

# THE HIGHLANDS CONDO ASSOCIATION

## Minutes from November 30, 2017 Meeting

**Directors Present:** Scott Lewis (#15), Janet Mantz (#20), Brian Northey (#9), Stephanie Perez (#14), Linda Queen (#46)

**Directors Absent:** None

**WEB Staff Present:** Eric Lundin

**Other Owners Present:** Leslie Graham (#10), Annette Knoll (#30), Cheryl Long (#26)

**Others Present:** Everett Smith from Country Financial

With a quorum of the board present, the meeting of the Highlands Condominium Association was called to order at 9 am in Unit 46. Introductions were made.

**Insurance:** Mr. Everett Smith was here to present an insurance quote to the board. He believes that he can save us money. His company likes to insure condos. His quote is for building insurance only (does not include directors and officers coverage). It also doesn't include coverage for earthquakes. The board would like to see a quote for that coverage. Mr. Smith believes we are not carrying adequate coverage for the value of the condos. Mr. Lundin will reach out to our current carrier and ask them to rebid. It was suggested they do a presentation to the board as well.

**Minutes:** The minutes of the meeting of July 13, 2017 were circulated previously by email but a quorum of the board did not respond. In discussion, Mr. Lundin stated that a copy of the Siler vote was counted for the assessment / dues increase. Ms. Queen reviewed the records and their vote was also recorded in the July 13<sup>th</sup> minutes. The minutes reflect that 31 votes were received which is 67.39% of the units. ***ACTION: Ms. Perez moved and Ms. Mantz seconded the motion to approve the July 13, 2017 minutes. The motion carried unanimously.***

**Financials:** The current financial statements were reviewed as of October 31, 2017.

- a. Income year-to-date was \$97,958.43 with budgeted income of \$94,810.00 for a variance of \$3,148.43.
- b. Expenses year-to-date were \$101,390.69 with budgeted expenses of \$93,895.00 for a variance of \$7,495.69.
- c. Account balances as of October 31, 2017 are:
  - i. \$ 3,027.00 in the Operating Account
  - ii. \$52,810.59 in the Reserve Account
  - iii. \$ 1,020.04 in the Savings Account
  - iv. \$54,301.15 for the total of all accounts.

### **Old Business:**

- a. **Safety railings in stairwells.** WEB's service manager, Rob Perkins, calculated that adding a second handrail to the staircases would reduce the width of the stairs from

37-38 inches to 32-33 inches. We cannot add a second handrail because we would not be compliant with national fire protection agency standards. In addition, most refrigerators, couches and other large pieces would be difficult or impossible to move up / down the stairs. WEB will have Mr. Perkins ask the Fire Department what we could do to improve the safety of the railings.

- b. **Reserve Account Transfers.** At the July 13<sup>th</sup> Board meeting, we reported that \$1,500 needed to be transferred from the reserves to cover expenses. Since that time, we had to pull an additional \$3,000 in August and \$2,750 in September to cover expenses. In January of 2017, the board was presented a schedule of \$10,742.96 that was spent on reserve items in 2015 and 2016 from the operating account. At that time, the board elected not to transfer the money. ***ACTION: Ms. Queen moved and Ms. Perez seconded a motion to transfer \$1,549.98 to the reserve account on the first working day of January if the association has the funds available in the operating account. The motion carried unanimously.***
- c. **Landscape Committee Work:** So far this year, the arborvitae in front of units 40-45 has been removed. A bid by C&C landscapes has been received and was given to the board for review. The total cost for all work is \$4,135.00. We could split the work into two parts if need be. Ms. Queen asked if the plants were drought tolerant as the sprinkler system may not be able to handle watering otherwise. Mr. Lundin will verify with C&C. Mr. Northey asked about the plans for the front of the club house, which everyone visits. We have 90 days to consider C&Cs bid.
- d. **Rental Review by Attorney:** There is concern about too many of our units being rentals and if the board needs to put a cap on the number of units allowed to be rented. Finance companies will not make loans if the percentage of rental units is too high. We could do a straw poll and see if we have enough votes to make this happen. Current owners who rent would be grandfathered.
- e. **2017 Special Assessment:** The assessment has been successful in creating a positive cash flow for the Association. As of November 22, 2017, the cash balance in the Operating Account was \$2,946.54.

