

Fountain Condominium HOA

Minutes of Annual Meeting

October 11, 2014

Call to Order

Meeting called to order by Brian at 10:06 AM

Attendees

Brian & Tracy Ulmer

Vickie Allmer

Robert & Mary Stevenson

Gerard Krier

Charlie Cerda

Quorum

Quorum established - 4 unit owners from 4 separate units

Proxies

Didn't receive any requests for proxies

Proof of Notice

Sent a mailing over a month ago, and Charlie posted notices around the complex (Vickie confirmed)

Treasurer's report

HOA Dues Increase

Budget was based on a \$10 per month increase in HOA dues, starting 1/1/15 - for both 2 bed & 3 bed units. Brian motioned to raise by \$10 per month, Robert seconded, motioned passed.

Review of budget

Discussed opportunity to increase the rent on unit #17 - currently at \$700 per month. Board will discuss the amount to raise the rent by. Prefer not to lose the tenant that's in there.

Gas & electric looks low for the year, based on the cost of that this year. Brian will follow up with Margie about why the number is so low. Tracy will ask her to show the special assessment income, and breakdown of that as part of the budget, if it's not planned to be spent before 1/1/15.

Question from Robert about the lodging expense in the Profit & Loss for last year. Brian said this was due to getting hotel rooms when we did the sewer line repair. Board had discussed in a previous meeting about whether HOA or owners should pay, and decided HOA. Discussion on this topic, and whether HOA should get rent returned for those days. Decided to keep it as an HOA expense, and not worry about rent since it was only a couple nights, spread across multiple units.

Robert motioned to accept the budget. Gerry seconded. Motioned passed.

Old Business

Mailboxes

Mailboxes moved, and new location is working well.

Sewer Line Failure

Sewer line failure in February. Company came up and dug up under #5, and found the line had collapsed. Did the repair (this is where the lodging expense came from), and came to around \$7K. Analysis showed a cast iron pipe underneath the building. Line has low & high spots, water sits in low spots, corrodes the pipe, causing the failure. Plumber will only warranty replacing the whole line, in order to correct the low spots. Estimate is around \$4500 per unit. Repairs only on the bottom units, but all units would split the charges. Would be around \$2333 per unit. This is just for the plumbing, but does not include repairing the floor that was torn up. Estimate around \$1000 per unit for this. Total assessment for sewer line repair would be around \$2851 per unit. Discussion about possibly re-routing the line, if that's cheaper. Guys that Brian talked to said that would be just as expensive, due to having to dig a deeper hole. We only have the one bid for the whole repair right now, since no one will call back after looking at the job. Current special assessment includes repair for one unit, so we can see how that goes. Suggested starting in unit #17, to see how long it takes and how much it costs. Discussed displacing all units, or just the one getting repaired. Hope is that plumbing is only down for a few hours, and we don't have to displace everybody. Discussed repairing this now, instead of waiting and risking losing renters.

Water Heaters

Two water heaters replaced.

Parking Lot

Parking lot cracked - water was leaking into the building, had that fixed. Fixed another one that wasn't leaking yet.

Current Special Assessment

Reviewed breakdown that was sent in the letter. Discussion about cost of aluminum wiring, given the small amount of work. Insurance company will only insure a certain type of repair, which costs a little more. \$28 per device is the lowest bid, compared to others that were around \$40. Question of whether we have already paid the insurance bill for this year, and whether we're covered for the year, making this less urgent. Discussion that now that we know about this, we should go ahead and do it, to remove the liability. Brian's preference is to get this done as soon as possible. Vickie asked what the aluminum wiring repair involves. Brian explained that an electrical problem could occur, due to different types of wire. This could happen at the connector, and that's what needs to be replaced. Question of whether people could do this themselves. Preference is to have a licensed electrician do it, so insurance would cover it.

Question of whether the roof is taken care of. Brian says part of the roof still needs to be done, but it's not an emergency over the other stuff on the list.

Only a few owners have paid their assessment, which is due on October 15th. Discussion that we could put a lien on properties that don't pay, in which case it is costly in legal fees, which the HOA has to pay for.

No other questions about assessment, and no other old business.

