

Highlands Homeowner's Meeting July 18, 2012

Board members present: Joe McCulley, Terrie Chrones. Jennifer Durand

Property Managers Mark and Greg

HOA owners present in addition to above: units #: 312,420,316,153,302,208,425,429

Meeting start: 6:30

Proposal to approve minutes, seconded, and passed. June minutes will go out with July minutes as June met a later week and missed mailing.

Financial report: Joe

Our special assessment balance is \$163,000. Joe spoke to J.D. Bennett, attorney specializing in condo law: can HOA transfer funds from special assessment to capital improvement, to avoid a special assessment. We would need a 51% vote to move these funds. Extensive discussion on floor; HOA is looking into creating a more liquid situation to continue to work on capital improvements. More on this later in the minutes. Wages are lower, we are still completing projects. The storm damage cost was high, and Mark reported that the insurance check will be incoming to restore some of the costs. We are continuing to move \$6000 monthly into capital improvements.

Property Manager's report: Greg / Mark

Tie into above financial: The estimate for prep, repair, carpets, breezeways and paint of each building in our complex is at \$25,000 per building. There are some variables as any difficulties, such as, more prep may show up, but this is the amount we are working with. Tied to the financial comments from floor in open discussion within the manager's report:

1. If we can move money to create momentum and free liquidity, we can really start, fund, and complete projects. Currently two buildings are being projected to finish this year, with four more buildings each year. We need \$100,000 per year to complete these projects which include repairs and results of deferred maintenance.
2. Our challenge is, we still have foundation, pavement, and some roof issues.
3. Woodcutter foundation remediation will be approximately \$50,000. Woodcutter had a 'fix' in 2008, but not done with best remediation. We are following Palmer's suggestions, and repair now is to anchor foundation, improve drainage, and use professional contractors experienced in this type of repair to do it right and offer assurance the two units are brought to stable condition. HOA will hold \$50,000 in particular for this repair.
Floor discussion: deck of unit is o.k. for normal day use, PM wanted to present to owners once an engineer plan was in place. Owner will tell renter to use caution with deck and also that repairs are scheduled.

Greg: **The community needs revolving and continual maintenance including asking all owners to call, note flyers, in breezeways to watch their units. Letting HOA know when a problem may be small saves funds later.** If requests were lost, ignored, or deferred in the past, the current mode is to address maintenance now. Our plan is to bring the complex up to where it should be and then continue with on-going maintenance, not so many repairs once our work from Palmer's report is done.

Directive: The board requested the cost and when the deck repair will be started. It was acknowledged that deck repair was integrally tied to foundation remediation. Greg will request engineer to design a remediation, get a permit, and then put out for a hard bid. It was noted this will take a while as permits are a slow process.

Greg: Dan is no longer working at Highlands, due to health. Travis is now stepped up to work on decks, power wash and deal with carpets. Kevin, new employee, will finish bush and brush trimming.

Weber, chimney cleaners, will be here. Door hangers will be put at each unit, informing when chimneys are to be inspected. Owners will have two chances to make their unit available in posted dates; after that they must bear costs, with owners calling Weber. Regardless of inspection last year, this is a new contract and all chimneys will be inspected.

Two different painting companies are being tested, on two different buildings. One: Fitzpatrick is a larger company, with their own in-house carpenter for repair before painting. The second: Don Ball painting, a smaller company with more tailor-made to our unique setting and details. Northwest Siding will work with this company for any pre-paint repair. One building is on Treehill, the other on Trailside. Property managers will track what is done, and compare the jobs prior to hiring for the rest of the complex. Greg asked Palmer to come back at hourly rate to also review work as a double check.

141-142 Breezeway is being finished. This request went back to 2008, but had never been followed through. It is now being fixed and sound, again moving forward to not let requests become ignored or lost. Mark and Greg will make a commitment to respond quickly so this level of deferred maintenance doesn't happen again.

Floor discussion: A reminder of ways to request for work and repair. **Greg will put up flyers which remind occupants how and where, to request. For the record, in the breezeway, will be a simple statement on follow through and how to request.**

Greg and Terrie will work on a hiring profile for someone with the right skill set for repairperson. Terrie will help review final group of applicants and work with Greg to create a hiring template.

Catwalk: 420-414. The rugs will be taken off, power washed, and check the decks and determine what we will need, time, to money for decks. Discussion if we even need carpet. Included in discussion was costs and need to replace rails or catwalks. This is a situation we continue to address.

Discussion: Owners cleaning own decks and taking care of their area, access to tools. Discussion: safety of using condo tools.

Mark: the Planning committee met last week and defined the scope of the project of Woodcutter, as mentioned above.

Call to Public:

208 Maintenance Request. Trees dropping limbs, several fallen, post storm. Owner had an independent arborist over. The rail needs work where the limbs hit. Just want it done. Comment please for faster response. Greg to accompany occupant after meeting see, and plan response.

Discussion floor: Is the Breezeway the best way to communicate? Post in other places? Door tags, flyers, possible bulletin board in rec center. This includes building reps, a request we have had in the past, with few responses. **We need more board members, perhaps one of the next positions is someone who can deal with communication.**

New Business:

Jennifer: Has explored with U.S. Bank opening a line of credit. This would enable HOA to have a liquidity to continue on projects; as we also pay into the account with our monthly deposit. We are also looking also into raising dues, a 10% increase would add 100,000 a year in addition to the above.

We are reluctant to raise dues over 15%. We need \$100,000 a year. Discussion: many HOA groups tie to COLA, or 3.5-4% a year. In reality given when the last dues increase were, we are behind, an 8% would be the norm. We need to have our funds in play, and what is needed. Condo fees should match what is staged. Suggestion from floor to do a reserve study; Mark said he would take this on and have in August. (Post meeting, Jennifer accessed the prior reserve study under earlier board and shared with board, property managers, and building committee.) We will look at the whole package, including Bottom Line and determine best course. Show of hands indicated most in the audience supported the discussion for a 10% increase.

Our FHA approval is done and will hold for two years. It will renew in 2014. Thanks to Jennifer for saving the community filing fees by following this through.

Floor discussion: agenda item about limiting pets to owners only. This was disagreed with in principle, and will not happen.

Given the length of the meeting, remaining few items were tabled until next month.

Note again: we have put up flyers, we need a full and complete board. Please consider joining, if you have questions what may be involved, ask any board member.

Meeting adjourned 8:35

Terrie Chrones Secretary.