

**WOODBRIIDGE INN CONDOMINIUM ASSOCIATION  
SEMI-ANNUAL HOMEOWNER MEETING  
FEBRUARY 12, 2011**

**I. CALL MEETING TO ORDER**

The Woodbridge Inn Condominium Association Semi-Annual Homeowner Meeting was called to order at 3:00 p.m. in the Woodbridge Inn Clubhouse.

Board Members Present Were:

Wayne McCorkle, President #302	Jim Meyer, #103
Paul Sakiewicz, #202	Robin Gustafson, #201

Homeowners Present Were:

Robert Feuerriegel, #301	Mike Kerrigan, #314
Cindy Kreutz, #204	Meredith Long, #303
Bill McCall, #106	Melvin McCorkle, #302
Robert Kato #111R	Jim Schneider, #101
Leonard Szmurlo, #315	Nancy Tisdall, 214

Represented by Proxy: units 203, 205, 306 and 107

Representing Basic Property Management were Gary Nicholds, Charles Johnson and Candy Ramage. Emma Stanbro of Summit Management Resources was recording secretary.

**II. PROOF OF NOTICE/QUORUM**

With units represented in person and proxies received a quorum was reached.

**III. APPROVE PREVIOUS MEETING MINUTES**

Wayne McCorkle noted that there had been some changes made by Paul Sakiewicz. Also in all places in the minutes refer to Wayne McCorkle making comments should be changed to Melvin McCorkle as Wayne was not present at the last meeting.

**IV. PRESIDENT'S REPORT**

Instead of filing a claim with the insurance company and jeopardizing future insurability, an additional \$50,000 was added to the Association's bank loan to pay for the repairs in units 107 and 207 necessitated by flood damage.

The commercial space, which was formerly a restaurant, has now been converted to residential space. The appropriate changes have been made to the Association's Declarations.

The Association's insurance policy coverage has been changed from "original construction" to a "bare walls" policy. This means that owners are now responsible for insuring everything in their unit from the studs in as well as rental income loss coverage. This change was approved by a vote of the membership. A homeowner noted that owners were

not informed of the result of the vote. Wayne McCorkle and Gary Nicholds apologized for the lack of communication on this subject.

With the additional money taken out for the flood repairs, the total loan balance is now approximately \$80,000 with a project payoff date of 2016.

Paul Sakiewicz explained that the Board had been considering simplifying and updating the Declarations. Many of the changes pertained to the commercial space. Since this area has now become residential space, the updates are no longer applicable so it does not seem necessary to incur the significant legal expense for this work as had been expected. Other changes to the Declarations that do not relate to the commercial space but could still be beneficial are small and could be completed by adopting minor amendments. The Board will reassess this issue at a later date after the commercial to residential space transition has been completed.

The Board continues to be concerned about pipes freezing. A sprinkler pipe froze in the East Building garage in January. A new line item has been added in the budget to address these occurrences.

The master lock system conversion has been completed. All but one owner now has new locks.

A new keypad lock has been installed on the Clubhouse door. The keypad is on a timer and will not allow access after hours.

## **V. FINANCIAL REPORT**

Candy Ramage presented the financial report. The Association ended with less cash at the end of 2010 as compared to 2009 due to an outstanding payable at the end of 2009. The actual difference in year-end amounts was offset by this payable accrual and an overall lower amount of payables due at the end of 2010. The Reserve Fund balance at the end of 2010 was \$42,459. The Operating net loss at the end of 2010 was \$39,441. Approximately \$46,000 was spent on flood repairs. If these leak expenses had not been incurred, the Operating net income would have been approximately \$6,800. There was a significant variance to the budget in the Legal/Accounting line item for work on the Declarations and lawsuits. The Building Repairs account was over budget by approximately \$6,000.

Life-to-date the Operating Budget reflected a net loss of \$81,644 but the Association is able to continue operating due to the loan (line of credit from Alpine Bank).

Meredith Long asked for a copy of the financial detail. This information will be sent out with the 2011 Budget. It was noted that the Association's financial information is not posted online for security reasons. It was suggested that the Board consider posting this information with password protection.

## **VI. MANAGEMENT REPORT**

This report was provided by Gary Nicholds.

