

HOA Meeting December 3, 2005

Meeting called pursuant to notice given to association members by posting permanent notice on the bulletin board at each set of mailboxes.

A quorum of the Board was present including the following members:

Babe O'Sullivan

Heidi Jones

Lauranell Scarfo

Debbie Dearden

Also present: 7 association members were in attendance.

Meeting called to order at 9:05am

I. Governance

a. Board Member Concerns

In a continuation from the last meeting, Heidi's proposed resignation was discussed. Heidi has informed the Board that she does not intend to resign after all. Babe made a statement about her concerns with Heidi's performance as a board member and asked that she cease with her adversarial activities. The other board and association members also raised concerns and complaints. Several issues under dispute were discussed but no resolution was reached.

b. Formation of committees – at the next meeting, Babe will propose a resolution to adopt the following committees: rules and regulations, communications, architectural review and maintenance and grounds that will include a scope of work for each and the process for bringing items forward for Board approval. A call for volunteers will be sent out on email, posted on the mailbox boards, and included in the next newsletter. Some association members have already signed up. It would be great to have the help, have people feel more a part of the

community by having input in the activities and decision-making for the property.

- c. Membership with Regenesys – this is a non-profit organization that helps associations through its website, seminars and training opportunities,. The website provides basic forms and templates for policies and regulations and other information for HOA boards and their committees. We can buy a membership to have access to templates etc. The cost is \$99 per year. Babe moved that we approve the cost and have Barbara look into getting the Gold membership. Passed 4-0

CAI – Community Association Institute has similar services. Barbara will look into this as well.

II. Property Management

A. Trevor has left Excelsior for a position in another field. John Eidukas is handling management issues while they find someone else.

B. Maintenance contract and bids – Debbie has three bids. We will look into more companies and whether or not it is cost effective to hire our own maintenance people. The property management proposals we received are now a few months old, and we will look into this more after January 1. Maynard with HOA Maintenance has come up with another proposal for us to sign a contract with a 30-day termination clause and porter service at a reduced hourly rate. HOA Maintenance is currently providing service to us but need a signed contract for liability reasons. Under the proposed contract, Virgil will continue to be our porter at \$25/hour. This is \$4 less than our current rate. We average 72 hours per month.

C. Debbie reviewed the bids for maintenance only companies.

1) Hunt Building Maintenance. Porter \$20/hour for how many hours we need. They have 24-hour service available.

2) Celtic Maintenance is \$14.25 hour for 20 hours /week Celtic.

3) American Building Maintenance \$19 hour for 20 hours.

We will interview these companies and will do comparisons to what our costs and needs are currently. Heidi will look into this. Heidi proposes that we go ahead and sign contract with Maynard for the time being. We will look at all of this by Mid January. Debbie seconded, passed.

D. Noise: There continue to be complaints about noise between units. We will draft a letter to all homeowners about the problem with thin walls, and give suggestions about how to cut noise down. We will send it out in the next newsletter.

III. Review of financials

A. October financials: We are over budget \$92,000 due to repairs and maintenance mostly due to water intrusion and plumbing issues. We will be \$112,000 short by the end of the year.

B. Power washing was \$17,000 over budget. We will check as to why this is.

C. Financials are available for review, and are brought to every meeting.

D. Delinquency rates: We have a 10% delinquency rate before the special assessments are due. For delinquency of dues that are overdue 30 days and beyond - there are 15 people (10%) that are in legal process. This costs the HOA \$145 per hour in collection fees. We are trying to work out payment plans. There are three Foreclosures, one is \$4500 the other is \$4800. There are 2 judgments one for \$300; the

second is for \$3200.

Recent assessment returns: 83 have submitted their forms. 9 paid in full; option 4 and option 3 are being picked more often. People have appreciated the ability to use a credit card that can be done over the phone or at Excelsior.

E. US bank loan – originally the loan request was for \$250,000. We were told that \$100,000 was the best we could hope for. It took 5 months to get that amount. Heidi thinks that we should try for another loan. US Bank isn't certain if we will qualify for another loan. US Bank will not consider an application for another loan until a reserve study is done. We didn't have to have one the first time because the amount was only \$100,000. We would rather try to get a loan in a year. We are asking for a reserve study not only for a loan, but also for informing the litigation as to what the reserve should have been at the time the developer handed over the property to us. After the study the bank will monitor to be sure that we have the money required in reserve each month. That would be at a higher level than we are currently able to afford to fund the reserve. Delinquencies rates and under funded reserves are a problem for getting loans. The bank will not lend to homeowners through an HOA line of credit. The HOA is indebted for these loans– no matter if the individual homeowner pays back their loan. If a homeowner defaults the HOA is responsible. At the current rate of delinquencies and litigation for collection this will end up costing the HOA more in the long run. The membership will be responsible for those who fail to pay their loan. This is not fair to the members who do pay their fees and assessments.

Debby proposed that we investigate bids for a reserve study. Heidi seconded. Vote passed 4-0

IV. Maintenance –

A. Status of repair projects

- 1) Phase one of the work to prevent water intrusion is currently in progress. We are doing the most critical repairs now. Phase 2 will be scoped out before Christmas with work beginning after the New Year.
- 2) We installed Z metal flashing to some units with leaking sliders and windows. We have 5 units done as test to see if this will work before we continue to install this in the other units.
- 2) Unit #73 and 74 sprung a leak in the waste water line –Advanced Plumbing has contained the leak for the present. They will tear into the walls next week to see what the scope of the problem is. We believe it to be as serious as previous leaks of this nature.
- 3) We have a bid for gutter cleaning including the installation of metal screens. Carports are being worked on and the gutters cleaned. We have a discounted bid because they want us to use them again if we are happy with the work.
- 4) Tree trimming will be started shortly. We have an excellent bid – there are two dead trees that have to be removed. We haven't identified all the trees that need trimming or are dead and need to be removed.

VI Communications:

- A. Website – Peter has graciously put the website up for us and is serving as our Webmaster.
- B. Mailboxes – Barbara and Babe have been looking into replacing the mailboxes. Mailboxes are miss placed in terms of where people live and park their cars.
- C. For Sale Signs/Fliers - signs permitted ONLY in windows of units and outside the unit; none at the entrance. We will look into doing some kind of billboard when we re-design our mail system.

Babe moved to adjourn at 11:36am