

THE HIGHLANDS CONDO ASSOCIATION
Minutes from November 2, 2016 Annual Meeting

Directors Present: Janet Mantz (#20), Stephanie Perez (#14), Linda Queen (#46)

Directors Present By Proxy: Nick Lawhead (#40), Scott Lewis (#15)

WEB Staff Present: Eric Lundin, Bill Butler

Owners Present: Renee and Courtney Bloom (#27), Marci Combs (#44), Sandi Gaffney (#34), Leslie Graham (#10), Kim Kramarz, (#4 and #22), Cheryl Long (#26), Terrie Lukes (#11), Brian Northey (#9), Kay Silvrants (#25)

Owners Present by Proxy: Dee Archuleta (#7), Mabel Morrison proxy for Dick and Loretta Atwood (#42 and #43), Marge Barry (#18), Susan Ferguson (#24), Lindsey Harris (#41), Adam Little (#37), Andrew Lochhead (#6), Michele Naccarato and Barbara Palacios (#16), Jess Perry (#21), Jerry and Rita Scharff (#36), Mark and Mary Warfield (#5), Jeremy and Jill Weaver (#33 and #45)

Introductions: The Highlands Condominium Association Board Annual Meeting was called to order at 6:08 pm at Round Table Pizza in the Five Mile Shopping Center. Introductions between WEB, directors and owners were made.

Establish Quorum: A quorum of owners was present in person or by proxy (50% or more of total owners). Linda Queen called for all outstanding proxies and ballots to be turned in to Bill Butler.

Election of Directors: As there was a quorum of owners, the ballots were collected and the election was closed.

Financial Update:

Eric Lundin reported on the Financials as of October 31, 2016. Income was budgeted at \$89,250.00 year-to-date and actual income was \$100,916.67 for a positive variance of \$11,666.67 due to the collection of past due balances. Expenses were budgeted at \$80,815.33 and the actual expenses were \$90,117, which was a variance of \$9,302.49 due to capital sidewalk repairs. Account balances were \$3,952.67 (Operating), \$49,036.66 (Reserve) and \$4,759.43 (Savings) for a total of \$57,748.76.

Operating Budget Variance Explanations: Eric Lundin noted that maintenance expenses are projected to be above budget for the year due to roof repairs, the clubhouse lock replacement and the concrete cutting. Payroll is projected to be above budget due to the sidewalk wooden joint replacement project that was completed in October. Marketing expenses are projected to be over budget because of the new

signage and the recently completed reserve study. Administrative budget is over budget due to legal fees and expenses incurred to collect on delinquencies. Total insurance is over budget because our premium increased unexpectedly due to our former carrier who dropped condo coverage from their offerings in Washington State.

Non-Operating Budget: Eric Lundin reported that we transferred \$1,650 from the savings account early in 2016 to cover snow plow expenses early in the year. This was done before we collected on delinquencies which gave us some breathing room in the budget. Our bottom line net income is projected to be \$4,014.00 above budget at \$2,341.00. This is dependent upon possible reserve transfers for improvements and snowfall expenses.

Old Business:

- A. **Pool Repairs and Updates:** This spring we completed the last of the pool repairs at a cost of \$2,241.80 as follows:
 - i. Repaired a leak in the filtration system underneath the pool deck.
 - ii. Painted contrasting lines on the step in the deep end and in the transition from the shallow end to the deep end.
 - iii. Installed equalizer line fittings.
 - iv. Replaced the lock to the emergency phone
 - v. Certified a resident to test and maintain chemicals.
- B. **Concrete Lifting and Repairs:** As of last Thursday, the last of the repairs have been done on the concrete for the year. WE utilized three different methods to repair the sidewalks:
 - i. Grinding was done on five additional trip hazards that were not done last year.
 - ii. A local vendor lifted concrete slabs that were either too large or too little for grinding.
 - iii. A portion of the sidewalk in front of building #1 was replaced last week.
- C. **Delinquency Update:** Last year at the annual meeting, we reported there were over \$24,000 in delinquencies, primarily from three units. As of October 31, delinquencies are at \$12,605.58. One unit still owes \$10,033.20 of this and is paying monthly according to their payment plan.