1. Fire Sprinkler Leak - There was a leak in a fire sprinkler pipe in the basement under Unit 106. The pipe froze in an area where it enters a metal girder and was not properly insulated.
2. Crawlspace Inspections - Insulation inspections and repairs were completed last summer. There were three areas in particular that required significant attention.
3. Clubhouse Break-In – There was a break-in at the Clubhouse and supplies and equipment were stolen. A locked key box containing copies of all the unit keys was also burglarized and all the keys were stolen. As a result all of the unit locks were changed and a new keypad was added to the Clubhouse door. An owner asked why there were spare sets of unit keys. Gary Nicholds replied that they are kept in case owners forget or lose their key. Spare keys are now being kept at an offsite location.
4. Siding and Remediation - Some siding work and remediation needs to be completed to Units 107, 207 and 307.

## **VII. NEW BUSINESS**

### *A. Collection of Past Dues/Reserves*

The Association Declarations Section 16h state that when a unit sells, three months of dues may be collected at closing to fund the Reserve Fund. They also state that every time there is a dues increase, three months of the difference between the old and new dues amount may be collected from the owners and paid into the Reserve Fund. It has been determined that only some of the owners have paid the amount at closing and the dues increase assessments have never been collected. Since some of the owners have paid the amount at closing and some have not, it is only fair to collect from the owners who have not paid. The Board would also like to require that collection of the three months of the dues increase amount be instated. It was noted that in prior years the management company and the Board have elected to not enforce 16-h and that some owners did not pay the closing assessment since the declaration states that the provision may be enforced, but does not have to be enforced.

The Declarations also specify that when an owner sells their unit they will receive back any unused portion of their contribution. It was noted that a separate Reserve Fund was only established a few years ago. Owners, who purchased their units before the funds were separated, would most likely only receive monies from this fund. There is no indication in the documents what should occur if dues are decreased. This item was tabled until after the Budget discussion.

Post meeting clarification: Home owners have until March 31, 2011 to establish that they have paid the amount required by Section 16h.

Outstanding payment is requested in three installments, with full amount due by September 30, 2011.

*B. Proposed Projects*

Wayne McCorkle stated that the complex is currently 30 years old and continues to age. Insurability has come into question, but was obtained due the association funding the 46000 dollar loss themselves rather than submitting it to the insurance for a claim, budget shortfalls are becoming worse and compounding and there are unsatisfactory cash reserves. Wayne McCorkle would like to have some long-term goals to protect the investment, to reduce the probability of insurance claims, to build up the Reserve Fund to mitigate dues increases, to shift from reactive maintenance to proactive maintenance and to be able to define and execute regularly scheduled maintenance actions. Projects that are currently being considered include:

1. Roofs on East and West Buildings - Bids have been received for replacement of the roofs. Turner Morris quoted \$180,000 for both roofs. Charles Johnson stated that this would provide the Association with an upgraded roof with concealed fasteners. Bids of \$39,812 and \$31,942 for both roofs were received from G&G Roofing. The first bid was for a new roof in the existing material. The second bid was for a shingle product. A third bid of \$95/hour was received from Five Sons Roofing to make repairs to the existing roof. The extent of this option and number of hours required have not been established. Charles recommended acquiring a third bid or confirming the G&G Roofing bids due to the large price difference between the two roofing contractors.
2. Balcony Surface on Second Floor - Two bids have been received to replace the rubber tread on the walkway/roof of the second floor. A specific product is required to maintain the warranty of the rubber membrane installed by Turner Morris a couple of years ago. The bids were \$10,000 from Turner Morris and \$9,000 from Five Sons Roofing. It was noted that there are some significant dips that will need to be fixed as part of the work. Paul Sakiewicz said that it may also be necessary to complete some soundproofing. A homeowner stated that he did not think the membrane was still under warranty. If this is the case, a less expensive product could be used.
3. Garage Ceiling - Bids will be solicited for this work in the spring.
4. Resealing/Crack Fill of the Parking Lot - Double Asphalt has provided a bid of \$1,800 to reseal and crack fill the parking lot. A homeowner suggested using a cold tar and penetrating sealer for better appearance and longer durability. Striping is not included in this price but will be looked into by the Board.
5. Wind Barrier - Solutions will be researched to reduce the wind tunnel effect through the garages.
6. West End of Building Siding – The Board may consider removing the siding from the west end of the east building and installing new insulation and wind proofing. This item is not currently in the budget.

