

WOODBRIIDGE INN CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING
September 25, 2012

I. CALL THE MEETING TO ORDER

The Woodbridge Inn Condominium Association Board of Directors Meeting was called to order by Wayne McCorkle at 6:00 p.m. via teleconference.

Board Members participating were:

Wayne McCorkle	Jim Meyer
Kate Love	Bill McCall
Robin Gustafson	

Representing Basic Property Management were Gary Nicholds, Eric Nicholds, Charles Johnson and Giovanna Vogli. Erika Krainz of Summit Management Resources transcribed the minutes from recording.

II. APPROVE PREVIOUS MEETING MINUTES

Kate Love made a motion to approve the August 31, 2012 Board Meeting minutes as presented. Bill McCall seconded and the motion carried.

III. FINANCIAL REPORT

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

Giovanna Vogli reviewed the Balance Sheet:

1. Total Checking/Savings - \$56,532.
2. Total Accounts Receivable – (\$3,999) credit for prepaid dues. One owner owes \$250 for work in his unit. Giovanna will follow up with the owner.
3. Total Other Current Assets - \$14,161.
4. Total Accounts Payable - \$1,727.
5. Total Long Term Liabilities - \$59,926 for the line of credit.
6. Total Equity – \$5,041. This includes \$40,860 in Reserves, (\$84,097) in Retained Earnings and \$48,278 of Net Income.
7. Total Liabilities and Equity - \$66,694.

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

1. Total Income - \$1,977 over budget due to washer/dryer income.
2. Total Expenses - \$15,388 under budget. Building Repairs was \$13,671 under budget.
3. Net Ordinary Income - \$28,827 actual net income against a budget of \$15,416.

The Reserve Profit and Loss reflected net income of \$19,451 but that included \$5,000 for the insurance deductible and 2,000 for asphalt crack sealing. Giovanna will have a year-end projection within the next week or two. Giovanna was asked to number the line items on the financial reports.

Giovanna will follow up on the trash removal overage in August and the Water/Sewer billing. Kate Love thought the new units were included in the Association bill.

A Board member noted that insurance was over budget. Gary Nicholds said all Associations saw a premium increase due to large losses in the industry last year.

Kate Love suggested paying off the loan to save the 6% interest. Gary Nicholds recommended building up the Reserve Fund balance first. The Board will review the financial status at the March or April Board Meeting.

Wayne McCorkle made a motion to approve the Financial Report as presented. Kate Love seconded and the motion carried.

IV. PROPERTY MANAGER'S REPORT

Charles Johnson provided a report:

1. Unit 112 Heat Issue – The owner of Unit 112 hired a contractor to try to identify the source of the heat problem. The owners have changed to a keypad and Charles no longer has access to the unit. He checked the temperatures in Unit 214 and they were in the normal range. The unit temperatures under Unit 112 were cooler than expected. Mark Stern from MechTech observed that Unit 112 is extremely well insulated with only the front and back doors for ventilation. There is also ambient heat from the fireplace pilot light, and pipes that constantly circulate hot water through the unit. Charles said Mark had suggested putting the recirculation pump on a timer so it only comes on a couple of times daily, but Charles felt this could negatively impact the delivery of hot water to the units. Kate Love felt John Tusso should be asked to determine if the new unit construction could be a contributing factor to the heat issue. Charles thought that John was unlikely to accept responsibility since all the work he did was to code. It was noted that there were not any heat issues until the unit conversion was done.
2. Mechanical Room Carbon Monoxide – Mark Cober indicated that he detected an odor in the mechanical room. It does not appear to be carbon monoxide since it is odorless and cannot be detected without a mechanical device. Gary Nicholds said a plumber was at the site earlier and tested the air with a carbon monoxide device. Nothing was detected. The flue has been extended to provide a better draft. The boiler burners were malfunctioning, resulting in incomplete burning of the gas. The plumber has been working on resolving this issue. A carbon monoxide detector was placed in the mechanical room last Friday and there have not been any alarms. Service Monkey will be on site tomorrow morning with a combustion analyzer to test for a carbon monoxide leak. The boilers should be cleaned next spring. This expense will be included in the budget.
3. Crack Sealing – The crack sealing will be done Sunday afternoon. Charles Johnson will put notices on the unit doors asking owners to park in the garages on Sunday.
4. Stairwell Roof – The roofs over the two east building stairwells have metal roofs and the paint will not adhere. Gary Nicholds obtained a bid of \$1,500 to shingle those roofs. The price would be about halved if the project were done at the same time as the roof

repairs. The roofs are functional but not attractive. The Board agreed not to shingle the roofs. They should be power washed.

