

**MARINA PLACE CONDOMINIUM ASSOCIATION  
ANNUAL MEETING  
July 9, 2011**

**I. CALL THE MEETING TO ORDER**

The Marina Place Condominium Association Annual Meeting was called to order at 9:10 a.m.

Board members present were:

Al Baker, President, 427	Susan Snyder, 315
Blair Ohler, 416	David Brunk, 422

Owners present were;

Pete & Gayle Sturdivant, 112	Virginia Carlson & Dave Doman, 113
Rosemarie & Raymond Begin, 115	John Lowen, 116
John & Joy Ostaffe, 123	Charles Couture, 137
Jeffrey Brown, 138	Lauri Larson, 214
John Nice, 216	Jean Moore, 217
Bob Priest, 222	Pam English, 231
Sandy Bradfield, 232	Mary Lawson, 234
Joel Carter, 319	Steve Holt, 329
Linda Niven & David Patterson, 333	Tobie Rosenberg, 334
Jamie & Jay Vanhorn, 335	Michael Nelson, 414
Deidre Ohler, 416	Rex Murdock, 417
Pam Brunk, 422	Judy Baker, 427
Joe Ballweg, 432	Ernie & Cecile Berliner, 433
John Goldstein, 435	

Steve DeRaddo of Neils Garing was a guest at the meeting.

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

**II. PROOF OF NOTICE/QUORUM**

With 28 units represented in person and 31 by proxy a quorum was reached.

**III. APPROVE PREVIOUS MEETING MINUTES**

John Lowen made a motion to approve the July 17, 2010 Annual Meeting minutes as presented. Bob Priest seconded and the motion carried.

**IV. PRESIDENT'S REPORT**

Al Baker said the property was in good condition overall.

**V. MANAGER'S REPORT**

Charles Johnson presented an update on projects. He said there were no real issues this past winter aside from heavy snowfall and some periods of extremely cold weather. There were no frozen pipes this year.

*A. Completed Projects*

1. About 2/3 of Building 2 was re-roofed. About 3" of sloped solid foam insulation was added to improve drainage and to prevent puddling of water. He recommended adding the insulation whenever a roof is replaced in the future.
2. The 6" x 8" beams that go into the ceilings from the decks were caulked to reduce and minimize airflow.
3. Worn siding was replaced on Building 4. The painting is anticipated to start August 1, weather permitting. Charles Couture asked whether a bid was obtained for the siding replacement. No bid was obtained for this project, the contractor was paid hourly. Charles Couture commented that the contractor took at least a week for the siding replacement project. Charles Johnson said the contractor only worked for a few hours at a time.

*B. Future Projects*

1. Concrete steps between Buildings 1 and 2 will be replaced in September.
2. Replace concrete in front of Clubhouse 1
3. Crack seal and sealcoat asphalt by Buildings 1 and 2 is planned for September. Charles will notify owners when this will occur as no vehicles can be parked or driven on this surface until 48 hours after application
4. Remove fire suppression heads in closets on exterior walls for those units in Buildings 3 and 4. The temperature in these closets are typically lower in these units during the winter and demonstrate more likelihood of freezing.. Owners will be notified when the work will be done.
5. The T12 light fixtures are being replaced because the bulbs will no longer be produced as of next July. The garage fixture replacement should be completed within the next week. The cost is about \$95/fixture but Xcel is providing rebates of about \$19-29/fixture on average. Owners who would like to have the fixtures in their units replaced should contact Charles immediately so the contractor can do the work while he is still on site. The owners are responsible for submitting the paperwork for rebates for lights replaced in their units. They can go to [Excelenergy.com](http://Excelenergy.com).

Charles Johnson recommended that owners turn off the water supply line to their units if they are going to be gone for an extended period.

*C. Amendment to the Declarations*

The insurance coverage section of the Declarations was changed to "bare walls" coverage. In 2009/2010 there were claims totaling \$175,000 for water damages, putting the Association in danger of policy cancellation. The Amendment to the

Declarations required approval by 67% of the ownership and 100% of the Mortgagees. The amended Declarations were recorded in July and the new insurance policy takes effect August 1, 2011. The new policy premium will be less expensive. Gary Nicholds thanked the owners for their cooperation during this process.

