

**SODA CREEK CONDOMINIUM ASSOCIATION
ANNUAL HOMEOWNER MEETING
February 4, 2017**

I. CALL THE MEETING TO ORDER

The Soda Creek Condominium Association Annual Homeowner Meeting was called to order at 9:05 a.m. on Saturday, February 4, 2017 in the Dillon Best Western Conference Room.

Board Members Present Were:

Nathan Nosari, President, 497B

Janice Engel, Secretary, 435F

Owners Present Were:

Shirley Beaty, 435D

Susan Brind'Amour, 497A

Walter Galdamez, 435G

Rebecca Granger, 397G

Wilbert Martinez, 435H

Paula Samuelson, 495D

Jason Engel, 435F

Michelle Nosari, 497B

Beatrice Weaver, 397C

Representing Basic Property Management were Gary Nicholds, Eric Nicholds, Patti Vande Zande and Jason Blarjeski. Erika Krainz of Summit Management Resources was recording secretary.

II. PROOF OF NOTICE OF MEETING/QUORUM

Notice of the meeting was sent in accordance with the Bylaws. With ten units represented in person and seven proxies received a quorum was not represented.

III. APPROVAL OF LAST ANNUAL MEETING MINUTES

The February 6, 2016 Annual Meeting minutes could not be approved as there was not a quorum.

IV. PRESIDENT'S REPORT

Nathan Nosari reviewed the following highlights:

1. Focused on building the financial health of the Association (insurance, contracts, Reserve Fund and control of expenses).
2. Implemented radon remediation
3. Repaired and sealed the asphalt.
4. Assessed the building envelope.
5. Corrected the \$2 million under insured issue.
6. Started reviewing the Declarations and contracts.

He reviewed the 2017 Board goals:

1. Invest the Reserve funds and watch expenses.
2. Domestic boiler consolidation/replacement. The heat exchanger sizing and plan were completed and will be implemented in April 2017. MJ Plumbing provided a quote for water softeners.
3. Develop a plan and pricing to implement space maximization.

4. The Declarations will be revised and put to a membership vote.

V. FINANCIAL REPORT

A. 2016 Year-End Financial Results

Nathan Nosari reported that there were no owner delinquencies. The net worth of the Association increased \$5,000 as compared to last year.

The Association ended the year with a net deficit of \$471. Operating revenue was \$393 favorable to budget and expenses were \$864 unfavorable to budget. Insurance was \$1,889 unfavorable to budget, General Supplies was \$16,333 favorable to budget and General Building Maintenance was \$3,134 unfavorable to budget mainly due to a number of pinhole leaks.

The Reserves ended the year with net deficit of \$16,945. Reserve revenue was \$5,556 favorable to budget and Reserve expenses were \$22,501 unfavorable to budget. The asphalt project cost \$14,595 against a budget of \$33,100 and there was an unbudgeted expense of \$29,660 for boiler replacement. The radon mitigation cost was \$18,646.

Nathan Nosari said the membership needed to approve a Resolution for Excess Capital Retention in order to eliminate the tax liability for the Reserve Funds. There were no owner objections to the Resolutions but it could not be formally approved due to the lack of a quorum.

B. 2017 Budget

The 2017 total monthly assessment increased from \$325 to \$340 per month (4.6%). The Operating allocation was increased \$10/month to \$205 to make up the Operating deficit from prior years and the Reserve allocation was increased \$5/month to \$135. It is anticipated that dues will need to be increased to \$355 (4.4%) in 2018.

Nathan Nosari will do comparison of dues for similar properties to ensure they are in line for next year.

The Capital Budget for 2017 includes \$16,000 for a heat exchanger and a \$7,500 Contingency. The Reserve Study anticipates roof replacement in 2025.

The Association funds are invested in Alpine Bank in a sweep account that transfers any balance in excess of \$250,000 to other banks to ensure the Association accounts fall within the FDIC-insured limit. The Reserve Study needs to be updated before laddering of the funds can be undertaken. Nathan Nosari would like to have more detail for all building elements in the Reserve Study so the contingency can be eliminated.

Nathan Nosari reviewed the Reserve Fund Status:

1. The Reserves are currently less than 80% funded. This means there is a 20% chance of a Special Assessment. The goal is to increase the Reserve contribution 2% per year.

2. Unexpected expenses included the domestic boiler consolidation/replacement, legal fees to revise the Declarations to meet member needs and the radon mitigation.

VI. ELECTION OF OFFICERS

The term of Jonathan Smith expired and he has indicated he is willing to run for reelection for a three-year term. There were no other nominations from the floor but an election could not be conducted due to lack of a quorum.

