

MEETING MINUTES

**Terrace Association HOA Special Meeting
Hilton Homewood – 1550 Waterfront
Wednesday, October 21, 2020, 7:00 PM to 8:00 PM**

1. **CALL TO ORDER** – The meeting was called to order at 7:05p. R. Potter welcomed the attendees. He acknowledged the hosts - Darrel and Shana Hill and thanked them for the meeting room accommodations, the social hour and the provided refreshments. He also conveyed to the attendees that there would be items on the agenda that required a Board vote and items that required an Association vote. He stated that he would differentiate the two as the items were addressed on the agenda.
2. **QUORUM** – J. Stalker reported that all 5 members Board (D. Hill, T. Hiebsch, S. Larigan, R. Potter, J. Stalker) were in attendance. In addition to the Board members, the following Association members were also in attendance:

Carol Brown	Dennis Stalker
Jim and Barbara Crawford	Carl Thurow
Ray Koenig	Ross Viner
Mary Potter	Linda Whitfill
David Smith	

3. **CHANGES & APPROVAL OF 9/23/2020 MEETING MINUTES** - R. Potter asked if there were any changes to the 9/23/20 meeting minutes. There were none. S. Larigan moved to accept the minutes as written.

J. Stalker seconded.

The motion passed 5-0-0.

4. **ANNOUNCEMENTS** – The meeting notice and agenda for this meeting was emailed to all homeowners that have email on October 6, 2020. Those members that do not have email received the notice and agenda via hand delivery. Copies of the proposed Bylaws amendment and the voting ballot was emailed to all homeowners that have email on October 9, 2020. Those members that do not have email received the notice and agenda via hand delivery.

R. Potter asked if any changes were required to the agenda. There was none. **The agenda was approved by consent.**

R. Potter conveyed that the remainder of the agenda would follow a prepared PowerPoint presentation (See attached).

- 5. ROCKY CREEK WEB SITE** – R. Potter discussed the development and content of the Terrace web site (See attached slides 2-5). It was explained that there is presently no cost to the Association and that the site was being maintained in the same manner as the Master Association. There was a question and answer period.

S. Larigan made a motion to continue to populate the site and that if costs to the homeowners was to be incurred, that prior Board approval be obtained.

D. Hill seconded.

The motion passed 4-1-0. (Hiebsch opposed)

- 6. PROPOSED 2021 BUDGET & HOME OWNER ASSOCIATION DUES** – There was a general discussion (See attached slides #6-8) over the analysis of present and projected home owner dues and the financial wellbeing of the association. The Board, through meeting in person and via email, determined that a significant cost savings could be incurred by bringing the accounting function in house to be administered by the Terrace Board. The process of performing all accounting functions was discussed among the Board members in person and via email prior to the meeting. The floor was open to express personal views of the Association members. There were those in favor and those that opposed. Following the discussion period, J. Stalker moved for the Terrace Association Board to assume the accounting role for the Terrace Association effective Jan. 1, 2021.

S. Larigan seconded.

The motion passed 4-1-0. (Hiebsch opposed)

Following the vote there was a general discussion over the analysis of present and projected income, expenses, the cash reserve (retained earnings), and whether it was the desire of the Association to lower the reserve and/or home owner dues. The floor was open to express personal views by both Board and Association members. There were several good arguments expressed. After discussion, it was the consensus of the group to table further discussion until the fall 2021 Terrace Home Owner Meeting.

The proposed Terrace budget was presented (See attached slides #12-13). The budget was a result of researching past expenses, income and after several discussions of the Board. The final draft was emailed to all Board members on Oct. 14, 2020 for one last review. All comments received were incorporated. The floor was open to questions and comments. Following the comment period, D. Hill moved to accept the Terrace Budget as presented. A copy of the budget is attached to these minutes and will also be posted on the Terrace web site.

J. Stalker seconded.

The motion passed 4-1-0. (Hiebsch opposed)

- 7. PROPOSED CHANGES TO THE BYLAWS** – R. Potter provided an overview of the proposed changes to the Terrace Bylaws (See attached slides #14-25). These changes were presented to all

Association members that have email on Oct. 9, 2020. For those members that do not have email, they were hand delivered. R. Potter and J. Stalker visited several Association members on Oct. 20, 2020, to go over the proposed amendment and answer questions.

