

HOA Minutes

September 20, 2014

Present: Franco & Margaret Cibebe, Billy and Mary Ann Rice, Steve & Becci Campbell, Curt & Nancy Freed, Rod & Terri Nowadzky, Richard & Pam Hinds, David Yrastorza, Jaime & Pat Yrastorza, Mike & Tami Lebeau, Marilyn Dykstra, Tim Hargreaves. Present by conference call: Francesca Hetfield, Nancy Warshofsky.

Richard Hinds opened the meeting and acknowledged John Connell, who is missing his first annual meeting in many years. Richard wished John a happy birthday. Richard explained that the first portion of the meeting was the HOA meeting and it would be followed by meetings for the Willows Quarter Share and Willows Management. With members present and those represented by proxy a quorum was established.

Richard asked Tim to present his building report. Tim reported that work was carried out in the spring to replace the front flower bed that was leaking into the electrical room with a stone area that could be used for daytime bike storage. This work has eliminated leaks into the basement from this area.

Tim presented current financials to include the balance sheet and P&L for the HOA. (Attached). With a building of this size there are going to be a number of high expense capital replacements over time. Anticipated large capital expenditures include but are not limited to:

New roof – estimate - \$350,000. Anticipated replacement 25 years

Replacing Heat tape on the roof – estimate - \$34,000 10-12 years

Replacement Gutters – estimate - \$70,000. We have already undertaken repairs to gutters on multiple occasions but in theory they should last as long as the roof

Boiler – we just replaced the boiler at Riva \$200,000. A list of boiler parts (not including labor) runs approximately \$16,000

Air Conditioning Units \$170,000. One unit has already been replaced

Spa. The spa has it's own boiler and will be a source of future undetermined expenditures

The owner's discussed the amount of reserve that would we needed to cover expenses on an on-going basis. Richard expressed the opinion that the HOA need to find a middle path that recognizes the need to keep reserves without tying up large amounts of cash. Curt asked if it is possible for the HOA to borrow funds for major items. The consensus was that there should be a reserve fund but find the middle ground.

At last year's meeting a proposed budget increase of 5% was enacted. The new proposed budget does not contemplate an increase. However, the projected budget surplus (despite last year's increase) is just a little over \$6,000 (just shy of 2%). Our proposed budget remains under \$10 per foot annually compared with Solaris (\$16) and One Willow (\$21)

The budget was presented. Richard outlined the approval process which requires a vote to disapprove rather than a vote to approve. There was no motion to disapprove. The budget was approved.

Under new business, Richard proposed a change in use of the hot tub. He suggested that the pool is an underutilized asset which is expensive to operate and that the HOA should consider allowing Willows Management's renters access to the facility. Tim reported that some renters use it despite restrictions. In exchange for allowing this, Willows Management would cover operating expenses for the pool of approximately \$3000 per year - to include chemicals, and minor maintenance but exclude heating costs and major repair costs. Tim recommended that we pilot this scheme beginning January 5 – after the main holiday period, to extend until a review at the next annual meeting in September. There followed a motion by Richard, to open up the use of the pool to renters of WMLP in exchange for covering operating expenses from Jan 5 until this meeting next year. The motion was seconded by Mike Lebeau. Tim outlined that he had instructions from three owners to vote against this motion. Those owners, who were not present, cited security issues and overuse of the area. There was a vote and the motion passed.

Richard asked that the minutes from the prior meeting be approved. This motion passed.

Election of Officers. Tim reported that the existing board is comprised of John Connell, Ted Alford and Steve Virostek. Tim has received notice from John and Ted that they are willing to serve another term. In addition, he has received a notice of interest to serve from Matt Peck and that Matt's resume has been circulated to owners. Richard moved to elect the current board, replacing Steve Virostek with Matt Peck. This was seconded by Steve Campbell. The motion passed.

Move to adjourn 10:25 AM.