



**Wynstone Townhome Association
Annual Meeting Minutes
October 12, 2004**

The fifth annual meeting of the Wynstone Townhomes Association convened at 7:00 p.m. on Tuesday, October 12, 2004, in Heritage Room 4 at the City of Eden Prairie offices located at 8080 Mitchell Road. The meeting was called to order by Wayne Husby, board president. Other board members present at the meeting were Rick Rikhus, vice president; Larry Greely, treasurer; Mel Hunker, board member at large; and Cathie Hegg, secretary.

Wayne welcomed Merrill (Wally) and Margaret Naas who had become Wynstone homeowners since the last annual meeting.

The roll call was conducted by Rick Rikhus and showed the following members present:

Rick & Sandy Rikhus	Ruth Cina	Helen Carlson
Jim Heller	Barbara Gillman	Safeer & Saira Mirza
Jim Nelson & Betsy Whitbeck	Mary Anderson	Ruth & Gene Kamin
Dick & Jackie Schuminski	Brian Nielsen	Herb & Marilyn Legler
Wally & Margaret Naas	Cathie Hegg	Mel & Shirley Hunker
Tom & Linda Carlson	Melva Mayclin	Wayne & Gloria Husby
Michael Kaluza	Jim & Joan Carroll	Larry & Pat Greely

The following members had signed proxy forms: Roxanne Garoutte, Joe & Kay Rogness, and K.M. Duevel (homeowner of home occupied by Fred & Ronnie Yearneau).

Proof of notice of the meeting was acknowledged, and minutes from the previous annual meeting held on October 14, 2003 were approved by the membership.

PRESIDENT'S REPORT

Wayne Husby summarized the year. He noted that in the first meeting of 2004, the Board set two goals for the year.

1. Strive to add something positive to the community
2. Strive to be proactive.

Wayne said that he believes that the first positive addition – the flower garden area – is noticeable when you enter Wynstone. He thanked the committee members, Betsy Whitbeck, Marilyn Legler, and Melva Mayclin for their efforts noting that he has received many positive comments about the flower garden area from both residents and visitors. He noted two other improvements – while not as dramatic – are the deck painting/sealing and the resurfacing of our driveways and parking areas. A key part of these improvements is that they all have been within the budget set for this year. Wayne said that he also thinks that the lawn care has improved – both in timing and quality.

Two areas which are both positive and proactive are the changes which the board approved in our annual insurance renewal date and movement of some long term CDs. The Board worked with State Farm to move the annual insurance renewal date from February to November so that we can have an exact number for budgeting purposes by the annual meeting, and eliminate the surprises which we had to work with the past few years. We received a better rate of return on some long term CDs by moving from TCF to Highland Bank.

One area that is still a work-in-progress which should have a very positive impact is the rules and regulations project. This document will contain the guidelines for our common areas and help us to maintain the overall environment of Wynstone. A committee comprised of Helen Carlson, Joan Carroll, and Marilyn Legler submitted a draft proposal to the board. The board reviewed the proposal, made a few changes, and the document will be finalized and presented to the association within the next few months.

TREASURER'S REPORT

Larry Greely presented the treasurer's report to the Association, providing current/exact figures through August 2004 and projections through the end of October 2004. He stated that the report he is presenting is an 'interim' report since our financials are reported on a calendar year, not a fiscal year basis. He noted that association members will therefore receive a full annual report in February, 2005.

2005 Budget Planning/Proposed Budget Breakdown

Larry explained the changes he made to the reserve projections. He noted that the CD interest rates were lower than projected. Also, the original RDA study was based on a 4.3% increase each year, and the annual funding amount for 2005 will be 100% of the RDA study. Therefore, the increase in reserves per unit per month for 2005 will be budgeted at \$63.33.

Painting of the deck railing and front door frames planned out of the reserves for 2004 was completed. The patio decks have been added to the Association's responsibility and will therefore come out of the reserves.

Linda Carlson asked if the Reserve Study showed that we've adequately funded for reserves. Larry replied that the studies are fairly complex and some of the line items differ from those he uses. He said that the study uses 2.5% inflation rate per year. Tax rates and investment rates are the same. He said that financially we're sound with a 15 to 20 year window, but noted that if the question is "are we under-funded," his response would be "yes." The underfunding is partly due to the fact that not all homes were occupied when the homeowners started contributing to the reserves.

Larry said that one major line item that has not been funded is the siding. The siding has a limited lifetime warranty; however due to concerns re. the warranty, Larry has added the siding back into the long term reserves. Larry said that he will be redoing the data and the numbers prior to the final report to be presented in February.

Larry provided a summary of the budgeted figures for trash, snow removal and de-icing, lawn services, sprinkler service, and other ground services including trees & shrubs, and the pond &

gazebo area. The total annual budget for 2005 is \$19,520 or \$67.90 per unit. This is a 3.1% increase over the budgeted amount for 2004.

Larry said that last year we had \$5,000 in the reserves to cover contingencies for insurance coverage claims. The actual annual insurance premium for 2005 is not available at this time, but will probably be \$10,200 or \$10,300. (\$10,600 is noted as the budgeted amount on this financial statement.)

Larry has separated the reserves into two categories: maintenance and long-term replacement. This was done both for operations and for tax purposes. He is projecting that the association will have \$2,191 in operating maintenance reserves and more than \$50,000 in long-term replacement reserves.

Larry noted that the only area in which we went over budget for 2004 so far was for legal costs and collection fees. In these areas, we spent more than we had planned.

\$16,000 was spent on seal-coating the road and driveways.

