

Highlands Condominium Association Minutes of Bi-monthly meeting 6/10/15

Board members present: Phil Abbott (Chair), Mike Ireland, Marga Larson.

Excused: Tiffany Mellow (Treasurer), Pat Lynd (Secretary.), Mark Campbell (Property Manager).

Units present: 102, 104, 108, 111, 132, 141, 210, 214, 216, 224, 312, 314, 315, 405, 414, 420, 421, & 424

Call to order: 6:32 PM - roll call - unit owners sign in.

Approval of Previous Minutes - Chair asks for a motion to approve April 8, 2015 Minutes. Marga Larson so moved. The Board unanimously approved.

Announcements – Mark Campbell is not present tonight. Mark's wife Rachel just gave birth to their second child, Oxford York Campbell, 8 lbs. 4 oz.

The Pool Opened May 22. We are in the process of restoring the outdoor shower.

Mark Campbell will be taking over landscaping to reduce my (Chair Abbott) load a bit. In conjunction with this, we have hired a new landscaping employee; Patrick. Patrick has a silver pick up with a saw blade attached to the front grill and Washington plates. So far, he is doing an excellent job.

Financial Report - Tiffany Mellow was absent so the Chair gave the financial report. Net operating income in the April and May were; April \$9,838.15 and May \$18,116.45 May is high because we paid Comcast for May at the end of April. The average for April/May is \$13,977.30/mo. The Average for the year to date is \$12,589.74 per month. Our target is \$11,000.00 All of this "net" is going to rebuild our reserves.

That's the good news. The rest of the news is this: Our net worth on the balance sheet has been declining each month because we are spending down our reserves. We are spending reserves on items for which they were intended: repairing foundations, repairing decks and balconies, repairing siding and painting buildings.

At this point we have spent the entire 2008 and 2014 Special Assessments including amounts that are still owing. The majority of Owners paid off the 2014 Special Assessment in full shortly after it was announced. Understandably, not everybody is able to do that. Some owners have been paying the minimum

amount each month which is fine. If they keep up payments they will be entirely paid off by June 2016.

A very few owners have paid nothing to date. The Board is considering placing liens on these few units to protect the HOA's interest and insure that they are eventually paid off.

If you haven't paid the minimum each month please call bottom line for the amount you need to pay to get up to date. If you haven't paid anything to date you need to do the same to avoid the additional cost of the lien and associated costs.

Lien Activity - Two new demand letters were sent out in May. One resulted in a full payoff including Special Assessment. We have not heard from the other at this date.

Building Committee Report – Phil Abbott

- Building 15's foundation repair is completed. Dorman's estimate was \$109,000. It appears the Project will be completed for under \$80,000 that's \$29,000 under budget. A small final bill will be paid at the end of June or early July. Big thanks to Dorman Construction!

- Painting of building 12 began June 1 and is now completed.

- Siding repair is completed for building 15 prior to painting. This building had quite a bit of rot in the Framing which is revealed as the bad siding is removed. The bad framing was replaced as it was discovered.

Painting of Building 15 will begin on June 15th

- Since April, Three lower flat balconies have been completely rebuilt. Unit 102 in building 1 and Units 418 and 423 in building 15. The two balconies in building 15 were undertaken prior to painting that building.

- A carport post was demolished by a driver visiting unit 311 on Woodcutter Way. The carport was in danger of collapsing and it was temporarily shored up with our former shoring on loan to us from RamJack. The post was replaced at a cost of \$680 By Steel Port, LLC. We have received reimbursement from the driver's insurance company for the full amount.

Comcast Committee - Rick Ohlson was presented with a gorgeous Comcast coffee Mug and a fancy four color ball point pen with a built in stylus for use with a

variety of tablet devices in appreciation for his work on the recent survey. A similar set will be presented to Pat Lynd for his hard work. The mugs and pens were presented to the Chair by a Comcast representative who is aware that our Bulk Agreement will expire towards the end of this year.

By laws Committee - no report was given.

Professional Management Selection Committee –

Phil Abbott reported that very little has been accomplished in finding Professional Management for the Highlands. Phil stated that his motivation in exploring this issue is because it is his intention is to purchase a house and sell his unit at the Highlands. Once sold, he obviously can't be on the board. He also stated that he is not interested in becoming a manager after leaving the board.

Old Business:

- Bank Loan - Marga and Phil have met with a bank officer and it appears that a bank line of credit for \$100,000 is possible. The proposal is that with a line of credit we could do more repairs in the summer and pay the loan back in the fall and winter when we can't do repairs. Lengthy discussion ensued. There are owners who voiced opposition to any type of loan over concern that a future board may use the credit line unwisely.

- Light Poles on Main Drive -Mike and Phil reported that they are still comparing lamp and pole options. Phil has a bid for three new concrete pole bases from Brigham Construction for \$2,100. Final numbers should be ready for the board to consider shortly.

- Hot Tub/Spa Pool – Phil reported that we have learned a great deal about State and City requirements for replacing the former hot tub. We acquired and are storing a new hot tub shell which will eventually be used for replacing the former tub. The next step will be to engage an Architect or Engineer to produce a design which will be submitted to the State for preliminary approval. After State approval the design goes to the city for their approval. Restoration of the Hot Tub will proceed slowly as funds are available.

New Business:

2014 Special Assessment Delinquencies – This topic was discussed thoroughly in the Chair's financial report above. If you haven't been making the minimum monthly payments on your 2014 Special

Assessment, please re-read the last two paragraphs of the financial report above.

Note - Loss of Quorum: At approximately 8:15 PM, Board Member Mike Ireland excused himself and departed the meeting. The meeting continued to call to public without a quorum however no further business was conducted

Audit Being considered - An owner at the last meeting pointed out that we have never (to anyone's recollection) had an audit performed on our financial statements. Eric of Bottom Line indicated that an Audit might cost between \$4,000 and \$8,000. Tiffany suggested that a review rather than an audit would be less expensive and has suggested several firms to contact. Marga questioned the value of an audit or review. She also stressed the importance of internal controls. No decision was made.

Property Manager Increase - Mark Campbell has been working for five years without an increase. The Chair proposed the board offer a raise to Mark to be determined by the Board

Ramjack Scaffolding Offer- Ramjack purchased our Scaffolding about a year ago for \$13,000. They find that they have had little need for it and offered to sell it back to the Highlands. In the last year RamJack has allowed us to use as much of the scaffolding as we need free of charge. The Chair commented that the Scaffolding has been invaluable to us and we should explore a repurchase of the equipment.

- Call to Public –

Shannon Kane (314) proposed that if a locking cupboard could be provided in the rec.center, she would provide dishes that could be rented to persons wishing to use them for parties etc. Shannon also offered to provide and install the lock. The Chair pointed out that on the face of it, it seemed like a small business. Use of common elements for a small business is prohibited by the bylaws.

- Shannon Kane (314) Requested that the job description(s) for property manager for the Highlands be provided to her. Shannon will be provided with copies.

- Meeting adjourned at 9:02 p.m.

The next scheduled Board meeting is August 12, 2015

Faithfully submitted,
Marga Larson – Acting Secretary