

THE HIGHLANDS CONDO ASSOCIATION

Minutes from December 10, 2015 Annual Meeting

Owners Present in Person or by Proxy: Dick & Loretta Atwood (42 and 43), Margaret Barry (18), Courtney & Renee Bloom (27), Marci Combs (43), Susan Ferguson (24), Angela Feser (13), Kristina George (39), Leslie Graham (10), Lindsey Harris (41), Annette Knoll (30), Kim Kramerz (4 and 22), Nick Lawhead (40), Scott Lewis (15), Adam Little (37), Drew Lochhead (6), Cheryl Long (26), Terrie Lukes (11), Janet Mantz (20), Brian Northey (9), Stephanie Perez (14), Jess Perry (21), Linda Queen (46), Terry Schafer (32), Jerry & Rita Scharff (36), Kay Silvrants (25), Selome Teshome (3), Mark and Mary Warfield (5), Jeremy & Jill Weaver (33 and 45)

WEB Properties Personnel present: Bill Butler and Eric Lundin

With a quorum present by person and by proxy, the annual meeting of the Highlands Homeowners Association was called to order at 6:08 pm.

Eric Lundin gave the financial report as of November 30, 2015 with actual income of \$96,046.03 compared to budgeted income of \$100,565.00 with a shortfall of \$4,518.97. Actual expenses were \$97,838.87 compared to budgeted expenses of \$95,293.00 with a variance of \$2,335.04. Account balances were stated as \$563.10 in the operating account, \$37,502.98 in the reserve account and \$6,402.26 in the savings account for a total of \$44,468.34.

Old Business:

- A. Non Smoking Policy: At last year's annual meeting, owners voted to ban smoking going forward. Current owners are grandfathered in. Owners who lease their units have current tenants grandfathered in; however at the expiration of the lease, whether or not it is the same tenant, the non-smoking policy will apply. Owners must incorporate the non-smoking policy into all future leases. One of the new owners said having a non-smoking policy was a factor in their decision to buy. A copy of the policy was mailed to each owner as of 8/28/2015. Bill Butler will ask the attorney for clarification on the language (is the entire property – including outdoors, decks and balconies – non-smoking?). Enforcement of the policy will be complaint driven. The first violation will result in a courtesy notice, the second violation will result in an infraction. Number 34 has sold and that unit was the instigation for creating this policy. We were asked to talk to our insurance agent about a possible reduction in our premium because of the policy. Bill Butler said WEB would follow up.
- B. Sidewalk Repairs: Many of the trip hazards were removed with the grinding of the sidewalks where needed. We still need to do some sidewalk lifting to remove remaining trip hazards. The expansion joints need to be completed. We are looking at polymer vs. wood. The board will review bids. This expense will come from the reserve account.
- C. Owner / Renter Dog Clean-Up. The grass in one of the upper areas was killed from overuse by complex dogs. WEB would like to move the spot around so all the grass isn't killed which creates an eyesore at our main entrance. Some owners expressed concern about the smell if the spot changes to be closer to the units.

New Business:

- A. 2016 Budget: A 2016 budget was presented with estimated numbers using actual numbers through November 2015. This budget is a deficit budget. Budget comparisons will be posted on WEB's website under the Highlands account. Fence: We have budgeted for a fence out of non-operating accounts (reserve). Owners wondered if the Church would help with the expense or if we needed a fence. The difference between the 2015 and 2016 is \$4,367 more for 2016.
 - a. Audit: We did not budget for an audit, but ballots asked owners to vote on whether or not they want an audit and if they want to incur the expense of one. WEB said they have passed all previous audits without findings. This is completely up to the owners and there are enough votes from the returned ballots to pass this and the 2016 budget. We need 31 votes and currently have 24. We will continue collecting outstanding votes.
 - b. Delinquencies: We have \$24,000 in delinquencies primarily from three units: 1, 16 and 35. At approximately \$1000 in delinquent dues, we send a letter to request a payment plan and then file a lien against the property. Our attorney said we can file a suit against the owners in municipal court and get a money judgment. Then we are able to garnish wages and attach IRAs, etc. Bill will find out if utilities / water can be turned off.
- B. Pool Repairs and Maintenance Updates: We discussed the unpredictability of budgeting for snow removal. WEB had Paul Brown had put out buckets of ice melt. We had two leaks in the pool this summer – one at the light and the other at the intake valve. There was a leak in the chlorine system. The filter system needs to be repaired and we are working with Pool World to repair it in the January / February timeframe when they are not as busy.
- C. Rules and Regulations Updates: The new rules and regulations document will be posted on the website. This document is designed to interpret and enforce the CC&Rs. We need to add barbeques and smoking language to this document. We need to check with insurance to see what is forbidden. Parking and expired vehicle tabs are addressed in the document.
- D. Director Terms and Elections: Two directors have terms expiring at the end of the year; Terrie Lukes and Linda Queen. Terrie has declined to run again. Janet Mantz has agreed to serve if elected. The returned ballots supported the election of Linda and Janet for a two-year term, ending December 31, 2017.

Open Forum / Guests Comments:

- A. One of the owners expressed concern about the tall tree in front of Unit 21 in light of the number of downed trees during last month's windstorm. Should we consider removing it? Bill Butler said we could ask Tall Tree in the spring if it should be removed.
- B. Minutes will be posted on the WEB website. Board meetings will be quarterly in the future. The next board meeting is January 14, 2016 at 9:30 am in Unit 46.
- C. The light on the Highland sign is not working.

Adjourn: With no further business, the meeting was adjourned at 8:07 pm.