COMMITTEE REPORTS

Mel Hunker reported that he really relied on the committees this past year. He noted that Stan Gillman, Gene Killman, and Herb Legler comprised the Grounds & Maintenance Committee and were involved in seal coating the drive ways and replacing the tree in Betsy Whitbeck/Jim Nelson's yard. The same group of people work with the snow removal and lawn maintenance. Mel commented that he is confident that the contractors we are currently using for snow removal and lawn care/maintenance are doing a good job. Although we had some problems with snow removal, those issues appear to have been resolved.

The Grounds and Maintenance Committee members are Stan Gillman, Gene Kamin, and Herb Legler. That committee was responsible for contracting for seal coating the driveways and parking areas, replacing a tree at Location Unit 13616, monitoring the lawn sprinkling system and following up to see that all contract terms are fulfilled.

The Architectural and Building Maintenance Committee members are Joe Rogness, Helen Carlson, Jim Heller, and Jim Carroll. That committee was responsible for the deck painting and seal coating the deck floors. They were able to save the association \$8,000 on that project by going with the contractors selected over a previous bid.

The Property Enhancement and Social Committee members were Betsy Whitbeck, Melva Mayclin, Gloria Husby, Shirley Hunker, and Marilyn Legler. The Property Enhancement Committee was instrumental in planting and maintaining the flowers in the flower garden as well as the Gazebo area. They have made great improvements to our common areas. Additional plans are being reviewed for improving the pond area. The Social Committee was responsible for the community holiday decorations (made by Gloria Husby), and decorating the Gazebo and coordinating the neighborhood National Night Out gathering ice cream social. The National Night Out was again a great success.

Linda Carlson inquired how committee members are recruited/selected. Mel replied that committee members are solicited in the newsletter and by the president directly. He said that we will try to do a better job of communicating committee opportunities and availability to the homeowners to get additional volunteers.

Helen Carlson made a motion, and Melva Mayclin seconded a motion to approve the committee reports.

ELECTION OF INSPECTORS OF ELECTION

Michael Kaluza and Jim Nelson were elected to serve as election judges.

APPROVAL OF 2005 BUDGET

Larry Greely presented the 2005 budget for homeowner approval. To offset the increasingly high insurance quotes, Larry reported that the deductibles have been changed at the homeowner level. He stated that if insurance costs become cost prohibitive, we may want to consider transferring the entire insurance burden to the individual homeowners requiring individual homeowner policies.

When questioned about the need to have the Wynstone financials audited, Larry stated that we are not required to have an audit conducted. An external audit would cost thousands of dollars and would probably result in an increase in association fees by \$15/month/unit.

To respond to additional questions regarding the reserves, Larry summarized that he feels that the reserves are adequate; and if an unexpected expense comes up, we have the option of borrowing from the long-term reserves to cover replacement/repair costs that come up earlier than budgeted.

Shirley Hunker made a motion, which was seconded by Sandy Rikhus, to approve the 2005 budget. The motion passed.

ELECTION OF NEW BOARD MEMBERS

Two people are leaving the board: Mel Hunker and Wayne Husby.

Shirley Hunker nominated, and Sandy Rikhus seconded the nomination of Brian Nielsen.

It was discussed that the board can be comprised of 3 or 5 members. Herb Legler made a motion, seconded by Sandy Rikhus, to close the nominations at this point.

Following some discussion, Betsy Whitbeck made a motion to re-open nominations, and she nominated Herb Legler, seconded by Shirley Hunker.

Betsy Whitbeck made a motion, seconded by Shirley Hunker, to close the nominations.

Both Brian Nielsen and Herb Legler were elected to the 2005 Board of Directors. Actual Board positions will be determined by the new Board in a Board Meeting to be held within two weeks.

UNFINISHED BUSINESS

Mailboxes

Mel Hunker and Sandy Rikhus have investigated 'locked' mailboxes which can be assessed from the front/street. The exposure and risks of ID theft were discussed. Mel reported that we need 100% approval of the homeowners to switch to a 'locked' mailbox. We would not have needed 100%

approval if 'locked' mailboxes had been installed initially. Mel described the type of 'locked' mail boxes that he and Sandy are recommending. It also has one locked/secure box for outgoing mail. New mailboxes are a 2005 budget item. A vote was put to the membership to replace the current mailboxes with the locked/secure mailbox system recommended by Mel and Sandy. The motion passed with 100% of homeowners – 24 present and 3 voting by proxy – approving the replacement for 2005. Mel and Sandy will continue to work on this issue.

Lanterns

Replacement of the garage lanterns was re-addressed. Replacement is scheduled/budgeted for 2007. It is estimated that based on volume discounts, the cost to replace the current lanterns with another option that is more attractive and doesn't rust would be approximately \$40 to \$45 each – or \$80 to \$90 per unit – not including installation costs. Samples were reviewed at last year's annual meeting. It was mentioned that to replace the back lights would cost an additional \$30 each, at most. Jim Nelson made a motion, seconded by Melva Mayclin, that a committee be appointed to review options – including materials, color, and design – and make a recommendation to the board. Herb Legler, Brian Nielsen, and Jim Heller agreed to serve on the committee.

The homeowners unanimously voted to replace the lanterns in 2005 rather than wait for 2007 – the year in which the replacement had been budgeted. The Board will try and obtain a volume discount. It was voted to borrow the money for the lanterns from the long-term reserves.

OTHER

Homeowner Repairs

Mary Anderson's home still has a leak in the NW corner of the lower level that has not been repaired. The Board will review documentation from the contractor, insurance, etc.

Meeting Minutes

Cathie Hegg stated that meeting minutes are not automatically mailed or emailed to all homeowners, as not all homeowners are interested in receiving them. Therefore, homeowners should contact Cathie if they would like to receive the board meeting minutes via either email or mail.

Ground Maintenance

Stan Gillman would like to work with the contracted yard maintenance/landscapers between May and October.

The meeting was adjourned at 9:00 p.m.