

THE HIGHLANDS CONDO ASSOCIATION
Minutes from February 22, 2018 Annual Meeting

Directors Present: Scott Lewis (#15), Brian Northey (#9), Stephanie Perez (#14), Linda Queen (#46)

Directors Absent: None

WEB Staff Present: Eric Lundin

Owners Present: Courtney & Renee Bloom (#27), Nadine Gallagher (#11), Leslie Graham (#10), Annette Knoll (#30), Cheryl Long (#26), Janet Mantz (#20), Brian McMillan (#12), Jeremy Weaver (#33 & #45)

Owners Present by Proxy: Mark Deno (#17), John & Mary Ann Biechler (#29), Sandra Gaffney (#34), Nick Lawhead (#40), Lindsey Hobbs (#41), Drew Lochhead (#6), Angela Feser (#13), Margaret Berry (#18), Susan Ferguson (#24), Ron & Kay Silvrants (#25), Jerry & Rita Scharff (#36), Dick & Loretta Atwood (#42 & #43)

The annual meeting of the Highlands Condominium Association was called to order at 6:10 pm at the Roundtable Pizza Restaurant.

- I. Introductions:** Eric Lundin introduced himself, the board introduced themselves and the owners in attendance introduced themselves.
- II. Establish Quorum:** A quorum was established.
- III. Financial Update by WEB Properties.**
 - a. 2017 Year in Review
 - i. Income: Income for the year was up to \$8,874.00 due to the dues increase and delinquency collection.
 - ii. Expenses: Expenses were up \$6,554.00. Payroll was a major contributor to this. We were able to offset payments to other vendors by Paul Brown doing some work that was scheduled to be contracted to other vendors. Several projects were completed this year including deck repairs at the pool, landscaping work by Paul Brown and stair replacement.
 - iii. Account Balances as of 12/31/2017
 1. \$7,682.45 – Operating Account
 2. \$1,020.43 – Savings Account
 3. \$56,132.03 – Reserve Account (\$10,000 below what the reserve study calls for).
 4. \$64,834.91 – Total
 - b. 2017 Expenses vs. 2018 Budget

- i. Income is expected to be up \$10,794.00 from last year. This is not dependent upon delinquency collection, which is very important.
- ii. Expenses are budgeted to be less than 2017 by \$2,539.00. This is mostly due to the removal of expenses that were unexpected in 2017 and payroll reductions for 2018.
- iii. The Net Income in 2018 is only expected to be \$553.00. This is a very thin budget, and our largest discretionary expense is payroll. So far this year, we have overspent payroll by \$396.87 – mostly for snow removal.

IV. Old Business

- a. The Board and Management are working on securing bids for the last few projects requested by the landscape committee from last year. The intention at this point is to move forward with most of the list in the springtime.
- b. The Board has approved replacement and painting of the shingles on the carports. This is a reserve expense that we hope to have underway in July. It should take two or three days to complete. If the project is successful and within budget, we may paint the shingles on the townhomes as well. To reduce maintenance, an owner asked if we could go to metal or composite shingles. Mr. Lundin will look at competitive bids.
- c. Delinquencies were at an all-time high of \$21,722 in June of 2015 from six condo owners. At that time, the Board decided to take action and begin filing money judgment cases in district court against the owners who were most in arrears. Today, the balance is down to \$8,120.31 from one owner. Of this, \$4,702.00 is HOA dues (the remainder is interest and penalties). We have an agreement with the owner of the condo in place, and they are paying off the delinquency.

V. New Business

- a. 2018 Budget Ratification Results – 2 owners voted no and 21 voted to pass the budget. The budget was passed.
- b. Board election results: Two board positions were open for a two-year term beginning in January 2018. 15 votes were cast for Linda Queen, 10 votes were cast for Nadine Gallagher and 6 votes were cast for Nick Lawhead. Linda Queen and Nadine Gallagher were elected.
- c. Vote to waive the audit for 2018. 16 votes were recorded to waive the audit and one vote was to have the audit in 2018. Result: The audit is waived for 2018. The board is comfortable waiving the audit as WEB's financial statements are audited by Washington State auditors.
- d. Straw Poll Investment Cap: To date, we had 9 vote yes to cap investments and 4 vote to not cap investments. This is regarding owners who purchase a condo for investment purposes and then rent the unit. Unless there is a more positive response, the board will not invest in attorney fees to put a cap on investment properties.

VI. Open Forum

- a. It was reported that the ladder in the pool has rust areas. Mr. Lundin will have Paul Brown check the ladder. It was suggested it be sprayed with a galvanizing spray to stop the rust.
- b. There are signs in the windows of Unit 12. The owner of the unit will have them removed.
- c. Ms. Gallagher said she does not have a storage unit and wondered if there was space in the mailroom storage areas. Mr. Lundin will check on it and get back to her.
- d. Where are the meeting dates posted? Some owners did not know about this meeting. Owners were notified by mail and email about this meeting. Additionally, the meetings were also posted on the group's Facebook page. Mr. Lundin will post the meeting dates in the mailroom going forward.

VII. Adjourn. With no further business the meeting was adjourned at 6:45 pm.