



**Wynstone Townhome Association
Annual Meeting Minutes
October 9, 2007**

The eighth annual meeting of the Wynstone Townhomes Association convened at 7:00 p.m. on Tuesday, October 9, 2007, in Heritage Room 2 at the City of Eden Prairie offices located at 8080 Mitchell Road. The meeting was called to order by Herb Legler, Board Vice President. Other Board members present at the meeting were Larry Greely, Treasurer; Mel Hunker, Board Member At Large; and Helen Carlson, Secretary. Board President Brian Nielsen was absent due to business travel.

The sign-in roll call was conducted by Helen Carlson and showed the following members present:

Rick & Sandy Rikhus	Mary Anderson	Mel & Shirley Hunker
Ruth Cina	Gene & Ruth Kamin	Linda Carlson
Helen Carlson	Jacquelynn Schuminski	Kay Rogness
Jim Heller	Herb & Marilyn Legler	Melva Mayclin
Stan & Barbara Gillman	Wally Naas	Michael Kaluza
Safeer Mirza	Roxanne Garoutte	Joan Carroll
Jim Nelson & Betsy Whitbeck	Cathie Hegg	Ronnie Yearneau
		Larry & Pat Greely

The following members had authorized proxy forms: Brian Nielsen, K. M. Dueval, and Cathie Hegg who had to leave the meeting early.

Proof of notice of the meeting was acknowledged, and minutes from the previous annual meeting held on October 11, 2006 were approved by the membership after a motion was made by Betsey Whitbeck and seconded by Gene Kamin.

BOARD MEMBER AT LARGE REPORT – Mel Hunker

Mel reported that a maple tree had been replaced between the properties at 13232 and 13744. A new sidewalk replacing a deteriorated one was completed at 13648. Mel also replaced 5 sprinkler heads at a savings of \$375 for the association. He also worked to regulate the automatic sprinkling system to match the watering ban restrictions of Eden Prairie. He mentioned that we have an automatic shut-off in place for when it rains. The sprinkler system was shut-off three weeks ago.

Mel has been talking to the snow removal company that cleans our road and driveways, and when there is a heavy snowfall, they will do a cleaning of the cul-de-sac first, and then will come back to do the driveways and sidewalks. They will also come back when they receive a call from Mel to clear the entrance to Fenwick Circle after the city plows Baker Road.

During discussion, Betsy Whitbeck expressed concern about the health of our trees and wondered if a visit by someone from the Arboretum could give us a review about the condition of our trees. Mel will check with the city to see if they have a service of this nature. Linda Carlson had questions about the center drainage area or pond as it is often called. Mel will look into this but mentioned there is an underground creek that does run through the Wynstone area, and we might be asking for trouble if we bring this up with the city.

SECRETARY'S REPORT – Helen Carlson

Helen stated she had no items to report on at this time. All board and annual meeting minutes are posted on the www.wynstone1.com web site.

TREASURER'S REPORT – Larry Greely

Larry reported that he had done extensive research into our homeowners' insurance policy and discovered that other associations were getting better rates than our State Farm policy offered. In fact, State Farm was proposing an increase of \$4 per unit for the coming year. After checking with a broker and comparing policies, Larry was able to get a comparable policy with Philadelphia Indemnity at a reduced rate. He stressed that each owner should be sure to have HO6 personal coverage that????????? After discussion concerning this decision, Betsy Whitbeck called for a vote for changing insurance companies. By a show of hands, the motion passed 21 yes votes, 1 no. Michael Kaluz thanked Larry for all the work and effort he has put into researching the best insurance for the Wynstone Association.

It has come to the attention of the Board that State Law requires that audits of townhome associations must be performed, or voted by 30% of the residents to rescind (not have) an audit on an annual basis. A first year audit would cost somewhere between \$1500 and \$2500, only to be known once an auditor has been contacted and a proposal sent to the board. If the association would choose to have an audit, it would mean an increase in next year's dues. A motion was made by Jim Heller and seconded by Michael Kaluza, to rescind the audit this year. By a show of hands the motion passed by 21 yes votes, 1 abstention.

Larry Greely presented the Annual Meeting Financial Report for 2007. This had previously been mailed to the homeowners and was a part of the Annual Meeting package. Included in the financial report were the following unaudited financial reports prepared using fund accounting:

- Statement of Financial Condition as of September 30, 2007
- Operations Actual vs Budget – January through September 2007
- Operations Budget Overview– January through December 2007
- Statement of Operations – By Fund – January through September 2007
- 2008 Budget Planning Breakdown with and without insurance carrier changes
- Operating Cash Flow 2007
- Reserve Funding Summary 2007

Larry noted that our budget is rather tight meaning, money in balances money out. We are assessing correctly and not spending what we aren't assessing. He explained that the water bill is paid once a year and will come due December 30. We have no collection problems. There are no receivables. The automatic deposit is working well with almost all homeowners using this process for paying the association dues.