7. Enclose Attic Space Above Unit 208 and Add Baseboard Heat.

C. *Proposed 2011 Budget*

Wayne McCorkle stated that several issues were considered when preparing the 2011 Budget. The bank loan should continue to be paid on the existing schedule and not be paid off early. Projects in 2011 should be paid out of the Reserve Fund and not by Special Assessments. Reserves should continue to be built and a professional Reserve Study should be commissioned for future planning purposes along with a separate engineering study of the pipes. Meredith Long stated that she thought a study of the pipes was completed last year. Wayne McCorkle replied that last year only the attic spaces were inspected. Paul Sakiewicz felt the pipe issues should be addressed as they arise instead of paying someone to look for problems.

Two budget proposals were reviewed. The first included a dues increase of approximately 5% for all units except #111 (dues increase for this unit are a significantly higher percentage due to the conversion from commercial to residential and the increased services provided to the unit by the Association). The majority of the increase is related to general inflation and slight adjustments within accounts. The two most significant increases were in Legal/Accounting with an increase from \$4,500 to \$15,000 and Building Repairs with an increase from \$13,700 to \$20,000. There is also a line item for one insurance deductible of \$2,500. The second budget proposes a dues increase of approximately 7.5% for all units except #111 (same explanation as above), which allows for an additional \$1,000 for the Building Repairs account and the remainder of the increase for Reserve Fund projects.

Candy Ramage noted that if the Declarations were not going to be revised it would be possible to reduce or redistribute the funds allocated for the Legal line item. Meredith Long asked if an insurance claim had been filed for the pipe leak in the garage and Clubhouse burglary. Gary Nicholds replied that bills had not yet been received for either of these items and the costs may not exceed the \$2,500 deductible. The Board will consider whether insurance claims should be submitted once the bills are received.

In order to fund the projects as discussed earlier including the roofs (\$40,000), second floor balcony (\$10,000), Reserve Study (\$2,500) and parking lot resealing (\$1,800), it will be necessary to collect the approximately \$30,000 that was not collected at closing from new owners.

Charles Johnson asked if the proposed budget accounted for money already spent this year on repairs. Candy Ramage replied that it did not. A motion was made by Wayne McCorkle to reallocate \$10,000 from the Legal/Accounting line item to the Building Repairs line item. The motion was seconded and carried unanimously.

A motion was made by Paul Sakiewicz to approve the 2011 Budget with the approximate 7.5% dues increase. The motion was seconded and carried unanimously.

*D. 2011 Projects*

Wayne McCorkle made a motion to approve an expenditure of up to \$40,000 to replace the roofs this year. Jim Meyers seconded. Discussion followed on roof replacement options. The motion was amended to state that the Board should be authorized to use its discretion to determine how the roof should be replaced. An owner noted that skylight replacement should be addressed as part of this project. A vote was taken and the motion carried unanimously.

Wayne McCorkle made a motion to allow the Board to spend up to \$2,000 as deemed appropriate to reseal and crack fill the parking lot. The motion was seconded by Jim Meyer and carried unanimously. It was noted that the twenty parking spaces previously owned by the commercial owner are being given back to the Association. The new residential units will be allocated the "guest" spaces in the garage. Discussion followed on the ownership of the four additional spaces that were also used by the former restaurant. It is unclear who owns these spaces but the Town of Frisco has ticketed cars parked there overnight. This item will be researched by the Board. The Association currently plows these spaces in the winter. Paul Sakiewicz asked if the owners would be prepared to amend the previous motion to allow the Board to spend a few thousand dollars more to upgrade the resealing project to a longer lasting asphalt overlay. An owner stated that she was not in favor of this proposal considering the current financial status of the Association and all the other work that needs to be completed.

Wayne McCorkle made a motion to allow the Board to commission a professional Reserve Study at a cost not to exceed \$2,500. The motion was seconded. Gary Nicholds stated that the Association is required by law to have a Reserve Study or schedule. The Study does not need to be drafted by an engineer and can be completed in-house by the Board and management staff. A Reserve Study is an invaluable tool for planning and budgeting for future large expenditures. A professional Study completed by an engineer would include a thorough inspection of all the elements of the building and a projection of life expectancies and replacement costs for each item. Charles Johnson noted that a professional inspection would not include the plumbing or electrical system as it would not be possible to determine the condition of these items without destructive investigation. Paul Sakiewicz thought the Board could create the schedule and the \$2,500 cost could be put toward other projects. Meredith Long stated that she would rather use the money for an analysis of the plumbing system. Another owner was concerned that an engineer might identify and include projects that would not be considered by the Board. A vote was taken and the motion did not carry with only one vote in favor.