5. Roof Extension – Leaks into the garage ceiling are caused by snow building up on the wall along the deck of Unit 107. The solution would be to add a roof over the deck to match all the other units. The deck is a limited common element. Charles Johnson will get a bid for a roof. A Board member will contact the owner. If the owner objects to the roof, he will be told that he will be responsible for the annual garage ceiling repair expenses.

V. OLD BUSINESS

A. *Declarations Revision*

Gary Nicholds reviewed Kate's allocation spreadsheets with the attorney Dan Wolf. Since the majority of the Board was not in favor of amending the Declarations due to the expense, the attorney recommended creating a Resolution to memorialize the agreement that the three new units do not pay into the Association utility costs. The Resolution would have to be approved by the Board, the three unit owners and the first Declarants for the three owners. Kate Love clarified that the Resolution should include that they do not pay utilities, operating capital and Reserve amounts. She added that she would also like to see if something could be done about cable. She would want to ensure that the three new units would not have any responsibility for any Reserve expenses related to any of the heating, cooling, water and sewer systems. Wayne McCorkle felt it would be onerous to break out some of those expenses. Kate said her spreadsheet made it pretty simple. Bill McCall noted that the owners would need to be informed of the financial impact on their dues. Kate pointed out that the dues increase would not be the result of this Resolution, but rather due to an increase in operating costs and the loss of the Cricket revenue, unless a change is made to the cable allocation. Bill McCall and Robin Gustafson felt the fairest way to allocate the cable would be by unit as a flat rate. Jim Meyer pointed out that there were a number of other expenses that are allocated by square footage that could also be subject to this argument, such as the parking lot and hot tub. Gary Nicholds said these allocations were specified in the Declarations.

In summary, the Board agreed with Kate's allocation. Gary recommended approving the Resolution to memorialize the current allocation and making the presentation to the owners at the meeting prior to doing any additional legal work. If the owners agree to the proposal, the attorney could be engaged to do the additional work. Kate thought the Resolution could be passed by the Board if the cable is excluded. A separate Resolution could be drafted addressing the cable, but it would require approval of 67% of the total membership. Adoption of the spreadsheet would not eliminate the need for an annual true-up of expenses. Giovanna Vogli pointed out that all the electricity was for the exterior and she adjusted the spreadsheet accordingly. She did not believe a true-up would be necessary after this year.

The Resolution that the Board and three new owners will approve confirming the spreadsheet should state that since the three new units pay their own utilities, they are not responsible for the common area electricity, water, sewer or gas (except for common areas), the operating maintenance and capital, and their dues should reflect this. Based on the owner response to the spreadsheet, the Board will make a decision about a second Resolution related to the cable charges and any potential Declarations changes.

Kate mentioned that she had also excluded unit inspections from the costs allocated to the new units since the inspections are related to the common boiler system. A Board member objected, noting that the inspections were not only for the boiler system, but also for water and gas leaks. Several other Board members agreed. Kate said \$3,000 for inspections seemed like a lot of money. She suggested getting competitive bids. After further discussion, she agreed to include this expense in the allocation for the three new units.

Jim Meyer made a motion to move forward with drafting the first Resolution as described above. Robin Gustafson seconded and the motion carried. Gary Nicholds will have the attorney draft the Resolution.

Kate Love proposed drafting a second Resolution to change the allocation for cable and the building inspections. This will require a vote of the entire membership. There was no opposition from the other Board members. Gary Nicholds was directed to have the attorney draft this Resolution.

VI. NEW BUSINESS

A. Comcast Cable

Gary Nicholds said Comcast contract expires in August 2013. There are other providers for internet and cable service. Right now the Association only provides bulk cable through Comcast. Owners can upgrade the cable service and add internet individually. Gary will get a cost estimate for adding bulk high speed internet through Comcast.

VII. SET NEXT MEETING DATE

The next Board Meeting was set for Wednesday, October 10, 2012. Gary Nicholds will confirm that the attorney can have the Resolutions completed by that date. The Homeowner Meeting will be held on Saturday, January 19, 2013 at 3:00 p.m. Gary will try to find a larger venue.

VIII. ADJOURNMENT

Wayne McCorkle made a motion to adjourn at 7:50 p.m.

Approved By: _____ Date: _____
Board Member Approval