Following the presentation, there was a question and answer period. C. Thurow provided several editorial comments of which will be incorporated into the final document. Once all questions were answered, a ballot vote was requested. Several of the ballots were submitted to the Secretary (J. Stalker) prior to the meeting. Per the Bylaws, the amendment required an opportunity for the entire Association to vote. A 51% affirmative vote from the entire Association membership was required for the motion to be adopted.

D. Hill moved to accept Amendment 1 to the Bylaws.

S. Larigan seconded.

The votes were tallied by J. Stalker and the results were confirmed by D. Hill and R. Koenig.

The motion passed:

	58 Possible Votes
	46 Affirmative (79%)
	6 Opposed
	2 Abstentions
	4 Did Not Vote

8. **NEXT MEETING** – The next Board meeting will be determined and announced at a later date.

9. **ADJOURNMENT**– D. Hill made a motion to adjourn at 8:15pm.

S. Larigan seconded.

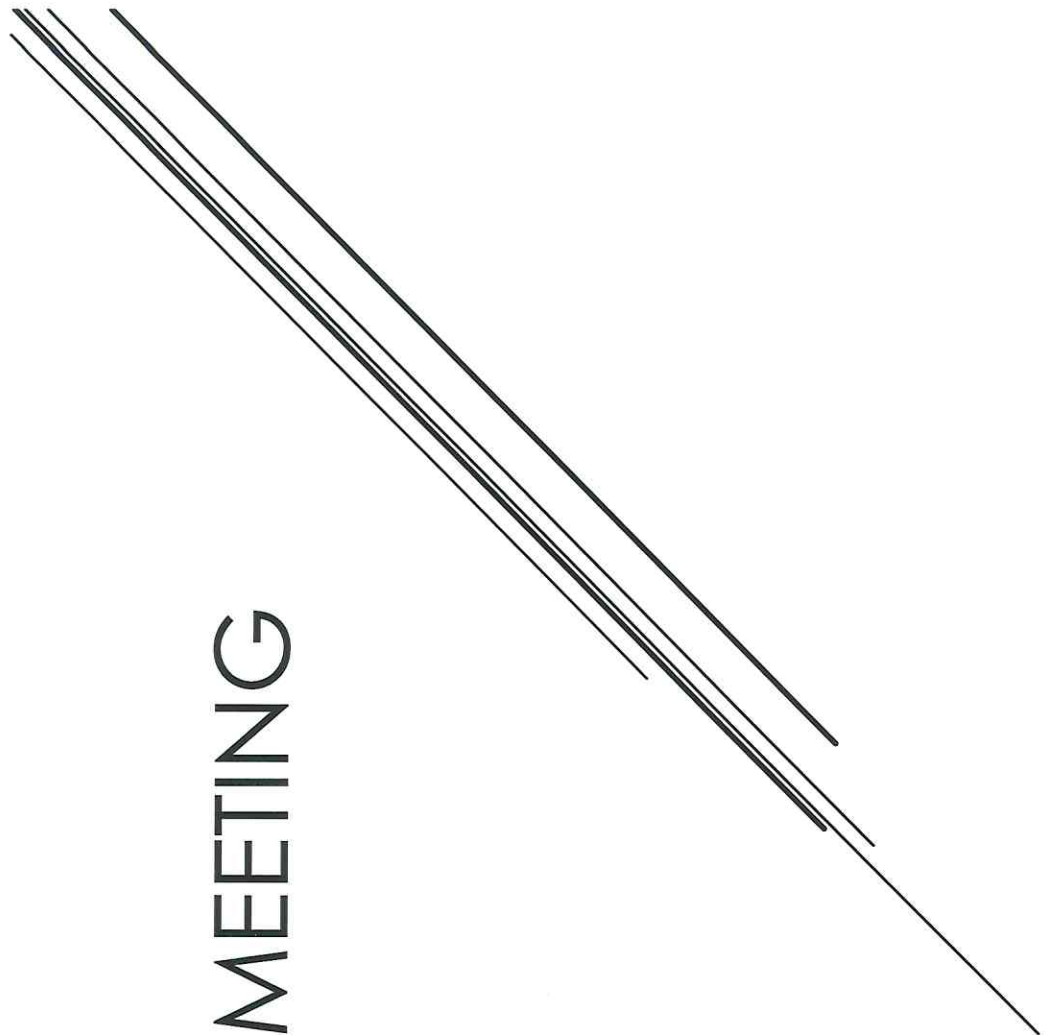
The motion passed 4-0-0. T. Hiebsch was not present.

