

TC HOA Board Meeting Minutes

11-19-09 (6:15 – 8:30 pm)

Participants: John Clock, Gerald Clamors, and Rochelle Mitz.

Gayle Voyles kept the minutes

John Clock: Top dues increase of \$3,225 for the total increase. **Basically, 5% dues increase.**

\$831.120 DUES increase; bottom of column \$866.340-- if we did a 5% INCREASE. The board needs to decide, very soon, what percent dues increase they believe best fits the community's needs. **Jim Tiehen believes that a dues increase would be better for the community than a special assessment at this time.**

Budget Breakdown:

2nd page – same as original budget; wouldn't take out the treadmill—don't have to spend it, if not needed, but could remain in the budget. Refer to the outline (in pencil) at the bottom of the budget pages – highlights proposed changes numerically.

Board Member Question: 2010 landscape packet – a third of the way down – nut sedge application – what is that?

John Clock explained that Epic recommends this standard application of \$500 – bright green grass that grows faster than normal grass. Normal lawn application does not include this – John added an extra \$500 for this application.

Leaf clean up – spring bed cleanup \$1,300 has been added. You don't have to do, but it has been built into the budget.

Seasonal lawn care – add \$3,800 to the original bid. John knows homeowners like the extra services; if you don't want them you can lower those amounts.

Rochelle – we may need to have Epic come in to clarify whether we add these, or not.

Discussion Topic – The board should think about whether they want to be adding services while implementing the 5% BOARD DUES INCREASE.

John Clock – third page of budget

In reality, Rochelle, including the extra services it will make your property look better and only about \$900 more than what we spent in 2009; dormant prune isn't needed each year.

John Clock: Third page – number 1 – roof and gutter \$6,400 reduced to \$3,400 – not required each year.

Concrete reduced - \$30,000 is a substantial amount per year.

Drainage – reduced to \$18,000; we've been paying about \$25,000 each year previously.

Number 3 – 6 supplies – supplies for shutters – amount is the same

Fire sprinkler - 7, 8, 9 and 10 8 was added equipment we have to add after next month's inspection

#7 – design of sprinkler system - in closet warm by closet; when it thaws it floods – steps to monitor on weekly basis during the winter time – Spent about \$3,000 – Budget includes the \$3,000 as needed in the past. #9 is the fire safety system test

Utilities are the same as on the original budget

Insurance will be \$2,000 less than factored in amount for the proposed budget; 1.8 % increase predicted.

Recommendation of putting \$1,000 A MONTH into CAIPITAL RESERVES

ASPHALT \$8,000; ANTICIPATING LESS REPAIRS THIS YEAR

\$103,000 FOR PAINTING

\$123,000 SIDING REPAIRS – BEST GUESS ESTIMATE

\$20,000 SOFFIT REPAIR – BASED ON THIS YEARS

Budget GRAND TOTAL = \$ 866,216 IF we do a 5% dues increase.

If you took the money out for fall pansies, and spring clean and reduce insurance, you might get dues increase down to 4 or 4.5 increase or could increase the amount put into capital reserves. Another option is not to implement a dues increase now and modify the budget after the fact.

These are simple decisions that the board needs to make. There is no reason why we can't get the budget and dues increase letter out by November 30th.

If the board is not comfortable making a change you can go with what has been proposed. You could advise after-the fact and shift the money later.

John shared a draft copy of the dues increase letter which states that due to vendor and utility cost increases over the past year, along with \$206,000 being planned for capital improvements, a dues increase will be necessary to balance the 2010 budget. It also gave the new HOA dues amounts for the various sizes of units across the property (indicating current and new amounts which would begin January 1, 2010. The letter is the same as what was sent out last year, only figured at 5% instead of 7%.

John confirmed that the new amounts were figured based on units' square footage.

Rochelle – what we're hoping is not to do this every single year.

John explained that several condo complexes the management company works with try to have two years of dues increases and then one year off, depending on what the economic conditions and complex capital improvements are. The only way The Tiehen Group felt a special assessment would be better for this complex would be if the board was attacking the pond dredging project next year.

John Tiehen suggests the dues increase approach unless a complex is facing a major investment project.

