes

APPROVED:

Meeting Date/Time	October 16, 2014 at 6:30 PM
Meeting Location	Tomahawk Creek Clubhouse
Board Member Attendees	Gayle Gordon, President; Jennifer Breece, Vice President; Patricia Sinclair, Secretary Absent: <i>Jennifer Nearing, Member at Large, Co-Secretary; and Karie Younger, Treasurer</i>
Tiehen Attendees	Jim Tiehen and Michelle Swartz Absent: <i>Tim Rellihan</i>

AGENDA TOPICS

- **President's Report**
 - **Approval of September 25, 2014 Meeting Minutes**
- **Treasurer's Report**
 - **September 30, 2014 Financial Statements**
 - **Budget for 2015**
- **Manager's Report**
- **Committee Reports**
- **Old Business**
- **New Business**

President's Report

President, Gayle Gordon, called the meeting to order at 6:30 PM. She stated that before getting into the proposed budget for 2015 discussion, she wanted to let everyone know that they will be receiving their annual meeting information packets by October 23. If we have an email address for you, we will send it electronically. For those who do not have an email address, you will receive your packet by U. S. mail. In addition, copies of the information packets will be placed in the mail room. The date of the annual meeting is November 13, 2014 at 6:00 PM. Please encourage your neighbors to come to the meeting and if they are not able to attend, to please submit a proxy. Gayle reminded everyone to sign their proxy before they turn in and make certain they put their unit number on the statement.

Gayle asked Board candidate, Darlene Terrell, if she wished to make a statement about her candidacy. After Darlene talked about her qualifications, Gayle announced that she will also seek election to remain on the Board. She also reminded that candidates may be nominated from the floor during the meeting. Darlene Terrell asked what constitutes a quorum. Gayle responded that it is about 119-120 units, and a candidate must receive 51% of the vote to be elected.

Gayle also informed everyone that by Kansas law, proxies may be turned into Michelle in the office. Michelle will accept them and then hand over to Patricia Sinclair, Secretary before the

election. In accordance with Kansas law, all proxies must be turned in prior to the 6:00 PM meeting.

Gayle asked the Board if there were any questions on the minutes of the September 25, 2014 meeting. There were no questions and Jennifer Breece made a motion to accept the minutes; Patricia Sinclair seconded the motion; and **a vote by the board unanimously approved the minutes of the September 25, 2014 meeting as submitted.**

Treasurer's Report

Jim Tiehen provided the budget report. For the current period ending September 30, 2014, our expenses were \$66,192.99 which leaves us under budget on expenses by \$40,459.00 in the operating account; however, we will spend that entire surplus by the end of the year. We have 694,197.19 in the reserve account.

Jim reported that we have one CD coming up for renewal soon. The CD is in the amount of \$30k and Tiehen has shopped rates to maximize the interest we can earn from this CD at various local banks. It appears to best rate found is Frost First Bank who is offering a 1% interest rate on a one-year CD. One resident suggested that we just cash the CD in and take the money and apply to our budget shortfall. Jim Tiehen explained that the terms of our roofing loan requires that we maintain a reserve account balance of \$100k and the amount of this CD is part of that number. Another resident stated that he could get a 5% return on municipal bonds. He asked if you can get 5%, then why take 1%. Jim Tiehen stated that he is not familiar with the investment the resident was talking about, but it must be covered by FDIC. Jim stated that he would look into the suggestion by this resident to obtain the details. The \$30k in the CD could be placed in a money market account until the decision is made.

Budget for 2015

Jim Tiehen provided information to all present about the proposed budget for 2015. In addition to the current 2014 budget, two more columns on the report were discussed: no increase in HOA dues; and a 10% dues increase. Jim reviewed the budget information and questions were asked and answered. One of the important details about our budget is that we must maintain a balance of \$100k in reserves as a condition by the lender on the roofing loan. Of the 10% dues increase, 22% of this amount will go into the operating budget. The balance of 78% will go into reserves.

A non-resident owner stated that she believes we should tear the tennis courts down and put in more lawn. She said where she lives HOA fees are lower and they have more grass to mow. Jim Tiehen explained there were no planned projects for the tennis courts for 2015 and it would perhaps cost \$60k to tear it out and replace with a lawn. The same non-resident owner stated that we should do away with the fitness center. In her view we are not capable of supporting these types of amenities and our HOA dues are already too high. No documentation was provided to support this claim. A resident stated that it is not good to just make generalized statements, but you must compare specifics to compare HOA dues for various properties.