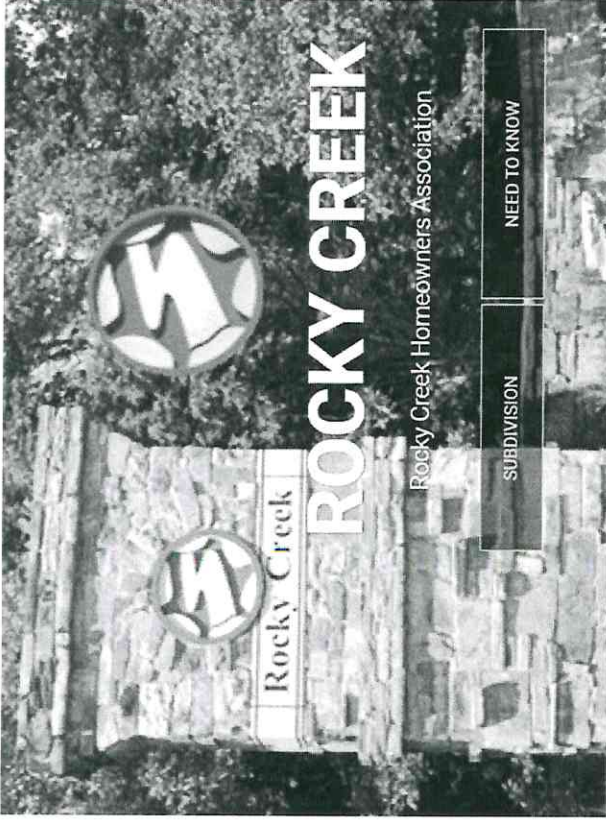
Minutes Approved By: Jane Stalker

Date: 10/23/2020

TERRACE SPECIAL MEETING

Terrace Patio Homeowners Association
Hilton Homewood Hotel
Wichita, KS
October 21, 2020





Subdivision

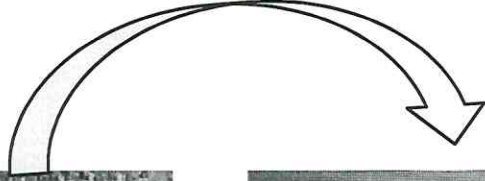


ROCKY CREEK WEB PAGE
[HTTPS://WWW.ROCKYCREEK-HOA.COM/](https://www.rockycreek-hoa.com/)

Subdivision



Click on THE TERRACE
box



Click on TERRACE ³
WEBSITE



Terrace Website



Contacts



FREQUENTLY ASKED QUESTIONS



Finance

**-Budget
-Quarterly
Financial Report**

**Terrace Home Owner Association
Board of Directors**

President	Robert Potter	(316) 393-1729	ndtkansas@yahoo.com
Vice President	Steve Larigan	(316) 734-2022	stevelarigan@icloud.com
Treasurer	Thomas Hiebisch	(316) 440-4722	thinvestment@hotmail.com
Secretary	Jane Stalker	(316) 519-6046	jdstalk@cox.net
Director At Large	Darrell Hill	(316) 204-3068	darrells3hill@gmail.com

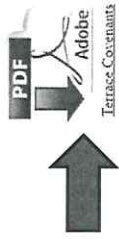
**Terrace Home Owner Association
Design Review Committee**

Darrell Hill	(316) 204-3068	darrells3hill@gmail.com
Jane Stalker	(316) 519-6046	jdstalk@cox.net
Steve Larigan	(316) 734-2022	stevelarigan@icloud.com

Documents



Documents



Terrace_Covenants



Board Policies



INFO

In Development
-Covenant Compliance Criteria
-Design Review Criteria



Meeting Minutes

Meeting Minutes



Meeting_Minutes_09_13_20



Meeting_Minutes_09_23_20



Terrace_Articles_of_Incorporation



Meeting_Minutes_09_15_20

PRESENTLY – NO COST TO THE HOMEOWNERS.

