

**Highlands Condominium Association**  
**Minutes for bi-monthly meeting on December 18, 2013**

Board members present: Phil Abbott (president), Pat Lynd (secretary), Frank Bocci. Excused: Mike Ireland, Tiffany Mellow

Guests: Mark Campbell (property manager), Kenneth Clark (Maintenance).

Units present: 123, 153, 218, 220, 224, 310, 316, 417, 420, 421, 427 139, 212, 224, 420, 421, 427

Call to order: 6:30 PM - roll call – unit owners sign in.

Minutes from October 11 meeting were approved by the board.

**Announcements:**

- Frank Bocci was appointed by the board to complete Jonny Comes' term. Jonny and Claire moved to Boise for a job opportunity available to Claire.

- Patrick Lynd has volunteered to be acting Secretary through next February.

- Want to serve on the board? Submit your name and apt. number to Mark Campbell. We have two positions coming up this February.

- Snow and freezing Pipes - A crazy week! Snow removal got off to a slow start but Kenneth was able to use the bobcat to clear away snow after a little learning curve and help from Mark and Frank Bocci

We had about 11-12 pipes burst around the property on Thursday. Kenneth managed to isolate the leaks using shut offs where they were available. Where there were no shut offs, temporary repairs were made. Mark arranged for plumbers to make permanent repairs on Friday. The plumbers worked from 8:00 AM to 3:00PM to make all the repairs. Most affected were hose bibs on the north side of buildings and laundry rooms. One laundry had six broken pipes. We will be adding some new shutoffs and insulation to hopefully avoid problems in the next freeze.

- Fire at Trailside Loop- we had a fire in 219 which resulted in \$20,000+ damage to the unit's interior and about \$7,000 in damage to the exterior. We have filed a claim with the renter's insurance company and it was approved for \$7,070. The cause? Using a vacuum cleaner to clean a recently used fireplace. Every Owner should have homeowner's insurance and every owner who rents their unit should require their renter to have Renter's Insurance. In this case both did.

**Financial Report:**

Phil Abbott reviewed the September, October and November Financials in Tiffany Mellow's absence. September was a "break even" Month for net operating income. October

Showed a net gain of \$7,428 and November showed a gain of \$9,885. That's the good news. The bad news is we are rapidly consuming the remainder of the former special assessment reserve for foundations and asphalt repairs. Measures underway to raise funds for the repair of Woodcutter and the two Stonewood buildings remain;

Maintenance Fee Increase  
Cancelling out Bulk Comcast Agreement  
A possible Bank Loan  
A new Special Assessment

**Committee Reports:**

**Foundation Repair Update:**

Engineer, SSW, has completed the initial phase of their investigation and has a solid opinion on what has happened at Woodcutter. Based on this work, the Board agreed to proceed with similar analysis for 409-416 Stonewood and 417-424 Stonewood. The survey on 417-424 was conducted on 11/25/13 and 409-416 is scheduled for this week. Construction drawings for Woodcutter should be coming from SSW Engineering within a month. The initial drawings were available for viewing by the membership.

**By-Laws Committee:**

New Target date for update of By-laws is February 2015.

**Old Business:**

**Asphalt Repairs** - The Asphalt Repairs were completed in two days without any significant inconvenience to residents. Western Asphalt did a great job. Total cost was \$9,575 paid out of capital improvements.

**Comcast** (Patrick Lynd) - We have made a concerted effort to have a dialog with Comcast Executives. We have had some response but no decision. In view of the fact that we recently received a rate increase letter for our bulk account, a motion was made to unilaterally canceling our bulk payment agreement effective February 1<sup>st</sup>. 2014. The motion was seconded and passed by the three Board Members present. The Board will inform the membership of coming changes.

**Insurance** - Our Insurance premium has been reduced from \$20,929 annually To \$18,124 by dropping our replacement cost coverage from \$16,786,500 to \$13,500,000. This equates to \$105,000 per unit. Frank pointed out this means that we would have coverage of up to \$16,786,500 for whatever casualty occurs. We are not limited to \$105,000 per unit.