New Business:

- A. **Reserve Study Summary:** In 2016, the Board commissioned a level two reserve study to follow up on the 2012 reserve study. Once the Board has had a chance to review, we will post on the website. Any reserve dues changes will be discussed next year.
- B. **Director Terms and Elections:** Three director positions were open for a two-year term each. The positions are currently filled by Nick Lawhead, Scott Lewis and Stephanie Perez who have all offered to run for another two-year term. In addition, Brian Northey has also volunteered to run for one of the two-year terms. The four director candidates received the following votes: Nick Lawhead

(16 votes), Scott Lewis (23 votes), Stephanie Perez (23 votes) and Brian Northey (24 votes). New directors effective 01/01/2017 who will serve a two-year term are Scott Lewis, Brian Northey and Stephanie Perez. They join Janet Mantz and Linda Queen. Janet and Linda's terms expire on 01/01/2018.

- C. **Audit Delay (Vote to Waive or Not for 2017):** The ballots returned so far show 25 votes to waive a financial audit for 2017 and six votes to do an audit. WEB goes through a state audit every two to three years and a CPA does the association's tax return. WEB has never had a finding and they take pride that all accounts balance to the penny. We will close the voting after 67% of the owners cast their vote for either waiving or not waiving the audit or by April 15, 2017.

Open Forum:

- An owner asked if there was a way to reduce utility expenses (water) used in the landscaping. Mr. Butler responded that we spent about \$16,000 in water and \$25,000 in sewer for the year. There is nothing that we can do about the sewer charges as the city charges per unit / per resident for multi-family housing. The association spent approximately \$2,900 in common area electricity. We have gone to energy saving lights. An owner reported that the common area lights on her building are on all the time when she last checked. We will have the maintenance person check this out.
- Owners requested that minutes be posted to the Highlands Facebook page. Linda Queen will do that when minutes are approved.
- An owner asked about fencing. Parts of the existing fence are lying next to the fence and the gate at the southwest end of the complex (close to Unit 10) is in disrepair. We will have maintenance pick up the fence pieces and close off the south gate. Additionally, the board will consider not having a gate in that area when we replace the fence.
- An owner said the signs seemed to indicate which parking spaces belong to which units. She requested we not ID parking spaces which can indicate whether a resident is at home or not. It may be as simple as moving the signage. Mr. Lundin will check into it.
- An owner said shrubbery has been removed that was close to Units 4 and 5 and wanted to know if they will be replaced. Mr. Lundin reported they will be replaced in the spring.
- An owner asked if we would proactively be adding no vaping and tobacco chewing to our no smoking policy. This can be taken into consideration by the board at their next meeting.
- An owner asked if we contacted our new insurer about our no smoking policy as it might result in a premium reduction. Mr. Lundin will check into it.
- An owner reported that the railing by Building 2 is the wrong color of green. Mr. Lundin will ask our maintenance person to address this.

- An owner reported that the exterior door of the storage units is being left unlocked. We can address this by changing the exterior lock to an “always lock” type of lock.
- An owner asked that we improve our landscaping and requested that we work on small areas at a time. Mr. Butler said we have 1974 landscaping and that we should probably do a redesign and incorporate some areas that don’t need so much water / maintenance. Ms. Combs volunteered to serve on such a committee.
- An owner reported she witnessed a drone being flown on the hillside below buildings 1-4.
- An owner asked the difference between a Level 1 and a Level 2 Reserve Study and the cost differences. Mr. Butler said that a Level 1 was foundational and a Level 2 was an updated study. The recent study was probably not any less expensive as the old study as prices need to be researched for both studies.
- An owner reported that a piece of concrete by Unit 10 was missing from the steps. Mr. Lundin will have that taken care of immediately.
- Mr. Butler reported that we received free use of the meeting room at Round Table and was glad to see that people had ordered dinners and were patronizing the restaurant in exchange for our free use of the room. We will add that dinner may be ordered to next year’s information about the annual meeting.

Adjourn:

With no further business, the meeting was adjourned at 7:14 pm.