VII. RULES AND REGULATIONS

1. Members must pick up after their dogs.
2. Dogs cannot be left on decks unattended and shall not relieve themselves while on the decks.
3. Nightly rentals are not allowed. All leases have to be at least 180 days. All leases must be submitted to the Association.
4. All residents have the right of a quiet enjoyment. This shall not be infringed upon. Noise includes loud music, television, talking and heavy walking.
5. Disposing of furniture, appliances and other large items is not allowed in the dumpster. These items must be taken to the landfill. A surveillance camera has been installed and will be activated shortly. Surveillance signage will also be installed.

Owners were encouraged to report violations to Basic Property Management. A suggestion was made to send a letter to the Cove Condominiums Board about loose dogs from that property.

VIII. UNFINISHED BUSINESS

- A. *Radon*
Radon mitigation was completed for all five buildings in April 2016 by Summit Radon. Annual testing is scheduled this March. The Board would like to have access to one unit per building on the lower floor for the three-day test. Paula Samuelson and Beatrice Weaver volunteered their units.
- B. *Windows*
Some of the windows are no longer flush due to building settling. Nathan Nosari will arrange for a window contractor to look at the affected units.
- C. *Insurance*
There have not been any claims in the past five years. The 2017 coverage assumes a property value of \$7.050 million based on the appraisal. The Association policy covers the units as originally conveyed. When the Declarations are revised, the insurance section will specify either have bare walls or an all-inclusive policy. Owners should carry an H06 policy for their contents.

D. Declarations Amendment

Potential changes:

1. Paragraph 12a states the Association shall provide coverage for the Declarant (builder) installed fixtures at conveyance. The Board recommends changing this to bare walls coverage.
2. Paragraph 6D allows for only two vehicles per unit. The Board would like to provide an allowance for work/commercial vehicles in addition to personal vehicles.
3. Paragraph 6I does not permit storage on decks, patios breezeways. The Board would like to provide an allowance for the lifestyle that members value.
4. The Board will consider adding a pet fee.
5. The fine schedule should be updated so it is meaningful.

Owners were encouraged to provide suggestions.

E. Utilities & Boilers

The utilities expenses represent 53% of the budget. The Board explored executing a contract with Tiger Gas for bulk pricing but found it was not feasible due to the location of the phone lines.

MJ Plumbing provided boiler consolidation options, which will be implemented in April. Unit zone valves are located in the boiler room.

Paula Samuelson suggested adding a checklist to the website with instructions for contacting a Board member for heat, electric or water issues.

IX. MANAGEMENT COMPANY REPORT

Gary Nicholds reviewed the following:

1. He recognized Walter Galdamez for his work at the property.
2. There has been significant snow and roof snow removal this winter.
3. He reminded owners to move their cars for plowing, to park cars by the Rice Barn when they are out of town and not to park in the handicapped spots in front of each building.
4. Owners are responsible for shoveling their decks.
5. Owners must clean up after their dogs.

Suggestions were made to consider requiring registration of pets and to require pet owners to participate in regularly scheduled property clean up days to address the pet waste problem.

X. OWNER FORUM

There was an incident involving an owner discharging a weapon on the property this past year. There were both criminal and civil (Association) ramifications. The Association levied a fine and placed a lien on the property. The owner is subject to a number of legal restrictions. The owner is not allowed to own any firearms while living at the complex and cannot have any negative engagement with anyone on the property. Owners should report any violations to the Board.

Nathan Nosari said the Board would be exploring the feasibility of expanding the decks, which are scheduled for replacement in the next five years, and expanding parking, especially for Buildings 1 – 3. The parking expansion would entail some landscaping work and would require an agreement with the County related to the right of way. The Board will also look at options for building garages, which would require an owner vote. Interested owners were encouraged to join the Board in this exploration.

Jason Engel suggested implementing a project to identify the bikes stored at the bottom of the stairs and donating or selling any abandoned bikes.

XI. ADJOURNMENT

The meeting was adjourned at 10:43 a.m.

Approved By: _____ Date: _____
Board Member Signature

**SODA CREEK CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING
December 6, 2017**

I. CALL THE MEETING TO ORDER

The Soda Creek Condominium Association Board of Directors Meeting was called to order at 5:25 p.m.

Board Members Present Were:

Nathan Nosari, President, 497B
Jonathan Smith, Member, 495G

Janice Engel, Secretary, 435F

Representing Basic Property Management were Gary Nicholds, Eric Nicholds, Jason Blarjeske and Patti Vande Zande. Erika Krainz of Summit Management Resources transcribed the minutes from recording.

