

**NU HOMEOWNERS ASSOCIATION**  
**ANNUAL MEETING**  
**June 10, 2006**

**MEMBERS PRESENT:**

Arnie & Sandra Heller (1401), Barry Bruner (1404), Gary Roberts (1405), Dave Mally (1407), Julie Daehn (1422), Ralph & Patricia Ballard (1417).

**OWNERS PRESENT BY PROXY:**

Robert Wilkins (1406), Carol Cain (1411), Bradford Smith (1414), Jasen Beste (1415), Bruce & Kathy Degi (1419), Suzanne Pass (1424).

**OTHERS PRESENT:**

Alan Loew, Pro-Temp Solutions, Business Mgr., Ian Lawler, Grand River Maint.

**CALL TO ORDER:**

President, Julie Daehn, called the meeting to order at 3:15 p.m.

**ROLL CALL:**

Roll call was taken and with the owners present and by proxy a quorum was met.

**APPROVAL OF ANNUAL MINUTES:**

A motion was made to accept the 2005 Annual Meeting Minutes as written. It was seconded and passed.

**ELECTION OF BOARD OF DIRECTORS:**

Julie Daehn's position on the board is up this year. Julie indicated that she would be willing to serve again. A nomination was made and seconded to elect Julie to the Board. Julie was appointed to a 3-year term on the Board of Directors. Arnie Heller indicated that if there was interest by other owners to be on the board, he would like to relinquish his position on the Board. Both Dave Mally and Gary Roberts are interested in being on the board. It was moved and seconded to elect Dave Mally to the board to fulfill the remainder of Arnie's term through 2008.

**FINANCIAL REPORT:**

The financial budget for 2005-6 was reviewed. Discussion surrounded the increased cost of utilities and some extraordinary maintenance expenses that resulted in a budget deficit. It was noted that under the previous accounting methods for the building, the utility expenses would have been passed through in monthly dues statements and would have already been an increase paid by the owners. The Board had decided that the deficit will come from the maintenance reserve account, and that there will not be an assessment to cover the shortage.

The 2006-7 Budget was presented. It reflects increases in the Utility and Maintenance and Maintenance Reserve accounts. These increases in utility and maintenance costs are pass through for existing expenses. There is also an increase in the maintenance reserve account to recoup losses from the 2005-6 budget. These budget increases will be reflected in increases in unit owner's dues beginning in October 2006. It was noted that even with this increase in monthly dues, unit owners would be paying more under the previous accounting/maintenance contracts. So while it is unfortunate to see an increase, we are paying less than we would have been paying under previous management. Monthly payment coupons were distributed to owners present, and will be mailed to the remaining owners.

**MAINTENANCE REPORT:**

Ian Lawler of Grand River Maintenance attended the meeting to give an overview of building maintenance for year. Aside from the Boiler call in January, there was not significant projects or expenses that occurred this year. Items noted that should be repaired or changed:

- ❖ Replace the boiler room door with a vented screen door to restrict access to the boiler room from the laundry room, while still providing ventilation for both rooms.
- ❖ Replace the boiler room crawl space cover with a vented cover to allow air flow to the boiler.
- ❖ Move the boiler vent pipe that froze up this year to a more protected spot on the wall.
- ❖ Repair leaking porch roof
- ❖ Repair roof drainage above the boiler room door that is draining onto building.

The Maintenance reserve schedule was reviewed. This schedule details planned maintenance expenses for the building and the schedule for those projects. There was discussion around whether there is enough money going into the reserves to cover the planned projects. Projects discussed that are coming up in the short term:

Porch Roofing - the roofing is leaking, we will move forward if repairs to the roofing to seal the leaks.

Pavement Sealcoat - we have decided to defer this project for a couple years.

Carpet Replacement - we will continue to clean the carpets annually in the Spring. The carpets will be replaced at the same time the building is re-painted. We will also discuss removing owner storage boxes from the decks at that time.

Building Painting - currently budgeted/scheduled for 2008

Lights - the board will consider this project at the end of September. If there have not been any significant building expenses between now and then, this project may be given the go ahead. Expected cost is \$888 and would come from the reserves.