MOTION TO CONTINUE DEVELOPEMNT OF THE
TERRACE WEB SITE.

IF THERE IS ANY COST TO THE HOMEOWNERS,
PRIOR BOARD APPROVAL SHALL BE
OBTAINED.

QUARTERLY	TOTAL INCOME	TOTAL EXPENSES (1)	NET
29 HOMES X \$345	\$10,005	\$9,599	\$406

ANNUAL	TOTAL INCOME	TOTAL EXPENSES (1)	NET
29 HOMES X \$345/QUARTER X 4 =	\$40,020	\$38,394	\$1,626

(1) Snow removal is not budgeted. Removal is approximately \$1k/removal.

2021 BUDGET – BASED ON PRESENT DUES AND EXPENSES

QUARTERLY	TOTAL INCOME	TOTAL EXPENSES (1)	NET
29 HOMES X \$345	\$10,005	\$9,160	\$844
ANNUAL	TOTAL INCOME	TOTAL EXPENSES (1)	NET
29 HOMES X \$345/QUARTER X 4 =	\$40,020	\$36,643	\$3,377
HOMEOWNER BURDEN	ANNUAL HOMEOWNER EXPENSE (1)	QUARTERLY HOMEOWNER EXPENSE (1)	
\$36,643 / 29 =	\$1,263	\$316	

(1) Snow removal is not budgeted. Removal is approximately \$1k/removal.

2021 BUDGET – BASED ON PRESENT DUES AND REMOVING CRISER FROM THE EXPENSES

MOTION TO MOVE ACCOUNTING AND
FINANCIAL REPORTING FUNCTIONS TO
THE TERRACE BOARD EFFECTIVE JAN. 1,
2021.

- ▶ 1. The average cash in reserve is approximately \$10k.
 - ▶ \$10k seems like an excessive cash balance (Snow Removal Fund)
 - ▶ Snow Removals – 1 in 2019, 1 in 2015 and 2 in 2014.
 - ▶ What is an acceptable target cash balance?

- ▶ 2. With removal of Criser and leaving the dues at \$345/quarter, gives us 3 snow removals/year & doesn't change the cash reserve balance.
 - Lowering the dues to \$325/quarter gives us 1 snow removal/year & doesn't change the cash reserve balance.
 - Lowering the dues to \$315/quarter meets current expense burden but does not provide for any snow removal.

ANALYSIS

MOTION TO REDUCE HOA DUES?



Terrace Patio Homes
Balance Sheet
 As of September 30, 2020

9:30 AM
 10/06/20
 Accrual Basis

	Sep 30, 20
ASSETS	
Current Assets	
Checking/Savings	12,487.81
Rocky Creek-Terrace Homeowners	12,487.81
Total Checking/Savings	24,975.62
Accounts Receivable	
Accounts Receivable	-1,116.76
Total Accounts Receivable	-1,116.76
Total Current Assets	23,858.86
TOTAL ASSETS	11,371.05
LIABILITIES & EQUITY	
Equity	
Opening Bal Equity	2,000.00
Retained Earnings	10,538.56
Net Income	-1,167.51
Total Equity	11,371.05
TOTAL LIABILITIES & EQUITY	11,371.05