II. 2018 BUDGET APPROVAL & ASSESSMENT INCREASE

A. 2017 Year-End Projections

The Association is projected to end the year with a deficit of \$2,890. The significant variances were reviewed:

1. Accounting/Legal – \$1,600 unfavorable due to the shooting incident. The legal firm made an error in drafting the settlement agreement wherein the owner involved in the incident would not be responsible for legal fees. Nathan Nosari will ask the David Firmin to absorb this cost in the context of rewriting the Declarations.
2. Insurance - \$2,648 favorable to budget.
3. Roof Snow removal - \$1,970 unfavorable to budget.
4. Gas/Electric - \$1,040 favorable to budget.
5. Snow Removal - \$4,190 unfavorable to budget.

B. 2018 Budget

The 2018 Budget as drafted results in an Operating deficit of \$1,604. The budget includes the dues increase from \$340 to \$355/unit/month as recommended at the Annual Meeting. The dues would need to be \$357/unit/month to eliminate the year-end deficit. Another option would be to reduce the Reserve contribution. It was noted that there was no vending revenue reflected for 2017 and none budgeted for 2018. Gary Nicholds was asked to follow up with the vending contractor regarding the revenue from 2017. Patti Vande Zande commented that she only budgeted \$500 for Accounting & Legal, which probably will not be sufficient for rewriting the Declarations. Nathan Nosari said this expense could be paid from Reserves. The Board agreed to budget \$1,405 in the Coin Revenue line item based on the lowest amount over the past five years and to change General Supplies to \$700. This resulted in an Operating surplus of \$0.62. Patti Vande Zande noted that the dues will be \$215 for Operating and \$140 for Reserve for a total of \$355.

Janice Engel motioned to approve the 2018 Budget as revised. Jonathan Smith seconded and the motion carried.

The Board reviewed the projects scheduled in 2018 in the Reserve Budget:

1. Boiler Replacement - \$12,000. Nathan Nosari noted that heat exchangers will be installed instead of replacing the boiler.
2. Decks/Fences - \$19,000. Janice Engel suggested deferring the decks and moving a portion of the \$19,000 out to a future year. A small amount should be kept in the 2018 Budget for fence repair. Gary Nicholds will inspect the fences and determine if picket repairs can be made at a lesser cost.
3. Annual Improvement - \$16,000 was budgeted in 2017 but not spent. This amount was moved to 2018 for the heat exchanger replacement.
4. Contingency – replaced with “Declaration Change” and added \$8,500 for the legal work.

Patty Vande Zande will draft a memo to the owners regarding the dues increase and send it to the Board early next week for review.

Nathan Nosari will request a bid from BTS for the heat exchange project.

III. DECLARATIONS UPDATE

Hindman Sanchez provided a bid of \$8,400 (plus fees for travel and attending a meeting) to update the Declarations. The Board will review the proposal and vote by email.

IV. DELINQUENCY

One owner is four months delinquent because she did not provide an updated mailing address. The owner is protesting the \$200 in late fees and financing charges. The owner has paid \$10. Patti Vande Zande said the owner was sent three certified letters and a statement and notice was posted on the unit door. The first response from the owner was yesterday and she provided an updated mailing address. The Board agreed not to waive any of the fees. Patti was asked to send the owner another notification of the total amount owed to the updated address.

V. COMMUNITY SERVICE & LEGAL FEES UPDATE

The owner who was supposed to provide 20 hours of community service at the property has not yet informed Nathan Nosari what he plans to do to fulfill his obligation. The Board agreed he should be instructed to pick up dog waste when the snow melts in the spring.

VI. PARKING RULES

Gary Nicholds said there was an issue with an owner parking a small RV in the lot. The Board discussed how to handle enforcement of the parking rules regarding commercial and recreational vehicles. The Board agreed to notify the owner of the recreational vehicle that she has ten days to move it or it will be towed. If she brings it back, the rules specify that such vehicles must be moved every 48 hours.

VII. UNIT NUMBERS

The metal numbers were replaced with reflective plastic numbers a few years ago. One of them is broken. Eric Nicholds provided a sample of another type of reflective number that is easy to obtain online. The Board agreed to test some of the new numbers

VIII. GENERAL DISCUSSION

1. Janice Engel said some areas of the popcorn ceiling are falling down on Building 435 and there is a gash in the wall behind the laundry room door on the second floor. Gary Nicholds will follow up.
2. Jonathan Smith said there was a hole in the sheetrock in his closet from a water leak. Gary Nicholds said Turner Morris fixed the leak last year. Walter will be asked to patch the hole in the drywall.
3. The Annual Meeting will be held on February 10, 2018.

IX. ADJOURNMENT

The meeting was adjourned at 6:45 p.m.

Approved By: _____ Date: _____
Board Member Signature