Sign Rewire - the light/outlets on the building sign post are on a different electric meter than the rest of the building. This meter costs our building \$300/year. We would like to re-wire the sign to use the building power to eliminate the \$300 charge (less the actual cost of electricity).

### **OLD BUSINESS:**

The discussion of window replacement that has been on-going for the last several years was continued. Perceived benefits for replacing the windows center around the benefits of property values and decreased utility costs. Perceived detriments to the project are cost and ability to recoup that cost in property values or utility expenses. After exhausting the pros/cons for the project, a vote was taken as to whether to do the project. Last year's vote was unanimous for window replacement with 2 units undecided. This years vote was 7- yes, 2- yes with conditions on payment, 3- no.

It was decided based on the vote that the windows would be replaced in the building.

Discussion then switched to the topic of how to pay for the project. With the budget shortfall coming out of the reserves in 2005-6, it was determined that the reserves could not be used to fund a part of this project. It was decided that each unit owner would be responsible for payment of their windows. The payment will be made as an assessment. Since an assessment could not be coordinated and billed in time to do the project in 2006, it was decided that the windows will be replaced in the fall of 2007. Quotes will be obtained by the 2007 Owner's meeting in June. At this time we will compare the products and costs to determine which contract to use. Once the cost of the project is determined we will send out assessment payment coupons. The assessment will be spread over 4 months in 2007 (July, August, September, October).

To help owners have an idea of what the project will cost. We have 64 windows in our building, each unit has either 2, 6 or 7 windows. We have price points for the project ranging from \$25,000 to \$37,000. Building 7 next to us is having their 54 windows replaced in July for \$22,000. Each unit owner should expect an assessment of \$1200 - \$3700 depending on the number of windows they have. These are not firm numbers. Actual assessment amounts will be based on the quote for the project that will be determined at the June 2007 Annual meeting. Gary Roberts has offered to get some window quotes.

### **NEW BUSINESS:**

The budget shortfall was discussed. There was discussion about the amount we currently have in reserves (approx. \$7000), and whether that is adequate for our building. It was generally recommended that we should have 2 months worth of expenses in our reserves. It was agreed that the increase in the monthly dues will help to achieve this number, but in the short term our reserves are lower than desired. A proposal was made to do a 2006 assessment of \$500/unit for the purpose of replenishing the reserves, and additionally replacing the storm doors and exterior lights. A vote was taken, there were 5-yes, 5-no, 2- proxy did not indicate. It was decided that based on decision to do a 2007 windows assessment, it would be better to monitor our expenses and not do a 2006 assessment.

Projects that will be undertaken in 2006:

- ❖ Repair Leaking Porch Roofs
- ❖ Repair building roof drainage above the boiler room door
- ❖ Replace the boiler room door with a screen door
- ❖ Replace the boiler room crawl space lid with a vented lid

During the discussions about utility costs, it was brought up that chimney flues may be getting left open by owners, renters and rental mgmt. companies. It was agreed that this is an area that could help improve our building heating efficiency. We are strongly recommending that all owners install a glass fireplace screen. This is an inexpensive way to mitigate the cost of heat going up the chimney. Screens are available at Home Depot and other building suppliers. Grand River Maintenance can be

contacted for installation quotes by owner's wishing to have the screen installed. This would be at the owners expense. The Board will be taking under advisement whether to impose a monthly utility fee for unit owners who chose not to install a fireplace screen.

A couple of callouts for owners that have helped out this year with building projects...The Mally's (1407) for the cupboards in the laundry room, painting and many other fix ups. The Ballard's (1417) for touch up painting all the railings and owner boxes. The Daehn's (1422) for repairing the sprinkler system and painting. The Emmons' (1413) for staining and setting up the picnic table on the south side. Thanks everyone for keeping the building clean and functional. Every effort results in savings that we don't have to budget for.

**SCHEDULING OF ANNUAL MEETING:**

Next year's meeting will attempt to be scheduled to coincide with the HCH CIRA Owner's Meeting. Typically this meeting is on a Saturday morning in June.

**ADJOURNMENT:**

Being no further business, the meeting was adjourned at 6:15 p.m.

The Board has determined the following positions for the Board members: Julie Daehn, President, Ralph Ballard, Vice President and Dave Mally, Secretary.

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Minutes are not formally approved until voted on at the next annual meeting.