Board members said they would get with Daphne by Monday and asked John Clock to please double check the dues increase calculations. John said he would do just that.

John Clock—I need to get a board member contact for Epic when the first snow storm occurs – it needs to be a board member that is on site. This board member would be responsible for telling Epic whether they are to come, or not and could call John Clock to discuss the issue.

Gerald gave his cell phone number to John Clock to share with Epic and Rochelle said she could be his back up.

Delinquents –

letter has been sent to #1.

#2 lien

#3 lien needs approval to file a lien – over \$1,000 GIVEN

#4 trouble tracking him down – filed a skip trace – haven't heard back from the attorney

#5 out of the country – can't do anything - Attorney says nothing you can do- Lien on the property. Foreclosure was cancelled – homeowner is out of the country. Sheriff's sale is cancelled.

#6 Law suit out – sending money

#9 bankruptcy everything owed is lost to HOA; after that any debt the homeowner will be responsible

#11 and 12 – need approval to send paperwork initiating a lien to the attorney – Board approved

#13 – payment plan

#14 – letter

John – 11 and 12 not good; 3 and 4;not good; everything else is not a big deal within perspective.

If you meet soon, one time offer – if you have questions– call John at home 816-880-985. If John can answer questions or make suggestions he will be happy to do so.

Cell phone (John will call Rochelle with this number tomorrow)

If you need me call me home, first. Then call cell phone.

Rochelle: Now, let's look at Cynthia's report

Gerald: Insurance thing – what is going on?

Rochelle – Daphne and Rochelle discussed and agreed upon.

The flood did damage to two units below– Martha has insurance, but not enough

Judy Marcus has insurance – effected the two units below – her insurance says the damage wasn't due to Judy's negligence; however ,homeowners have responsibilities – if you are not living in your unit – you still have responsibilities. Rochelle continued to explain that Martha's brother wants the HOA to save Martha – she doesn't have the deductible that is needed to start the process of having her insurance company go after Judy's insurance company. Martha's insurance company needs to step up to the plate and deal with the lawsuit.

Gerald: Is there anything we can do?

Board members discussed whether the Bylaws specify whether the TC HOA should get involved since two homeowners who were not negligent were negatively impacted. Ideas discussed:

- Can we put pressure on Judy because it was her negligence which caused damage to our community?
- TC HOA cannot fight everyone's battle.

The board decided that IF after Judy's insurance company receives the community's governing documents to review they do not step up to the plate it would be appropriate for the Tiehen Management Company to write a letter to Judy's insurance company confirming that it is their responsibility to cover the damages caused by the hot water heater leaking in an empty unit.

Proxies Patrol -Board members verified when they would greet homeowners in the mail room area in order to collect proxies.

Reminders: Dec. 12th – Holiday Party and TC HOA meeting on the 17th

Architectural Guidelines – The board confirmed that there had been no changes from what Jori previously proposed.

Building 18 – still waiting C and B –more foundation issues

Rochelle – John will check with Jim Tiehen – what if you do \$100,000 worth of the necessary work-- How would the split between homeowners of the building and the HOA be handled?

Drainage work has been completed.

A board member pointed out that the board should continue to investigate whether the HOA can play a more active role in resolving insurance issues between unit owners when damage is down to other

homeowners' unit. He felt Gayle had been wrong in stating that it was really an issue between homeowners' insurance companies and that the homeowners had the responsibility to send the community's governing documents to the insurance agents and to pay their deductible in order to get the process started. He read a section of the governing documents that indicated that the board "may" have the damages fixed, of the neighboring units that had been negatively impacted, and then make the negligent homeowner repay those expenses to the TC HOA. Rochelle stated that she did *not* feel it was the board's or TC HOA responsibility to write the letter to Martha's insurance agent, regarding the fact that the damage was caused by the upstairs homeowner.

Gerald: First thing to be done, Cynthia should tell the homeowners to send the By-Laws to the insurance company. Rochelle stated that this had already been done.

The board discussed the need to conduct some research regarding the water shut-off valve issue and on the price of hot water heaters to share with homeowners who may want to replace before damage may be done as old water heaters begin leaking.

The meeting was adjourned at 8:30 pm.