## **New Business**

- a. **Architecture Review Committee (ARC):** There was misunderstanding this summer between the board and a unit owner regarding notice required by a condo owner before beginning repairs. The CC&Rs call for an official ARC committee to be three to five members. There was positive feedback for Mr. Northey and Mr. Scofield fulfilling this role; however Mr. Scofield has sold his unit. The board will act as the ARC until such a committee is formed.
- b. **Homeowner Payment Discrepancies:** Two homeowners have contact WEB with a belief that there is a discrepancy in WEB's ledgers and the amount they actually owe. Ms. Long presented solid evidence including cancelled checks that she has consistently paid a month ahead of time. ***ACTION: Ms. Queen moved and Ms. Perez seconded a motion to credit Ms. Long's account and reflect that her dues are current. The motion carried unanimously.*** Ms. Long stated she owes \$43.17 for December. Ms. Scott did not attend however the board has been copied on emails from Ms. Scott to Mr. Lundin. Ms. Scott's payments were not consistent and the board did not have a preponderance of evidence to forgive her outstanding balance. Mr. Northey suggested we split the difference and credit her account by

\$102 if she will pay the other \$102 and bring her account current. **Action: Ms. Queen so moved and Ms. Perez seconded the motion which carried unanimously.**

- c. **Quarterly Statement Mailings:** In light of the previous payment discrepancies, management believes it is a good idea to send at least quarterly statements to all condo owners. This can be done for about \$100 per quarter, and will alleviate these issues going forward. By June, we will be going to an online only payment system that will be done by ACH transactions.
- d. **Additional Board Meetings:** Ms. Queen requested more frequent board meetings. It is difficult to accomplish tasks via email. She suggested six meetings per year with two evening meetings to accommodate owners who wish to attend who can't attend during the day. Ms. Queen will draft a meeting schedule for the board to approve at their January meeting.
- e. **Schedule Annual Meeting:** Mr. Lundin will schedule our annual meeting in February. Two director positions are open; Ms. Queen and Ms. Mantz. Ms. Mantz stated she does not want to serve another term and will resign her position January 1<sup>st</sup>. Ms. Queen is willing to serve if re-elected. The other three directors terms expire in 2019.
- f. **Personal Items in Common Areas:** During a CC&R inspection, management noticed a nice planter and chair in front of a unit and a subsequent report of a small dog statue with a welcome sign. While these items are relatively small, and well-kept, they are nonetheless not allowed under the CC&Rs and rules and regulations. These items were removed by the unit owners. While the board and management recognize that these are decorative, and generally unobtrusive, there is no language to allow an exception. The board had a discussion about changing the rule, but decided that it was best kept as is.
- g. **2018 Budget:** The board reviewed the proposed budget for 2018. We are required by law to send the budget to unit owners within 30 days of adoption. **ACTION: Ms. Queen moved and Ms. Mantz seconded a motion to adopt the budget as presented by WEB. The motion carried unanimously.**
- h. **Mansard Shingles:** We need to paint the mansard shingles on the townhouses and carports. We are having trouble getting bids because roofers think it is a painters job and painters think it is a roofers job. Eric will follow up and see if it is a job that can be done by Paul.

#### OPEN FORUM

- **Water Heaters:** An owner asked if water heaters were the responsibility of the unit owner. They are.
- **Recycling:** Ms. Queen and Ms. Perez have been taking out the three recycling bins each week. Ms. Perez asked if the Mr. Northey and Mr. Lewis could help and we came up with a rotation where Mr. Northey will take December, Mr. Lewis will take January, Ms. Queen will take February and Ms. Perez will take March.

#### ADJOURN

- With no further business, the meeting was adjourned at 11:15 am.