

Jonathan Association Board Meeting – November 15, 2022

Attendance:

Amy Gruber, Makiza Johnson, Jeremy Landkammer Ely, Heather Chakirov, Paul McNeill, Skip Rothe, John Siegfried

Absent: Kevin Fafinski, Stephen Wolff

FirstService Residential:

Kami Skomsoyvog – Community Manager (Absent)

Maggie Mahmoud – Regional Director

Kim Lee – Office Assistant

Homeowner Open Forum:

Ruth Sarker – Lives at 112001 Faber Lane. She is a single mom with 2 children, one of whom is special needs which is why she wants a privacy fence. Moved in last November. This summer she replaced the existing 4 ft tall fence on her property. During changing it, she received a violation letter. She called and talked to Kim. The fence pieces are not alike and that was not ok. She said she thought she didn't need a permit to replace existing fence. Said she has tried to reach to Kami several times but never got a response. Ruth doesn't understand why she's getting these letters and fees. Skip identified himself as an ARC member. He asked her what the fence looks like. She briefly described the fence. Skip said the fence requires end caps and top. Also said an application needed to be done and submitted to ARC committee for approval even for replacing portions of the fence. Told her to go to the website and fill out an application. Said the guidelines are there as well. She also needs to check City code, covenants and ARC guidelines. Ruth asked, even if it's a replacement it needs to have an application? Skip said yes. She said she did not understand that. Mentioned a neighbor's fence that doesn't have caps as well so why she is being targeted. Said she doesn't want a neighbor to get in trouble so won't identify them. Said she didn't understand any of this so will complete an application and send it in.

Call to Order:

6:41 pm

Designate Quorum:

7 directors present, 2 absent, quorum designated

Approval of November 15, 2022, Agenda:

- Jeremy asks if there are any changes to the agenda. No modifications were brought up.
- Makiza motions to approve Agenda.
 - Skip seconded
 - Unanimously Carried

Secretary's Report

- Approval of October 18, 2022, meeting minutes as presented. Makiza motions to approve minutes.
 - Paul seconded
 - Unanimously Carried

Treasurer's Report (Amy):

- **Review October Financials** – Amy asked if tax return filed? Maggie said yes.
- Finance Committee met with Kami and Maggie at the Karen House. Questions on 2021 Eitel expenses and Reserve fund. Maggie said the 2021 budget was when Gassen was the management company so may never be resolved fully. Amy said she is still waiting for some details from Kami. **ACTION ITEM:** Maggie said she will follow up with Kami. On any loose ends.

Management's Report – First Service Residential (Maggie in Kami's absence)

- **Newsletter** – Finalized and to printer
- **Budget** in progress.
- **Fall Cleanup** – There were more than double the number of bags picked up from last year so may need to increase budget for this event. Suggestion to rent a big dumpster for a week and put it in the Karen House parking lot for people to bring their yard waste to, rather than us or a vendor try to pick up. It seems like we are always having to go back because someone was missed, and some people are scrambling to have it done in time. This way they can get it done within a time frame and bring it here when it works for them.
- **Connect portal** for work orders is up and running thanks to Jeremy's efforts.
- **Mail stations** - USPS needs to approve placement of mail stations.
- Next meeting is December 20th.

Board Action item:

- **2023 Budget** – Motion to approve operating budget and assessment increase. Jeremy opened for questions. None. Jeremy called for motion to approve 2022 operating budget.
 - Skip moves to approve.
 - Amy seconded.
 - Unanimously carries.
- **Investment Portfolio Options** – (Maggie) Reviewing assets and bank accounts by First Service. There are 3 recommended options for us. Information included in board packet. Maggie put on screen for all to see, the options and details. (Please see screen shot below.) Maggie made recommendations from her perspective. Discussion about types of investments and pros and cons. Do we need to have cash available, or can it be tied up in investment? Maggie said Kami wanted some money for 4 tot lots and emerald ash borer. Said she didn't have exact numbers. In March 2001, \$70,000 was approved for tot lots. Maggie said with inflation we could figure that would mean \$40,000 per tot lot or \$160,000 potentially. Upon discussion options #1 and #2 were favored by most, keeping money more liquid for use if necessary. Option #3 was not as popular as it would lock up money. One suggestion was to use Option #1, with additional monies such as from the sale of Eitel go into longer term CD. John felt we have a lot more in operating funds rather than reserve funds and this was problematic. Felt we should maximize interest rates to make money. He doesn't feel we are getting good advice from First Service. John was not happy with options and wants more interest rate and income leveraging focus and

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not so much in money markets. We are always planning for a future disaster that never comes he said. Makiza pointed out that we are only able to raise dues by 5% and inflation is at 7-8%. Jeremy said we have \$500,000 in reserve for EAB treatment. EAB and Eitel is almost \$750,000 at this point in the reserve. Jeremy said we have over a million dollars that needs to be accessible for operating costs and incidentals. John would like us to invest \$200,000-\$300,000 in treasury bills at 4%. Jeremy asked Amy her thoughts. Amy supported that. Better look at reserve project and capital funds. **ACTION ITEM:** Have Kami and Maggie relook at financials with better forecast for next year and come back with numbers that are more realistic so we have a better idea on how much can be invested by next meeting.

- John motioned that we put \$400,000 into a 12-month treasury bill from reserve. There were no seconds.
- Jeremy asked for discussion. Skip said \$200,000 is more in line with what was suggested. Motion by Skip for 12-month, \$200,000 treasury bill at 4.5%.
 - Skip motions to approve 12-month, \$200,000 treasury bill.
 - Seconded by Makiza
 - 6 yeas, 1 nay; Motion carried.
- **Eitel House offer** – Jeremy made a motion to approve offer. John asked if we could negotiate the offer. The asking price was \$89,000. Offer of \$70,000 was made. He feels this is a low-ball offer. He said we are not realizing income and just focusing on expenditures in our financial management. He wants full asking price. Makiza asked, what do we gain by waiting for a higher offer? Interest rates may go up. The market is cooling. Makiza asked what the legal fees were? Jeremy said \$30,000. This included legal review and land planning. So Makiza asked, are we gaining or losing money? Are we paying to remove windmill? No, the new buyers will take on that cost. We are just paying for property lines. Makiza recommended accepting the offer because the property needs work, it's a cash offer, it takes it off our plate along with further costs/expenses. Paul agreed. Amy asked what's the intention of use [of property] after they restored it? Do we care? There are requirements by the city they must comply with and will have to work with the HPC. Jeremy asked if anyone wants to motion to accept the offer. Paul motions to accept offer as is.
 - Makiza seconds
 - 5 yeas, 2 nays; Motion carries. Offer approved.

Member Board Inform Items: None

Amy chairing after Jeremy leaves at 7:26

Committee Updates:

- ARC Committee: (Skip) One monument left to do at Autumn Woods. Costs will be split between us and Lennar. He gave all information to Kami on Monday to submit to city for permit. Skip said revisions to ARC guidelines are being done. Jeremy took it upon himself to revise ARC Guidelines and is totally revamping them. Waiting to see what those look like. After ARC Committee and legal review, it will come to the board for review and approval.
- Eitel House: None
- Building & Grounds: None
- Reserve Study: None

John wanted to thank Skip for coming to the board and being part of committees. Skip not sure if he will run after completing Kay's term.

Makiza will become part of the Finance Committee.

Items for Next Meeting:

- December Meeting:

Adjourn

- Meeting Adjourned at 7:31 pm
 - Skip motions
 - No objection