CASH BALANCE

2021 TERRACE HOA BUDGET

ANNUAL TOTAL INCOME TOTAL EXPENSES NET

29 HOMES @ \$40,020 \$36,643 \$3,377
\$345/QR

	2021 Calculation	2021 Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Income (Dues + Int)						
No. Homes	29					
Dues/Ctr	\$345					
Giftly Total	\$10,005	\$40,020	\$10,005.00	\$10,005.00	\$10,005.00	\$10,005.00
Expenses:						
Tree Top	\$27,288.01	\$27,288.01	\$6,822.00	\$6,822.00	\$6,822.00	\$6,822.00
1. Mowing						
Cost/week	\$820.88					
No. Weeks	29	\$23,805.01	\$5,850.00	\$5,850.00	\$5,850.00	\$5,850.00
2. Fert & Weed						
Cost/APP	\$ 485.00					
No. Apps	4	\$1,890.00	\$485.00	\$485.00	\$485.00	\$485.00
3. Grub						
Cost/APP	\$ 171.00					
No. Apps	4	\$684.00	\$171.00	\$171.00	\$171.00	\$171.00
4. Irrigation						
Cost/APP	\$524.00					
No. Apps	\$1.00	\$524.00	\$25.20	\$25.20	\$25.20	\$25.20
5. Snow Removal						
Cost/APP	\$1,084.00					
No. Apps	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Accounting						
Office Exp	\$0.00	\$370.00	\$370.00	\$370.00	\$370.00	\$370.00
Postage	\$40.00	\$40.00	\$10.00	\$10.00	\$10.00	\$10.00
Tax and Licenses						
Sec of State - NFP Filing	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
Waste Connections						
1. Trash	\$8,061.04	\$8,061.04	\$2,015.26	\$2,015.26	\$2,015.26	\$2,015.26
No. homes	29					
Grtry rate	\$ 48.84	\$6,793.04	\$1,448.28	\$1,448.28	\$1,448.28	\$1,448.28
2. Recycle						
No. homes	27					
Grtry rate	\$ 21.00	\$2,288.00	\$687.00	\$687.00	\$687.00	\$687.00
Insurance						
State Farm	\$644.00	\$644.00	\$0.00	\$0.00	\$0.00	\$644.00
Medic and Entertainment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Gifts						
Tree Top	\$200.00	\$200.00	\$0.00	\$0.00	\$0.00	\$200.00
Other						
Total Expended	\$36,273.05	\$36,643.05	\$9,187.28	\$9,187.28	\$9,187.28	\$9,187.28
Cash Flow	\$3,745.95	\$3,375.95	\$617.74	\$1,132.74	\$1,132.74	\$293.74

MOTION TO APPROVE THE 2021 BUDGET

BYLAWS AMENDMENT

Bylaws are the rules that govern the structure and operation of the organization. The Bylaws define the size, roles and duties of the Board and how it will function.

Bylaws are a requirement of the Articles of Incorporation

ARTICLES OF INCORPORATION

ARTICLES OF INCORPORATION are a set of formal documents filed with the State of Kansas to legally document the creation of a corporation.

The articles generally contain pertinent information such as the organizations name, address and whether it is a “not for profit” or a “for profit” organization.

COVENANTS

Covenants and restrictions form the foundation of a homeowners' association. By establishing standards for what homeowners must do, and must refrain from doing, they set the tone for the community.

The Covenants are required by the Bylaws.

WHY IS A BYLAW AMENDMENT NECESSARY?

1. Authorities have changed. The Declarant (Ritchie Associates) has assigned governance authority to the Terrace Homeowners.
2. Need to address Kansas open meeting statute.
3. Recognition of electronic meeting notification.
4. Recognition of electronic and mail in voting.
5. Recognition of electronic and teleconference meetings.
6. Define the nomination process to reflect actual practice.

HOW ARE BYLAWS AMENDED?

1. Suggested changes are drafted by the Board.
2. The changes are presented to the Homeowners for review and comment.
3. The comments are either incorporated or resolved.
4. The final version is motioned by the Board and balloted by the Homeowners.
5. The final version is voted up or down by the Homeowners.
 - Requires 51% Affirmative vote of the entire membership for amendment (13.02).

WHAT IS THE IMPACT OF A DOWN VOTE?

1. The authorities outlined in the Bylaws with respect to the Declarant are not accurate.
2. Open meeting statute is not addressed.
3. The process of conducting Association business is confined to outdated processes and does not recognize today's business practices.

CHANGES OF DECLARANT

1. Ritchie Associates & Ritchie Development Corp was the developer and builder of the Terrace Subdivision. They were the original "Declarant".
2. Once all building was complete and all lots sold, Ritchies responsibilities ended and their authorities were assigned to their successors (The Terrace Homes Owners Association).
3. The Terrace Homes Owners Association is now the Declarant. The Bylaws should state this fact.

