

Two Forty Place Association HOA December 2020 Yearly Financial and Monthly Board Member Meeting | MINUTES

December 12, 2020 | 2:00 pm | Two Forty Place Townhomes

Meeting called by	Talitha Falconer - President	Talitha Falconer - President
Type of meeting	Monthly Board Meeting	Alex Cecrle – Vice President
Facilitator	Talitha Falconer - President	Chet Whitnah – Secretary and Treasurer
Note taker	Talitha Falconer - President	Rachel Green – Assistant Secretary
Timekeeper	Alex Cecrle - VP	Mike Petro – Committee Chairman

Meeting was recorded via Zoom for homeowners to view anytime upon request for the link.

Attendees: All Board Members except for Mike Petro.

Special guests: Vice President of Alliance Association Bank Wendy Hazelwood, Senior Reserve Analyst at Barrera & Co. Christopher Sanders, Hutchings Alliance bookkeeper Shella Lipscomb and accountant Lori Griffin

Motion to accept November meeting minutes made by Talitha Falconer – second Chet Whitnah – all approved. Rachel abstained.

Motion to accept November financials made by Talitha Falconer – second Alex Cecrle – all approved. Rachel abstained.

Review of proposed 2021 budget by accountant Lori Griffin.

According to 2020 expenses at \$300 per month dues, \$23,000 is left for HOA projects, savings, etc. The HOA had been paying the 3% credit card fee for the entire year of 2020 which totaled over \$1,700. **Motion to pass the 3% credit card fees on to the homeowner** starting January 1, 2021 made by Talitha Falconer – second Alex Cecrle – all approved.

Review the current financial state of accounts

Review community projects needed before 2025

Two sewer line repairs are needed \$10,000 and chimney repairs \$11,515.

Review long term financial goals

This is listed on the website at the bottom of homeowner's dues tab

Guest Speakers

Chris Sanders explains the prepared reserve analysis report from SmartProperty. A fully funded (100%) HOA means the reserve account has adequate savings to fully fund repair and replacement of all community owned property. The HOA is currently only 2% funded. In order to repair buildings that are at an emergency level, the recommendation of \$850 per month per unit would allow \$500 per month per unit to go to reserves to immediately address the severe maintenance issues in the community within one year. Recommendation is to immediately have a set portion going directly into a reserve account monthly. Currently there is no set amount going to reserves monthly. With the number of projects needed in the next five years, there is no way the projects can be completed if there isn't a set amount going into reserves.

Wendy Hazelwood explains the bank's point of view on the community's financial state. The ability to refinance the current loan in the future if needed depends several factors. 1. The association has monthly dues (or special assessment) at an amount that can pay a higher loan payment. 2. Association delinquencies must be under 10%. 3. Amount of investor to homeowner occupied ratio. Investors must be at less than 50%. 4. Multiple unit owners pose a problem for the bank as when they don't pay the dues it is a problem for the association's finances and therefore the ability to pay the loan payment.

Board members discussion and questions

Alex asked Chris Sanders for an understanding of how to get to 100% fully funded. Chris explained in detail that \$850 per unit per month is for this year and it increases each year in an effort to be fully funded to \$1.5 million.

Board members vote on dues increase for 2021

Motion to increase monthly dues \$50 to be \$350 per unit per month starting January 2021 made by Talitha Falconer – second – Chet Whitnah. Alex voted yes. Rachel voted no. Rachel then asked if the vote must be unanimous in order to be increased. No, it is a majority of the board that passes any motion put forth.

Motion to adjourn @ 2:37 pm was made by Talitha Falconer - second Alex Ceerle – all approved.

On December 13th, 2020 Board Member Mike Petro viewed the Zoom meeting in its entirety. His votes are entered here for the record.

October meeting minutes and financials – approve.

Pass 3% credit card fees on to the homeowner – approve.

Increase dues by \$50 – no.