

**Highlands Condominium Association
Minutes for Annual Meeting on February 11, 2015**

Board members present: Phil Abbott (Chair), Pat Lynd (Secretary), Mike Ireland, Marga Larson
Excused: Tiffany Mellow Treasurer

Guests: Mark Campbell (property manager)

25 Units Represented in Person:

104,105,117,119,149,153,156,208,210,212,216,218,
224,309,312,402,403,405,417,420,421,424,427,429,
431

67 Units Represented by Proxy:

101,102,104,107,108,109,110,111,112,113,116,118,119,
121,122,123,124,125,126,127,128,130,131,132,133,134,
135,136,138,139,140,141,142,143,148,154,201,202,203,
206,219,220,301,302,303,305,307,310,311,312,314,315,
316,401,404,408,409,410,411,412,413,414,415,418,419,
423,430

Call to order: 6:38 PM

Chair Abbott announced that 85 Proxies were received prior to tonight's meeting representing 64.30% of the ownership which exceeds the 50% quorum requirement in our by-laws and therefore called the meeting to order at 6:38PM.

The Chair again stressed the importance of mailing in your Proxy well in advance of the annual meeting; even if you intend to attend the meeting, so the board can determine if we are going to have at least 50% participation required to hold the meeting.

Abbott noted that 64.30%, however, was still short of a 75% majority required to conduct some business such as a change in the by-laws. If we were voting on a change to the by-laws, we would not be able to do so this evening based on the Proxy count alone.

Abbott commented that bringing your proxy to the annual meeting is completely useless. One significant purpose of the proxy is knowing in advance if we are assured of a quorum on the day of the meeting. If you show up to the meeting, your proxy is returned to you. If you don't show up, you have either given your vote to the Board or another individual ...or....By checking "For quorum purposes only", you are not giving your vote to anyone. You are simply acknowledging that you approve of the Annual Meeting taking place, with or without your presence.

Approval of 2/12/14 Annual Meeting Minutes and 12/10/14 Regular Meeting Minutes:

A Motion to approve the February 12, 2014 Annual Meeting Minutes and the December 10, 2014 Regular Meeting Minutes was made, seconded and approved by the Board..

Election of Board Members:

Terms of Three Board Members expire tonight; Phil Abbott, Patrick Lynd and Tiffany Mellow. The Chair stated that all three members were willing to serve another two year term and were therefore all candidates. The Chair opened the meeting to nominations from the floor. No Nominations were made. There being no further nominations, the Chair called for a vote by acclamation via a show of hands. Phil Abbott, Patrick Lynd and Tiffany Mellow were unanimously elected without objection.

Chair Report (Phil Abbott)

The Chair read a letter from an owner concerned that the Maintenance Fee Increases in the last few years are far exceeding CPI, Minimum, Wage increase, Social Security increases etc. The Chair then read a written response.

The response was a recitation of all the known issues at the Highlands which will require attention in the next few years, including but not limited to; foundation repairs, balcony and catwalk repairs, siding repair and painting of building, re-roofing all buildings, asphalt and bulkhead replacement, etc. The shopping cart adds up to \$800,000.

The 2015 budget covers known operating expenses plus a target reserve of \$10,000 per month to meet the cost of the forgoing required repairs. The budget is based on need not the CPI. If we are able to maintain \$10,000/month savings we will hopefully accomplish the bulk these repairs over a 5 – 7 year period.

Copies of the letter and response are available to members on request.

Board member Lynd added that comparing the costs of the needs of the Highlands to government indices was not a fair comparison. The Highlands, Lynd noted, suffered from long-term, underfunded reserves coupled with long-term deferred maintenance that this Board will no longer defer. Chair Abbott added that the Board has a duty to the membership to address these issues now before they become far more serious.

Copies of the letter and response are available to members on request.