Larry summarized the 2007 financials noting that the reports presented are for this meeting and are not the annual report totals. However, he also reported that last year there were no significant changes from the report presented at the annual meeting and the numbers on 12/31/06.

Key points of Larry's presentation include the following:

State of Assets, Liabilities & Fund Balances – Tax Basis

- ◆ As of 9/30, we have \$103,355.46 total cash assets.
- ◆ As of 9/30, we have \$86,809.12 in CD's at Highland Bank.
- ◆ Larry is able to negotiate better rates from this financial institution due to his relationship with this bank. These are fixed guaranteed rates with no risk.
- ◆ As of 9/30 we have \$16,726.36 in our money market accounts.
- ◆ We have no unpaid bills/we are running on schedule.

Operations Actual vs Budget

- ◆ Trash removal expenses exceeded budget by \$561.74 due to some recycling charges that hadn't been given to us at budget time.
- ◆ We spent \$4868.44 on roof repairs from the long-term reserve funds.
- ◆ We run three funds for the Wynstone Association: a standard operating fund, an operating reserve fund, a long term reserve fund

During discussion, Jim Nelson pointed out a discrepancy with the numbers projected for next year's trash removal given a 7% increase. This increase is a proposal by the trash removal company that we will have to wait to see if it indeed does take place. Our problem is that companies do everything on a calendar year, and we do not operate on a calendar year. If there were an increase our projected numbers would be off. We built in another \$1200 in the general operating fund so if we do have an overage or expense that wasn't budgeted for, we would have some coverage.

It was also asked if we could use the smaller containers to reduce trash removal costs. Mel pointed out that the smaller containers are no longer an option in this area.

A question about the roof repairs came-up in discussion; what was done and why. Some of the homes needed new flashing and shingle repair due to water leakage. All homes received new vents. President Brian Nielsen, who was unable to be at the Annual Meeting, handled most of the details so further discussion was limited. The money to pay for these repairs was taken out of the long-term reserve fund because such repairs would extend the life of our roofs. The only reason to change which fund these repairs come out of would be if at the end of the year, we had a tax problem. We may have reached a point where we have some tax concerns because our reserve fund has reached a six-figure number. Reserve funds are taxable income, which can be offset with expenses.

The question was asked if we are funding at the correct amount. Larry's answer was that yes, we are funding the current year budget at the correct amount, but we are under funded cumulatively because siding was not initially included in the long-term reserve account. These figures came about because of the initial study that was done. A study of this nature should be revisited every 5 to 6 years. However, it is an expensive project where the engineers would need to come out and review everything again. Larry pointed out that the software available for this project is not very user friendly at this time. It is not done very often because of the expense.

Sandy Rickus moved that we accept the treasurer's report. It was seconded by Marilyn Legler and by a voice vote approved. A motion to approve the budget was made by Rick Rickus and seconded by Stan Gillman and was approved by a voice vote.

ELECTION OF INSPECTORS OF ELECTION

Stan Gillman and Gene Kamin volunteered to serve as election judges.

ELECTION OF NEW BOARD MEMBERS

Brian Nielsen and Herb Legler have completed their 3-year Board terms. Helen Carlson has two years left on her 3-year term, and Mel Hunker and Larry Greely each have one year left on their 3-year terms.

There were two nominations for the Board positions: Jim Nelson and Joan Carroll

Since there were no additional nominations, and only two Board positions to fill, a motion was made that the Association elect Jim and Joan to fill the open Board positions. It was seconded and unanimously approved by the Association.

OTHER BUSINESS

Jim Heller brought up the discussion topic of "for sale" signs. He noted that the **Guidelines For Wynstone Residents**, section Grounds, item J states that "for sale" signs are permissible. This is an item that has had lengthy discussion in the past, and "for sale" signs were found to be not acceptable due to the written structure of our governing documents. Betsy Whitbeck made a motion to strike/remove the first 2 sentences in item J. The new wording reads:

j. One or two temporary open house signs per unit may be out for the duration of the open house when a home is for sale.

Jacquelynne Schuminski asked who did the brick work around the front entrance area of the Greely residence. Larry said it was done, after receiving board approval, to keep the mulch from spreading unto his yard. His son who is a bricklayer did the work.

Ruth Cina had a question about power washing the siding and if it was the association's responsibility. Mel stated that this, like window washing and weeding in the front and side garden areas, is the responsibility of the homeowner. Power washing should only be done by someone knowledgeable in this task, and it would be done at the homeowner's expense.

Since an anonymous letter had been sent to President Brian Nielsen, the discussion of parking was addressed. The Board felt there were no infractions and residents had been following parking guidelines as found in the document **Guidelines For Wynstone Residents.**

The meeting was adjourned at 8:40 p.m.