Wayne McCorkle made a motion that the Board and management company work together to create a five and ten year Reserve schedule with a rough draft to be completed by the end of June and that a formal Reserve Study should be considered if the Board's version does not appear to be satisfactory. The motion was seconded by Robin Gustafson and carried unanimously.

Wayne McCorkle made a motion to authorize the expenditure of \$10,000 for the walkway on the east side of the west building. The motion was seconded by Nancy Tisdall and carried unanimously.

Wayne McCorkle made a motion to move the \$2,500 earmarked for the Reserve Study to the Insurance Deductible account to allow for payment of an additional insurance deductible if needed. Robin Gustafson seconded and the motion carried unanimously.

*E. Uncollected Closing Assessments*

The spreadsheet detailing which owners paid their assessment at the time of closing was displayed. There are 10 units for which it has not been possible to determine if the assessment was paid. The spreadsheet also indicated how much was owed for the dues increase last year. It did not include the amount that would be due for the 2011 Budget increase.

Wayne McCorkle made a motion that using current data and revised 2011 Budget figures, the money currently owed to the Association should be paid as soon as possible but no later than the third quarter of 2011. The motion was seconded and discussion followed. It was suggested that the past due amounts be assessed in three payments. A homeowner stated that he bought his unit 16 years ago and he was not sure he would be able to find the paperwork to prove that he paid his unit assessment at closing. He added that he did not think it was right that the owners were being held responsible for proving whether or not they paid their portion. It was noted that Section 16h in the Declarations only states that the Board "may" require that this money be paid. It was noted that if the outstanding money is not collected, there will be a budget shortfall and Special Assessments will be required. In addition, if the outstanding money is not collected it may be necessary to refund money to owners who have already paid. The original motion was withdrawn.

Paul Sakiewicz made a motion to enforce Section 16h of the Declarations even though it was not previously enforced by prior Boards, to allow owners until the end of the third quarter to establish if their assessment has been paid and to submit any outstanding amounts in three equal payments. The motion was seconded and a vote was taken. The motion carried with one vote opposed.

Wayne McCorkle stated that a copy of the updated spreadsheet detailing how much each owner owes would be sent out along with a copy of the 2011 Budget and 2010 financial statements.

Wayne McCorkle made a motion to have the Board address how the money collected as a result of the enforcement of Section 16h will be refunded to owners when they sell their units. The Board's recommendation will be brought to the homeowners for approval and vote. The motion was seconded and carried.

*F. Unit Inspections*

Jim Meyer made a motion to allow representatives from Basic Property Management to enter any unoccupied unit to check for freezing pipes and that if entry is denied by an owner, that owner should be held liable for any damage that might be caused by a leak. The motion was seconded and discussion followed. It was noted that this motion had already been passed at a previous meeting. It was suggested that the motion be amended to allow inspection access to all occupied or unoccupied units. Several owners expressed that they did not want management staff randomly entering their units without permission. There have been occasions when doors have been opened to leave a paper notice or spare keys and some owners felt this was unacceptable. It was also noted there could be legal issues with the Association assigning liability. The motion was withdrawn.

*G. Distribution of Homeowner Contact Information*

Wayne McCorkle made a motion to authorize distribution of homeowner addresses, phone numbers and email addresses to all the homeowners and that the owners are responsible for communicating any updates for this information to Basic Property Management. The motion was seconded and carried. (Subsequent communication with attorney Dan Wolf suggested that owners should have the ability to opt-out of sharing their phone numbers and email addresses with other owners. As a result, a request for permission to include contact information in a Woodbridge Directory will be distributed to owners and then compiled into a usable document by BPM.)

**VIII. BOARD ELECTION**

The terms of Robin Gustafson, Wayne McCorkle and Brad Redman expired. Robin Gustafson and Wayne McCorkle indicated their willingness to serve additional terms on the Board. Bill McCall was nominated from the floor.

Robin Gustafson, Wayne McCorkle and Bill McCall were elected by acclamation.

**IX. SET NEXT MEETING DATE**

The next meeting date was not set.



**X. ADJOURNMENT**

With no further business a motion was made and seconded to adjourn the meeting at 6:38 p.m.

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_  
Board Member Approval