Four residents spoke to this issue by stating that our HOA dues are low and we must maintain our property. Dues may not have increased as much in the past, but neither was the proper level of maintenance performed as it should have been. It is time to restore this property to the condition it was in years past. Another resident stated that we are selling a lifestyle and it is terribly disappointing to show property when there are so many items that need repair. Examples of two properties sold very recently brought the highest prices in the last ten years. When prices on our units dropped, we were not the only owners impacted. Property prices took a downturn everywhere.

Another resident expressed the fact that maintenance was not done in the past was just an excuse. He believes that raising HOA dues will make it harder to sell properties. He said we got ourselves in a corner and it was our fault.

A resident asked about spreading the siding project out and doing only one per year. Jennifer Breece responded that we are residing eight buildings next year and the City of Leawood is requiring us to complete the entire project in four years.

Another resident mentioned budgeting for the siding project and asked if this should be delayed. Gayle Gordon, President, explained that the buildings being sided have had no attention for two years. The projects we are doing will help save costs for repairs to maintain these items. Once the siding is completed, this will be covered under warranty. The same is the case with the roofing project. We have spent a great deal of money trying to patch and/or maintain items that are deteriorating.

The non-resident owner, who had identified herself as an investor, said she would like to make an appointment with Jim and sit down and go through the budget line by line to cut it. She stated that we need to think out of the box. Jim responded that we have a "bare bones" budget with no place to cut unless we want to self-manage or not have an on-site manager there are savings. The non-resident owner stated that we are paying Tiehen too much. President Gayle and Board Member Patricia Sinclair both expressed disagreement with this statement. No documentation or facts were presented to support the allegation by this non-resident owner about Tiehen being overpaid.

There was also a discussion regarding the dredging of the ponds that are included in the 2016 budget. Jim Tiehen recommended that a committee be formed and petitions be signed to go before our City Council with this dredging issue. The silt that is clogging up the pond is coming from outside our property and we should approach them for help with this expense. President Gayle stated that we discussed this issue at the last HOA Board meeting and thus far, no one has stepped forward to volunteer to help with this effort. A resident did speak up and indicated that she would like to be involved with this effort as well as work with the Landscape Committee.

The majority of time for this meeting was spent discussing many concerns about the budget and proposed HOA dues increase. After much discussion, President Gayle called on the board for a motion. ***Jennifer Breece made a motion to approve the proposed budget with a 10% increase. The motion was seconded by Patricia Sinclair. The motion was approved by the Board. The motion was unanimously approved.***

Manager's Report

Jim Tiehen reported that work will begin tomorrow on sidewalks and curbs. A couple of residents asked about Bordner not paying to patch the asphalt that was damaged by their equipment. They expressed that it did not make sense that it was not in the contract that they would be held responsible for damage. One resident stated that he reported to the office that he believed some machinery was being operated carelessly. Jim Tiehen stated that he and Tim Rellihan came out and inspected this damage and found that this large piece of equipment was being operated as it should be.

Discussion followed concerning snow removal and ice melt bid. The bids were reviewed and it was determined that snow removal will occur with 2" or more of snow and chemicals will be used to clear ice on our walkways

There were two bids discussed on trash service: Town & Country and Deffenbaugh. Gayle Gordon asked if Town & Country would provide the same service as Deffenbaugh since their pricing is more cost effective. Jim Tiehen responded that it would be similar service.

The lawn service contract was also discussed. We had three bidders for this contract. Michelle stated that Embassy has been very responsive and she believes they will be good to work with. One resident asked about a particular bidder and Michelle stated that this company declined to bid on our contract, and when questioned as to why, she responded that she does not know why they don't want our business.

The carport repairs are about completed and we are expecting a settlement check on this damage.

Committee Reports

ASC

Rochelle was not able to attend the meeting tonight. However, Rosemary reported that there have been quite a few applications for new window installations.

Landscaping

Karen Mann stated that the Landscaping Committee will have an application form completed soon for residents to use in requesting planting around their units.

Social Committee

Dafne provided the Social Committee report. The annual Pet Halloween Parade and Party will be held on Saturday, October 25, 2014 at the clubhouse at 11:00 AM.

President Gayle asked if there were any other comments or questions. Since there were no further comments, ***Jennifer Breece made a motion to adjourn. Pat Sinclair seconded the motion. The Board voted unanimously to adjourn at 8:09 PM***

Minutes taken by Patricia Sinclair