MEETING NOTIFICATION

1. Present language requires all meeting notification by written notice via by US Mail.
2. Proposed amendment permits notification by electronic means (email), US Mail or hand delivered.
 - Amendment recognizes today's most used form of communication.
 - Email reduces postage costs.

VOTING ON ASSOCIATION BUSINESS

1. Present language requires all voting to occur in person or via a proxy.
2. Proposed amendment permits voting in person, by electronic means (email) and by US Mail.
 - Amendment encourages homeowner participation.
 - Amendment provides a means for those not able to attend meetings to express their preference or choice.

MEETINGS

1. Present Bylaws language requires all meetings to occur in person.
2. Proposed amendment permits meetings in person, via telephone or by electronic means.
 - Amendment recognizes today's method of communication using video conferencing such as Zoom, Skype, Gotomeeting....
 - Amendment permits members to conduct business from remote locations.

NOMINATION PROCESS

1. Present language states nominations to be conducted by the Board using a Nominating Committee or from Homeowners – on the floor at the annual meeting.
2. Proposed amendment permits nominations from all Homeowners via US Mail, electronic means (email) or on the floor and encourages Homeowner participation.
 - Amendment provides a means for those not able to attend meetings to express their preference or choice.

- MOTION TO ACCEPT THE AMENDMENT
- BALLOT VOTE
- RESULTS

Terrace HOA Budget
CY 2021

	2021					
	Calculation	2021 Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Income (Dues + Int)						
No. Homes	29					
Dues/Qtr	\$345					
Qtrly Total	\$10,005	\$40,020	\$10,005.00	\$10,005.00	\$10,005.00	\$10,005.00
	\$40,020.00					
Expenses:						
Tree Top	\$27,288.01	\$27,288.01	\$6,822.00	\$6,822.00	\$6,822.00	\$6,822.00
1. Mowing						
Cost /week	\$820.69					
No. Weeks	29	\$23,800.01	\$5,950.00	\$5,950.00	\$5,950.00	\$5,950.00
2. Fert & Weed						
Cost /app	\$ 495.00					
No. Apps	4	\$1,980.00	\$495.00	\$495.00	\$495.00	\$495.00
3. Grub						
Cost /app	\$ 171.00					
No. Apps	4	\$684.00	\$171.00	\$171.00	\$171.00	\$171.00
4. Irrigation						
Cost /app	\$824.00					
No. Apps	\$1.00	\$824.00	\$206.00	\$206.00	\$206.00	\$206.00
5. Snow Removal						
Cost /app	\$1,084.00					
No. Apps	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Accounting						
Office Exp	\$0.00	\$370.00	\$300.00	\$25.00	\$25.00	\$20.00
Postage	\$40.00	\$40.00	\$10.00	\$10.00	\$10.00	\$10.00
Tax and Licenses						
Sec of State - NFP Filing	\$40.00	\$40.00	\$40.00	\$0.00	\$0.00	\$0.00
Sedg Reg of Deeds Cov. Recording		\$208.00	\$208.00			
Waste Connections	\$8,061.04	\$8,061.04	\$2,015.26	\$2,015.26	\$2,015.26	\$2,015.26
1. Trash						
No. homes	29					
Qtrly rate	\$ 49.94	\$5,793.04	\$1,448.26	\$1,448.26	\$1,448.26	\$1,448.26
2. Recycle						
No. homes	27					
Qtrly rate	\$ 21.00	\$2,268.00	\$567.00	\$567.00	\$567.00	\$567.00
Insurance						
State Farm	\$644.00	\$644.00	\$0.00	\$0.00	\$0.00	\$644.00
Meals and Entertainment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Gifts						
Tree Top	\$200.00	\$200.00	\$0.00	\$0.00	\$0.00	\$200.00
Other						
Total Expenses	\$36,273.05	\$36,643.05	\$9,187.26	\$8,872.26	\$8,872.26	\$9,711.26
Cash Flow	\$3,746.95	\$3,376.95	\$817.74	\$1,132.74	\$1,132.74	\$293.74