**Liens** – We are expecting a payoff on one of our liens in excess of \$7,000. Others are pending. Four more demand letters have or will go out shortly.

**Legal** - Todd Johnston of Hershner Hunter has provided his opinion letter on whether to pursue legal action on the 2004-2006 work done on Woodcutter. The short answer is no. There is no guarantee that we could prevail in such a suit

over construction that occurred nearly 10 years ago and our energy and resources would be better spent on fixing the buildings.

A valuable by-product of hiring Todd to help us in this decision was the realization that we needed to seek additional engineering advice. As a result of consultations and peer review work by two engineering firms, we discovered that retaining walls and a complete replacement of the Woodcutter Foundation will not be necessary. Thanks to Todd's involvement, we should realize a significant savings in the ultimate cost of fixing Woodcutter and the Stonewood buildings.

We have exceeded the original authorization for legal costs for Todd's help in this matter and we are currently in a settlement negotiation with JBE Engineering. A motion was made to approve an additional \$2,500 authorization to complete the settlement negotiation. The motion was seconded and passed by the three Board Members present.

**Line of Credit** – Our application for a line of credit of \$150,000 is still pending with US Bank. The idea of the line of credit is to manage cash flow as we work through our foundation repair projects. Frank Bocci voiced concerns of having a line of credit without restrictions on its use, particularly by future Boards who may not appreciate the original intention of having it. It was suggested that a permanent loan may be more appropriate since the loan could be for a specific construction contract. The loan has not been approved and the Board will explore other finance options before a decision is made.

**Rockridge Storm Water Easement** - The storm drain extension was completed in October. The Rockridge lot owners have completed all of their obligations under the easement agreement and after receipt of supporting documentation, we paid our agreed to 50% contribution. The amount was \$7,406.25 which was slightly under the \$8,000 maximum we previously agreed to.

**Unauthorized Structure** - An agreement was reached with the owner of 153 Treehill Loop per the terms set forth by the board in October.

**Leaking Water Heater** - The Water Heater at 126 Treehill Loop was replaced by the owner and the high pressure drain was plumbed to the exterior of the building (now required by code).

New Business:

**RP Tax on HOA's Garage** - The HOA purchased a garage several years ago (about 5 years). We never received a tax statement until recently. It was being sent to a PO Box and somebody else was apparently paying the bill. Our Tax bill for the 2012-13 and 2013-14 tax years, including penalty and interest was \$174.76. It has been paid and we can expect to pay \$80+ annually in coming years. We could avoid paying any RP Tax in the future by amending the

Declaration to include the garage as a Common Element per the Assessor's Office. Difficult and expensive to do.

2014 Budget & Special Assessment – The Proposed 2014 Budget previously distributed to the Board was provided to owner's present. It Assumes:

- A 15% increase in Maintenance fees for apartments and garages
- The Comcast Bulk Account will be canceled or suspended for two years.
- Interest expense for the proposed line of credit is included.
- There will be a Special Assessment of (probable number) \$4,000 per owner.

Regarding the Special assessment, there will be an option to pay up front or with terms at 8%/Annum for 48 mos. Balances may be paid off at any time and would be 100% due upon sale of a unit.

After considerable discussion, a motion was made to approve the 15% increase in maintenance fees. The motion was seconded and passed by the three members of the board present.

The details of the 2014 Budget and the Proposed Special Assessment are tabled pending further review by the Board. Next Meeting: Annual Meeting, February 12, 2014

Property Manager's Report – None given.

Building Representatives' Reports – None given.

An appeal was made to those present who had not yet turned in proxies for the annual meeting to do so as soon as possible. Proxy forms were provided and several members turned in Proxies.

Meeting adjourned: 8:32 PM

Next scheduled meeting is the Annual Meeting on Wednesday February 12, 2014

Patrick Lynd (secretary)