- Building 12 foundation Repair completed in July.
- Major siding repair on two buildings prior to painting completed.
- 1 building painted, 2nd Building ready for spring painting
- 3 major and 2 minor balcony repairs completed.
- Balcony rails replaced on 4 units
- 3 major staircases rebuilt.
- 1 significant catwalk repair. (Bldg 4)
- 2 deteriorating concrete landings replace with wood deck.
- Major earth bulkhead for Stonewood Drive completed.
- Building 15 foundation repair started in January
- Ping Pong table rebuilt by staff.

Financial Report:

Chair Abbott reviewed the December 31, 2014 January 31, 2015 Financials in Tiffany Mellow's absence.

Our Total Assets and Liabilities as of December 2014 are essentially unchanged from January 2014 in spite of completing the major repair to Building 12's foundation.

Looking at the Operating side of our income statements, we have been in the black for all of 2014, netting an average of \$9,194.62 per month, available to replenish reserves, and pay for projects such as Building 12's foundation

As of this evening we are in a good cash position with account balances of:

General Account:	\$108,561.15
Special Assessment:	761.85
Capitol Improvement:	45,392.15

This being said, we have just started a \$109,000 contract to repair building 15 in the next several months. We need to maintain a \$10,000 a month Net Profit to maintain our reserves and pay for needed projects.

Committee Reports:

Building Committee:
(This topic was covered in the Chair's report)

Comcast Update: (Patrick Lynd)

Last year Comcast had made an offer to reduce our bulk pricing agreement from \$36.23 per unit to \$25.00 per unit in exchange for a two year extension of our Bulk Pricing Agreement and a five years extension of our Service Agreement.

We rejected that offer because that would have locked Comcast in as the sole provider of bulk service agreements for 12 years. The current bulk-billing agreement expires on 11/18/15 and requires 60-days notice to cancel.

After considerable discussion from the floor, the consensus was that we should continue to negotiate with Comcast for a better rate and a shorter extension of the bulk pricing term. It was also the consensus that we should not agree to extend the Service Agreement at all.

If a satisfactory agreement is not reached with Comcast, we will pay the current rate until the end of our bulk agreement and not renew a Bulk Agreement with Comcast when it expires.

Input from the membership included the suggestion that we conduct a survey of all units to determine how many units are actually using the Comcast service included in the bulk-billing package. It was noted that there are numerous empty units and in one building it was determined that only five of eight units were using the service.

A committee was formed to address the entire Comcast / bulk-billing issue. Committee members are:

Ed Hawley, Unit 427;
Shana Eddy, Unit 105;
Amanda Jorge son, Unit 309;
Rick Olson, Unit 405;
Marilyn Larson, Unit 421; and
Patrick Lynd, Unit 117.

A committee chair will be elected at the initial meeting.

By Laws Update: (Marga Larson)

We are in the process of reviewing the Bylaws of the Home Owner's association and making recommendations to the membership of revisions we believe would be helpful and prudent. Most of the revisions we've identified are clerical or procedural in nature. Recommendations include:

- 1) Modernizing the language throughout.
- 2) Renaming the Association to be less Cumbersome.
- 3) Cleaning up some typographic / drafting errors.
- 4) Modernizing notification and similar procedures.
- 5) Deleting language that related to transitioning control of the association from the developer to the owners/members.

In addition to the clerical changes, we may want to consider adding or modifying language in the following areas:

- 1) Adding language that requires that directors must be members in good standing.
- 2) Consider updating the provisions that allocate maintenance fees.
- 3) Adding language regarding managing the number of rentals permitted in the complex to ensure that the Highlands continue to meet desirable lending parameters.
- 4) That the 75% threshold be reduced in the revised by-laws if allowed by the declaration and State law.
- 5) That a "cap" or limit be established for the number of renters in the complex.

New Business: No new business

Property Manager's Report

Mark Campbell reported that 15 Owners have turned in fireplace inspection reports.

Call to Public:

Two owners requested that the street lamp destroyed last summer be replaced. The board will add this to the list of needed projects.

Meeting adjourned: 8:38 PM

Next scheduled meeting is on Wednesday April 8, 2015

Patrick Lynd - Secretary