

**College Place Townhomes Association**  
**Annual Meeting**  
**January 22, 2019**

The meeting was called to order at 6:00 p.m. by Bryan Rooks. The Board members present were Erin & Bryan Rooks, Chuck & Amy Perrin & Scout Nunes. Brent Gladwell was unable to attend the meeting.

It was determined that a quorum was present with 19 units in attendance and 12 proxies presented.

The 2017 Annual minutes were reviewed. Amy noted that the minutes stated that the Perrins were not in attendance when in fact they did attend the meeting and Scout was not able to make it.

Amy motioned for the 2017 meeting minutes to be approved with the recommended changes. Chuck seconded the motion and the 2017 Annual Meeting minutes were approved.

Bryan explained to the owners that in April 2018 A Better Alternative Management closed their business and the HOA had to find a new management company. Coldwell Banker Commercial Prime Properties stepped in to fill the void for the HOA's that ABA was managing. The Board then decided to continue services with CBCPP and were later notified by the local authorities that there was an active investigation into the possible embezzlement of funds by ABA. The Board did have the financial records reviewed and has determined that there is approximately \$5,000.00 that could not be accounted for.

Bryan went over the details of the completed parking lot project and the loan that the HOA obtained to get the job done. It was determined that ABA paid off the loan earlier than expected which left the HOA debt free but broke. The Board of Directors has tried to operate without raising the dues or asking for an additional special assessment, but it has become apparent that at least a special assessment was needed to continue to operate the HOA successfully. One of the deciding factors was because in October 2018 it was determined that the boiler in Building A, units 1-6 was not operational and needed to be replaced. The HOA received several proposals to have a new boiler purchased and installed, ranging from \$10,000 to \$27,000.00; but did not have the funds to cover the costs. The Perrins offered to pay the 50% deposit to get the project started. The Board of directors chose Triple T Mechanical to install the boiler for the proposed \$10,000. The management company was able to make one payment of \$2,500 to the vendor but due to the lack of funds, they were unable to pay the rest of the invoice. The Perrins again stepped in and paid the remaining \$2,500 of Triple T Mechanical's invoice. The HOA is now in debt to the Perrins for \$7,500.00.

Mr. Mohler asked if the Board felt good about the checks and balances system that is now in place despite the lack of funds. The Board explained that CBCPP has an HOA Bookkeeper to pay bills and make deposits with an Accounting Manager reconciling the bank accounts and the Board of Directors receives monthly reports for total transparency.

Mr. Mohler asked what deferred maintenance needed to be done around the complexes. The Board stated that they should be prepared to have additional boilers replaced because most of the boilers had been installed in the early 1980's. The roofs were done in approximately 2014 with units 49-52 being completed in 2016. There were also 20 coolers replaced in early 2014 to prevent additional roof damage. Soon the buildings were need to be painted as well.

Trevor and Mr. Mohler asked if the HOA needs to obtain even more money than the special assessment the Board was asking for since it was having difficulty paying daily operating expenses. The Board stated that they could raise the dues 2.9% without a vote of the members but that would only increase the dues \$3.00-\$4.00. Art Moss requested that the Board present the last estimated "by building breakdown". Each owner received copies of the breakdowns with it being stated that it was a rough estimate since it was not for a full year. The breakdown shows the expenses incurred by building and that the dues for buildings A-F (units 1-41) are currently \$145 but should be approximately \$175 per month. Building G (units 42-48 behind the 4 plex) are currently at \$110 but should be approximately \$145 per month and Building H (4 plex) is currently at \$120 but should be approximately \$170 per month.

There were questions regarding the minutes from the meeting in November 2018. It was stated that those minutes are for informational purposes only and should not be used when making decisions on the increase. The 10% stated in the minutes was from the first set of CC&R's but the HOA had an Amendment in it's Entirety done to the CC&R's in 1981 and instead of using a percentage that the Board was allowed to raise the dues, it was stated that they would only be allowed to raise the dues using the Consumer Price Index Report from the preceding July.

The Special Assessment was discussed but it was stated that it would not be voted on at the meeting. The Special Assessment was voted on by the mail in ballot only and all ballots were due by January 15<sup>th</sup>. The HOA needed a quorum of 13 votes and the majority of those votes would be the deciding factor. There was a total of 27 ballots returned with 15 units voting in favor of the special assessment and 12 units voting against it. The Special Assessment has been approved.

Chad questioned why there was an inflation to the 2019 expenses versus what the actual costs were for 2018. The HOA wants to be sure that they have enough money to cover the daily expenses in case any one category increases in 2019 in addition to being able to

afford any necessary maintenance expenses. The HOA paid \$19,839.51 in 2018 for insurance and had already been notified that the cost for insurance for 2019 was going to be \$23,300. The Board has already begun receiving quotes for insurance to see if they can minimize that expense.

Mr. Mohler stated that the monthly dues should be increased as close to the "by building breakdown" as possible. Trevor stated that he would like to have the budget reflect the change in dues. Mr. Mohler and Trevor proposed a 24% increase in monthly dues. Two other owners proposed a flat rate increase instead of a percentage.

Art Moss asked how much reserve fund the HOA should have. The Board stated that it should have enough to cover 4-5 boilers should they need to be replaced plus extra for any other maintenance expenses. Art also stated that he had several proxies for other owners and those owners would like to have the special assessment broken up into monthly payments instead of being required to pay a lump sum. It was discussed that there should be a deadline for the first half of the special assessment.

Sheila suggested a loan for future emergencies. Amy explained that even to obtain a loan required a quorum be present at a meeting and the members to vote in favor of getting the loan. In the event of an emergency, the Board did not always have the time to gather the members for a meeting and many meetings never had a quorum. This meeting was the first meeting in several years to have had a quorum and be able to accomplish anything.

Mr. Mohler motioned to raise the monthly dues by \$30 and have the first half of the special assessment due by July 1<sup>st</sup> with the second half due by December 31<sup>st</sup>. Mr. Mohler then amended his motion to state that the special assessment should be effective in February 2019. Chuck seconded the motion. All owners in attendance were in favor of the motion and the motion passed.

The Board requested that Mike Park with CBCPP conduct an inspection of the property and create a list of maintenance needs and a timeline for when they should be completed. He will submit this report to the Board.

Amy motioned to approve the 2019 budget with the exception that it reflects the increase in dues and remove the line stating, "net without special assessment". Erin seconded the motion. All owners were in favor and the motion passed. CBCPP will make the changes and submit to the Board for a final review before posting to the website.

Bryan asked if there were any volunteers for the Board. None of the owners wanted to volunteer. Erin motioned to approve the current Board of Directors. Sheila seconded the motion. The owners present were all in favor of the current members remaining on the Board.

Sheila asked if the fireplaces in the units were functional. The Board was very adamant that they are not functional fireplaces and are a major fire hazard. They suggest that the owners cover the fireplaces and put a cap on the chimney. CBCPP will send a reminder with the next statements.

Amy motioned for the meeting to be adjourned. Erin seconded the motion and all members were in favor.

The meeting was adjourned at 8:00 p.m.

The meeting minutes were taken by Alicia Criswell with Coldwell Banker Commercial Prime Properties.