

DRAFT

**Block M Homeowners' Association
Minutes of Annual Meeting
June 4, 2018**

The Annual Meeting of the Block M Homeowner's Association was held, pursuant to notice, on June 4, 2018 at Element Bozeman, 25 E. Mendenhall St., Bozeman, MT 59715. Trish Preheim, President, called the meeting to order at 6:32 pm. Jessica Anderson, Secretary, confirmed the presence of a quorum with 11 of 18 lots represented. [8 lot owner(s) present, 3 lot owner(s) voting by proxy]. Materials for the Annual Meeting had been distributed to owners on May 16 prior to the meeting. Updated full-year financials for 2017-18 were distributed at the meeting.

APPROVAL OF JUNE 5, 2017 ANNUAL MEETING MINUTES

On motion of Peter Lee to approve the 2017 Special Meeting Minutes, seconded by Tim Preheim, the Minutes of the June 5, 2017 Special Meeting were approved by the homeowners as submitted.

DISCUSSION OF UTILITY BOX DAMAGE

There was a discussion regarding the broken utility boxes located in the central alleyway. The board explained the likely cause of the damage-snowplows-and what steps the board and an owner took to identify solutions. The board's plan for 2018-19 is to (1) advise Solstice of the recommended way to pile snow, and (2) demarcate the boxes and other features that are susceptible to snow plow damage with tall flags.

Several owners proposed other ideas, such as installing a bollard in front of the boxes or putting a retaining wall/alcove in the area to the west of the mailboxes for snow piles. The president asked if any of the owners wanted to volunteer to devise a solution to propose to the HOA at a later date. No one volunteered. The board will continue with its current plan to address the issue and will revise the plan as necessary.

DISCUSSION OF LANDSCAPING, INCLUDING LANDSCAPE COMMITTEE FINDINGS AND RECOMMENDATIONS

The board notified owners that it would continue utilizing Solstice for landscaping and snow removal services in 2018-19. The Landscape Committee then presented its recommendations for three problematic landscape features: (1) The south-side Aspens, (2) the south-side Russian Sage plantings, and (3) the south-side small grass "patches" that are in front of the Garden Level units. Two scenarios were presented: (1) Levy a special assessment to replace all problematic features in 2018-19, at a cost of approximately \$850 per unit, or (2) Replace the Russian Sage and the grass patches in 2018-19 and replace the Aspens at a later date, at a cost of approximately \$450 per unit. A straw poll was taken and owners preferred Scenario 2 by a vote of 7-1.

HOA RESPONSIBILITIES

_____The board recommended that the HOA hire a property manager in 2018-19. The board explained its rationale for this recommendation: (1) the project is small, but complex and requires more attention than can be expected of a volunteer board, and (2) it is not clear that there are owners who would serve on the board given the time demands.

_____The owners mentioned some risks of hiring a property manager, such as creating unclear accountabilities and lines of communication and financial malfeasance risk if property managers aren't monitored effectively. Another owner advised that it would be ideal to hire a property manager in the fall to support the learning curve of the property manager before board elections next June.

A straw poll was taken on whether the board should devise a plan for hiring a property manager ahead of a vote at a special meeting to be called later in the year. Owners approved this plan, with seven voting "Yes", zero "No" votes, and one vote to "abstain".

BOARD RECOMMENDATION TO AMEND COVENANTS TO ALLOW FOR FINES

The board discussed several instances of covenant violations over the past year and the challenges of enforcing covenants when the board lacks sufficient enforcement power. The board recommended amending the covenants to allow for the levying of fines and to steepen the fines for late assessment payments. Under the board's current proposal, owners would get warnings for the first violations and would be fined for continued violation of the covenants.

One owner recommended that the board present two proposed covenant changes: one for increasing fines for late assessment payments and a second that would create a fine protocol for all other covenant violations.

A straw poll was taken on whether to board should draft a covenant change for a vote at a later meeting. Eight owners voted "yes" and none voted "no".

POCKET PARK FURNITURE

The board introduced informed owners that the Pocket Park furniture is quickly deteriorating and that it will need to be replaced or fixed soon. The furniture has splinters and is fading rapidly despite being only 1 year old and being covered all winter. The board also notified owners of the steps it took with HomeBase and West Elm, the furniture retailer, to address the issue. West Elm offered \$850 to fix the furniture. It is not clear how this payment would work as a matter of process.

Owners were not in favor of replacing the furniture. One owner volunteered to restrain the furniture. Owners preferred to keep the furniture and to use it until it is no longer functional.

APPROVAL OF 2018-19 BUDGET PROPOSAL

The board asked owners if they were comfortable with the board's current approach with reporting budget variances: reporting such variances only when the actuals will cover only a few weeks' expenses. Owners agreed with this approach.

Owners discussed their concerns with the yearly increases in assessments. Though most owners thought the assessments were still within reason, some expressed concern that assessments would continue increasing on a yearly basis. One owner mentioned that more volunteerism among the owners on maintenance projects would help to keep assessments down.

Tim Preheim introduced a motion to increase quarterly dues to \$375 and Peter Lee seconded the motion. The motion carried with unanimous votes [11 yes votes | 7 not present at the meeting].

ANNUAL BOARD OF DIRECTORS ELECTION – ONE BOARD MEMBER FOR A THREE-YEAR TERM (OFFICERS TO BE SELECTED BY BOARD MEMBERS)

Peter Lee introduced a motion to re-elect Kristi Dunks for the board. There were no other nominations for the Board. Tim Preheim seconded the motion. Kristi was re-elected to the board by unanimous votes [10 yes votes | 8 not present at the meeting.]

ADJOURNMENT

There being no further business, Peter Lee made a motion to adjourn the meeting at 8:52pm. Theo Lipfert seconded the motion. The meeting was adjourned by Trish Preheim at 8:52pm.

SUBMITTED BY:
Jessica Anderson, Secretary

Date

APPROVED BY:
Trish Preheim, President

Date

MEETING ATTENDANCE LIST

Board Members

Trish Preheim, President

Kristi Dunks, VP

Jessica Anderson, Secretary

Others Present

Leif Sundeen

Phoebe McEldowney

Richard McEldowney

Barbee Franzen

Richard Nelson

Tim Preheim

Peter Lee

Maureen Lee

Theo Lipfert

Ryan Kirwan

Voting By Proxy

Dan and Claire Wagner

Rory Martin

Kay Jones

Did Not Vote

Charles Brooks

Cari and Jordan Siemens

Doug and Kathy Dunn

Jon and Renae Pine

Valorie and Earl Franklin

Pam Bittner

Jesse Chase