

**Annual Meeting Minutes
Kahler Glen Condo Association
Saturday, May 16th, 2015**

Call to Order: 8:07 am

Board Members Present: Ted LaVigne, Jim Anderson, Curtis Lynn, Julie Anderson.

Quorum: There was a quorum present (28 owners + proxies).

Review/approve minutes from May 17, 2014

Motion to approve the minutes by Ted LaVigne and Shari Bennett seconded the motion. (051813.1)

Opening Remarks:

Eight condos sold this year – introduced and listed names of the new owners

Introduced the board members.

Torsten Arnold and Julie Burrage were absent, and are leaving the board – there are three open positions for next year.

Treasurer's report – Jim Anderson

Current assets – as of March 31, 2015

Checking – \$22,748

Audit Reserves- \$ 7,588

General Replacement Reserves \$53,785

Total \$ 84,121

- \$60,000 was spent on exterior painting last summer using reserves.
- The maintenance contract with the resort was re-negotiated, resulting in lower spending.
- Heat tapes on the roofs had been left on during the summer. Once unplugged, and with the installation of heat cubes to automatically turn the tapes on and off given the temperature, further cost savings will result.
- The lien was updated on the unit in arrears on their dues – \$10,000.
- The Reserve Study was updated with the new savings outlook.
- Proposal was made to reduce the monthly condo dues from \$250/mo. to \$225/mo. Carol Pierce expressed concern at the reserves getting too low – no buffer for emergencies – i.e. water damage, collapsed roofs as prior examples. It was also noted from the floor that lenders look at reserve levels when condo purchases are being considered.
- The cost to complete the exterior painting of the remaining buildings this summer will be \$70,000. However, reserves will continue to grow to \$40,000 after painting is complete. Forecasted that surplus of \$8,000 can go into reserves.
- With protocols in place, we can now fix many problems as they occur in-house – i.e. water damage, snow loads on roofs, spa pumps. More preventative maintenance will be done.
- One condo garage is being used by the resort. Per Kay Crandall, be aware of tax ramifications of generating rental income – condo association can have no income allowed. Payment covers heating cost.
- Discussed the allocation and spending of funds between checking and reserve. Per Carol Pierce, maintenance items and replacements should come out of reserves. Budgeted repairs should be operating expenses. Treasurer will look further into the rules.

Motions:

- IRS Revenue Ruling 70-604: (Apply any excess income over expenses to the next year). Sheri Bennett proposed that we approve the motion, Judy Edwards seconded. Motioned passed (9051813.2)
- RCW 64.38.045: John Bennett proposed we pass a motion to waive the audit at this time, Kaye Crandall seconded. Treasurer is confident that the books are accurate and closely monitored. Motion carried (051813.3)

Dues adjustment – Carol Pierce suggested that we delay reducing the dues until the end of the fiscal year – May 2016, to see what the financials look like after the painting project is complete. Linda Bockelmann made a motion to vote on delaying the dues change until end of the fiscal year. In favor – only 4 votes, motion denied. Motion was made by John Bennett to approve the proposed new budget, without income from the garage. Ted LaVigne seconded the motion. One voted opposed. Motion passed.

Manager's report/maintenance report: Lisa Hanson

Lisa went over her responsibilities. Upcoming maintenance work – cleaning of exterior dryer vents (CAST to bid the job), A/C tune-ups, window cleaning, landscaping clean-up in spring and fall, repair cracks in cement sidewalks, stump removal, and power wash the stairwells. Please call Lisa directly with any concerns. Three owners still need to replace their hot water tanks, as they are past the 8-10 year age as required for replacement. An insurance issue, condo association can hold owners responsible for water damages. Ted agreed to write a letter to the three owners.

Insurance Report: Brad from Shay and Associates, Tumwater, WA

We have a new insurance policy for this year through a new carrier. An April 28 inspection and risk assessment found zero recommendations – very rare – a sign that our condos are well maintained! There is now increased coverage for each building - \$2.3m with 125% replacement cost and lower overall premium cost (\$6,000 savings), which includes earthquake insurance. Garages are included. Brad discussed the coverage and deductibles. On the owners' side, he discussed the difference between H04 (renters) and H06 (owners) insurance, and what to do in the event of a claim.

Real Estate Report: Mark Gubrud

Mark owns 5 lots and built one home – already sold. From a property values standpoint, the new exterior paint and landscaping has added value with current selling prices around \$180k. Other value added items - a well-run association, good first impressions, road improvements, reducing dues. Future project ideas – sport courts, added trim to buildings.

Resort Report: Gary Marks – Community Association

Gary discussed current tasks to be done – power sweeping roads, insect spraying, irrigation system maintenance, power wash C&D buildings before painting, weed and feed the grass areas. Upcoming

items – repair cracked sidewalks, install heat shields for the fireplaces, insulate the attics, repair or install new fences to hide heat pumps, and stump removal. Lawn mowing will move from once a week to twice a week during the summer. CAST can handle individual condo owner improvement projects- they can do the work, or work with local contractors to do interior improvement and design projects – i.e. just completed new fireplace surround and flooring for H-7.

President's Report: Ted LaVigne

Work in Progress:

- Controlling HOD's
- New methodologies – take ownership, sustainable, efficient
- Protocols in place for improved processes – seven in place, more to come

Objectives for the upcoming year:

- Increase condo values and rebuild equity
- Continue to improve street appeal, name change for resort?
- Reduce Homeowners Dues by working with CAST maintenance services
- Completion of the exterior painting

New Business:

Election of Board Members

New Board Members: Duane Taylor – G1, and Linda Colasurdo – F-8

Board Members and Officers continuing one more year: President - Ted LaVigne, Vice President – Curtis Lynn, Treasurer – Jim Anderson, Secretary – Julie Anderson.

Bill Hess noted interest in joining the board two years from now.

Julie Anderson made a motion to approve the candidates, seconded by Carol Pierce. Voted and all approved.

Motioned to adjourn

Ted LaVigne motioned to adjourn, Jim Anderson seconded the motion. All approved (051813.6)
Meeting Adjourned – 9:50 am

Next meeting:

Not yet scheduled

Minutes prepared by Julie Anderson 5/28/15