

**WOODBRIIDGE INN CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING**

August 21, 2012

via teleconference

I. CALL THE MEETING TO ORDER

The Woodbridge Inn Condominium Association Board of Directors Meeting was called to order by Wayne McCorkle at 6:04 p.m. via teleconference.

Board Members participating were:

Wayne McCorkle

Jim Meyer

Kate Love

Bill McCall

Representing Basic Property Management were Gary Nicholds, Charles Johnson (via teleconference) and Giovanna Vogli. Erika Krainz of Summit Management Resources was recording secretary.

II. APPROVE PREVIOUS MEETING MINUTES

Wayne McCorkle requested a status update on several open items from the previous meeting:

1. Owner delinquencies - Giovanna Vogli will contact the delinquent owners about paying in advance instead of in arrears.
2. Cricket damage – Kate Love said there was still a hole in the deck from the Cricket equipment removal. Gary Nicholds will work with Charles Johnson on a suitable repair. Gary was directed to send Cricket the bill for the work.
3. Light in east garage – Completed.
4. Unit 107 ceiling drywall repair – The repair has been completed and the unit owner was billed for their portion of the cost. Gary Nicholds will determine if the owners have paid.

Wayne McCorkle made a motion to approve the April 16, 2012 Board Meeting minutes as presented. Kate Love seconded and the motion carried.

III. FINANCIAL REPORT

A. Year-to-Date Financial Report as of July 31, 2012

Giovanna Vogli reviewed the Balance Sheet:

1. Total Checking/Savings - \$62,682 this year, up from \$25,339 last year.
2. Total Accounts Receivable – (\$4,534) this year versus (\$2,063) last year for prepaid dues.
3. Total Other Current Assets - \$2,766.
4. Total Accounts Payable - \$1,389.
5. Total Long Term Liabilities - \$61,073 for the line of credit.
6. Total Equity – (\$1,548). This includes \$40,860 in Reserves, (\$84,097) in Retained Earnings and \$41,689 of Net Income.
7. Total Liabilities and Equity - \$60,914

The Aging Summary reflected a credit balance of \$4,534. Many owners are paying in advance. The properties owned by Quatro were sold and a refund of \$8,121 was issued.

Giovanna Vogli reviewed the significant Profit and Loss variances to budget:

1. Total Income - \$1,788 under budget. Cricket Lease Income was \$1,960 under budget. There was \$776 in Washer/Dryer income.
2. Total Expenses - \$12,867 under budget. Building Repairs was \$11,790 under budget but \$530 will be spent on crack sealing. Electric was \$1,487 under budget. This line item is budgeted equally each month throughout the year and will likely come in line with budget in the colder months.
3. Net Ordinary Income - \$21,981 actual net income against a budget of \$10,902.

IV. PROPERTY MANAGER'S REPORT

Charles Johnson provided a report:

1. Asphalt Overlay – Charles is waiting for a bid from the asphalt contractor. The front portion has been overlaid before so only the back section will need to be done. The estimated cost is \$20,000. Charles said this project could be postponed for a year as long as crack sealing is done this year.
2. Walkways and Stairwells East Building - Completed.
3. Painting – The third floor walkway will be painted within the next week. Kate Love said the handrails on the west building were in very poor condition and should be painted. Bill McCall noted that the Board approved \$595 for painting only the east building. Wayne McCorkle made a motion to have Charles Johnson get a bid for painting the west building handrails only and to proceed with the project as long as the cost does not exceed \$500. Bill McCall seconded and the motion carried.
4. West Building Boiler Flue Extension – Charles will have this work done within the next two weeks.

V. OLD BUSINESS

A. Declarations Revision

Gary Nicholds reported that the attorney said reallocation of the dues could be done easily at a cost of not more than \$1,000. This would require approval from the Board, the three new unit owners and their mortgage companies.

Amending the Declarations will require a vote of the membership. Kate Love wanted to make sure that costs are allocated fairly. She would like to have this done in time for presentation at the next Annual Meeting. She can modify the formulas on the spreadsheet she created. The spreadsheet clearly defines what owners are paying for and will provide improved transparency. The Board will need to determine what the allocation method should be. The owners will want to know how the changes will affect them individually. Gary Nicholds and Kate will meet with the attorney in the next two weeks to explain the goal of the changes and determine what is required to make those changes.

The Board agreed to the following action items:

1. Kate will email the original spreadsheet to all Board members.
2. Kate and Gary will meet with the attorney within the next two weeks to get alternative language for establishing specific expense categories. There are currently two categories of owners (owners with and without boilers) and two types of expenses (based on square footage such as heat or on level of benefit to the owner such as cable). Changing the types of expenses will change the allocation.
3. The final document will be sent to the Board for review and a vote by the end of September.
4. After the changes have been finalized, the document will be sent to the membership.
5. The spreadsheet will be with the Annual Meeting notice so it can be voted on at the meeting. Gary thought approval would require an affirmative vote of 67% of the membership but this will be confirmed with the attorney.