New business

New Website

New website with HOA documents. Plan to post meeting minutes on there as well. Discussion about not using this as primary form of communication, due to people not having computers.

Future Special Assessment

Future special assessments - finish repairing the roof, replace the rest of the doors, do the rest of the sewer repair. Possibly some more work on the parking lot. Gerry and Robert remember paving the whole parking lot, about 8-10 years ago. Lack of maintenance may have caused it to wear out sooner. Brian will look into fixing it, and coming up with a maintenance plan.

Pest Control

New company A1 environmental, who used to work for Orkin, seems to be working out really well.

Bed Bugs

Unit 15 tenants got evicted, and they left serious bed bugs behind. Once the tenant moved out, bed bugs spread to 6 units. Brian & Tracy paid for that issue - thousands of dollars. This is to make owners aware that they need to take care of bed bugs. Owners will get charged for mitigation if it occurs. Robert suggested that this be in the bylaws, and that the board discuss this. Charlie suggests having A1 check when a tenant moves out, and make sure there are no bed bugs - this is free if there are no bed bugs. Discussion that this doesn't necessarily prevent people from bringing them in on furniture, clothes, etc. Robert asked whether they are still spraying regularly. Charlie said they come once a month to spray a different section of the property. However, this treatment doesn't cover bed bugs. Charlie will watch out for bed bugs, and bring it up if he sees them.

Reserve Study

Reserve study is still not complete, but plan is to do this over the next year. It will cover the big ticket items listed on the agenda.

Managing Agent

Currently, Brian is managing agent, and Charlie is on-site management. \$800 is split between the two. Charlie says it's working out well for him. Takes up a lot of Brian's time. Brian called some companies, and they're charging \$700-\$800 per month for management and accounting. Possibly savings of a couple hundred dollars per month, but would affect Charlie and Margie. Robert suggests to keep it the way it is. Gerry says other management company wouldn't do as much as Brian & Charlie do. Brian says he's willing to do this for one more year, and then may step down as managing agent.

No other new business.

Board Member Elections

Charlie's position is up for re-election. Robert motions to nominate Charlie to stay on the board. Gerry seconds. Motion accepted to nominate Charlie. Vote is unanimous to keep Charlie on the board for 3 more years.

Adjournment

Gerry motions to adjourn the meeting. Robert seconds. Meeting adjourned at 11:15 AM.

Minutes of Board Meeting

October 11, 2014

Call to Order

Board meeting called to order by Brian at 11:25 AM

Attendees

Brian & Tracy Ulmer

Charlie Cerda

Gerard Krier

Current Special Assessment

Discussion about lack of payments received so far on the special assessments. Units are harder to sell with outstanding special assessments. Due on the 15th. After the 15th, letters will be sent with late fee schedule, and legal action will be taken eventually. Next board meeting is in January - possibility that they show up at the board meeting to get more information, if they haven't paid by then. Discussed the possibility of making payments. This isn't preferable, since the money is needed sooner rather than later, and others have already paid in full without payments. Board is open to payments on a case-by-case basis, with interest. Prefer that people call to discuss this if they need that option.

Rent for Unit 17

Raising the rent in unit #17 - Charlie's fiancee's parents. Good tenants, want to retain. Rent is currently at \$700. Brian proposes raising to \$750. Charlie says tenants are requesting carpet repairs and new paint in the unit. Board agrees to raise rents to \$750 for 12 months, if we don't have to replace the carpet when we do the sewer repair. If we do have to replace the carpet, we'll raise to \$800 after 6 months. HOA will buy the paint and tenant will paint it. HOA will send a letter that rent is raised to \$750 starting 1/1/15.

Bed Bugs

Putting bed bug policy in the bylaws - discussion about whether this requires a meeting of all owners. Brian understands that the board has this power. Gerry will look at the documents, and see what it says, for discussion at the next board meeting. Charlie questioned what the documents would say about bed bugs, if we were to make changes. Brian suggests looking at verbiage in other association's documents. Charlie will ask A1 how much he charges to inspect for bed bugs when he comes out to treat every month.

Adjournment

Meeting adjourned at 11:53 AM.