It was noted that the changes would result in an increase to dues for smaller units and a decrease for larger units.

VI. NEW BUSINESS

A. Pet Policy

Wayne McCorkle said his rental management company has been complaining that he does not allow renters to have pets. Wayne thought this prohibition was defined in the Declarations but he has not been able to find the reference. Gary Nicholds said if there were a restriction, it would likely be in the Rules and Regulations, not in the Declarations. After further discussion, it was determined that renters are permitted to bring pets as long as the owner allows it.

B. Parking Lot Crack Seal Update

Charles Johnson said he was waiting on a decision on the overlay. If the overlay is postponed, he will proceed with the crack sealing. The cost will be \$500. Seal coating would be about \$1,500. A decision was tabled until after the Capital Plan discussion.

C. Capital Plan Update

1. Parking Lot Overlay – The life of the front parking lot can be extended with regular crack sealing but the back lot will need an overlay within the next few years as it is in much worse condition.
2. West Roof – Completed.
3. East Roof – A bid of \$120,000 was received to completely replace the east roof. Gary Nicholds noted that the majority of leaks have occurred on the street side, so it may be possible to replace only that half of the roof. This would reduce the cost by about 50%. Assuming a cost of \$120,000, each owner would pay about \$4,000 if the cost were to be split equally among all owners. Charles said he

- could continue to tighten screws and probably get a few more years of life out of the existing roof.
2. Boilers – The boilers should have about 15 more years of useful life. The estimated replace cost is \$15,000 each.
 3. Painting of Building –The building was last painted three years ago at a cost of \$38,000. Painting should be done every five years. Adjusting for inflation, the next painting job should cost \$44,000 – 47,000.
 4. Hot Tub – The hot tub has several more years of life. The current replacement cost is estimated at \$11,000. Gary Nicholds noted that the hot tub is built in to the Clubhouse so removal will be complicated. The tub will have to be cut into pieces and the picture window will have to be removed to provide access for a crane or forklift.

Painting the building, roof replacement and overlaying the parking lot are the three projects that will occur the soonest. Wayne McCorkle was in favor of doing the roof first. This will likely require an assessment for part or all of the expense. The Board agreed not to do the parking lot overlay this year.

Gary Nicholds and Giovanna Vogli will work on the Capital Plan and Kate Love will develop a template for a five-year plan.

D. Water/Heat Issues

In the west building, some owners are having a hard time getting cold water through the cold faucets. Charles Johnson said he inspected Units 214, 215, 313 and 315 and checked the wall temperatures. He found the second floor units were warm, with an average wall temperature of 76 degrees with no heat on. In Unit 214 the floor temperature in front of the sink in the master bathroom and in front of the kitchen sink was 80 degrees. He checked the temperatures in the units abutting Mike Carrigan's unit and found no issues. He also measured temperatures in the units in the east building. The warmest units are on the first floor. Units 102 and 103 had the same issues with high temperatures on the floor in front of the sinks. He found all faucets ran warm for about two minutes before cooling down. In the second floor units, the higher temperatures may be caused by the hot water and glycol lines for the three kitchens and five bathrooms in the new units. The ceilings in the new units are also much better sealed, which may be trapping the heat generated by the hot water and glycol lines. The Board agreed there were no actions to be taken. Owners will be advised to run the water for two minutes or to keep some water refrigerated.

E. Window Replacement

Gary Nicholds confirmed that owners may replace their windows as long as they match the existing windows. The Board agreed owners should be required to submit proposals for all exterior changes to the Board. This topic will be discussed at the 2013 Annual Meeting.

F. Satellite Dish

A rental tenant has requested permission to install a satellite dish. Current Rules and Regulations prohibit installation of dishes. The Board was not in favor of changing the Rules to allow a dish.

Bill McCall commented that there was a cable running along the back of his building. Gary will determine the purpose of the cable and email the Board.

G. Set Annual Meeting Date

Wayne McCorkle will send the Board members four or five possible dates in January 2013 for the Annual Meeting.

H. General Comments

1. The lights are out on 201/301 on west building.
2. Bill McCall requested a list of tasks that are included under the management contract. Gary Nicholds will send this list to all Board members.

VII. SET NEXT MEETING DATE

The next Board Meeting was set for September 25, 2012 at 6:00 p.m.

VIII. ADJOURNMENT

Wayne McCorkle made a motion to adjourn at 8:04 p.m.

Approved By: _____ Date: _____
Board Member Approval