## **VI. NEW BUSINESS**

### *A. Owner Education - Insurance Presentation*

Steve DeRaddo provided a summary of the “bare walls” insurance coverage. It covers from the unit drywall out and the limited common elements. Owners were provided a handout with a letter clearly explaining the limits of coverage. Steve mentioned that a HO-6 policy is generally what is required. The blanket limit of \$23 million will be reduced when the coverage changes on August 1<sup>st</sup> but that full amount is available for damage to only one or all buildings.

John Lowen made a motion to require owners to provide proof of insurance to management or the Board by October 1, 2011. Charles Couture seconded. In discussion, an owner asked what the recourse would be if owners do not provide proof of coverage. Susan Snyder said the Board would research what options are available and investigate whether imposing a fine is allowable. . There was discussion about the timing of the change in coverage; an owner felt there had not been adequate notice. It was clarified that notice was sent to all owners June 7, 2011 and the notice recommended that owners call Neil Garing or a Board member if they had any questions. The motion carried. The Board will evaluate the options for recourse for non-compliance for insurance coverage by unit owners. Basic Property will draft and send a letter to all owners requesting proof of insurance be supplied to Basic by October 1, 2011. This communication should also be posted on the website.

## **VII. TREASURER’S REPORT**

Candy Ramage reported that the Association’s cash position is almost \$60,000 better than last year at this same time, with a \$13,000 higher cash balance and \$47,000 less in liabilities.

As of December 31, 2010 the Reserve balance was \$163,479. As of June 30, 2011, that balance was decreased by \$29,108 for projects. The Association should end the year with a balance of about \$164,000 if all projects are completed on budget and as scheduled. The Operating cash balance is about \$30,000.

As of June 30, 2011 the Operating account was budgeted to have net income of \$6,950 but the actual result was a \$4,661 loss so the Association was \$11,612 over budget. The two most significant variances were Legal at \$6,500 over budget and Snow Removal at \$6,600 over budget. The Legal overage was due to the Declarations amendment, but this overage should be offset by the lower insurance premium. Snow Removal was over budget due to the heavy snowfall. Without those two overages, the Association would be slightly favorable to budget.

The Board has been examining the budget in detail to evaluate potential expense reduction initiatives. The Xcel rebates, purchase of a pool cover, crack sealing and sealcoating the asphalt to prolong the useful life, and locking of the contracted price for cable service will result in future savings or prevent additional increased expenditures. The Board is continuing to look for other areas for potential cost savings.

A Reserve Study through 2039 was completed. It is a great tool for scheduling finances. In anticipation of more significant capital expenditures required for the aging complex, over the past few years, an increase in the percentage of dues going to Reserves has occurred. About 33% of the total dues now are going to Reserves. This has resulted in the ability to build the Reserve balance. The 2012 Budget has not yet been drafted, but it is anticipated that any increase will be solely to build the Reserve balance.

Raymond Begin made a motion to approve the Financial Report. Bob Priest seconded and the motion carried.

## VIII. NEW BUSINESS

### A. *Snow Removal*

John Lowen commented that the snow removal service was not very good this past winter. It was noted that there was extraordinary snowfall this winter and all contractors had challenges keeping up. An owner suggested that the contractor be asked to rotate the plowing order for properties.

### B. *Roundabout Construction at the Dam Road*

The Dam Road will be closed starting Monday, July 11, 2011 for construction of a roundabout at the junction of LaBonte and the Dam Road. The road will be closed through the month of August.

### C. *Rules for Renters*

Al Baker said there had been some issues with renters not abiding by the Association Rules. The Board has extracted a list of rules pertaining to renters from the complete list of Association Rules. Owners must provide the rules to the renters or post them in the unit. Al noted that the minimum unit temperature was increased from 50 to 55 degrees and emphasized that owners are responsible for their guests or tenants.

There was general discussion about guests throwing cigarette butts of the balconies. Susan Snyder said the Board investigated options for dealing with smoking and determined the Association cannot legally outlaw smoking at the property. Susan said there had not been any owner complaints to the Board regarding cigarette butts, but now that they know there is an issue the Board can do something about it. Owners can designate their units as non-smoking. There is already something in the rules prohibiting throwing items off the balcony. The owners requested addition of "cigarette butts" to the Rules and Regulations, and the addition of an item regarding

proper disposal of trash (i.e. not leaving trash outside the unit doors), and a warning of possible towing of improperly parked vehicles at the vehicle owner's expense . The Rules will be posted on the website.

*D. Parking*

Owners were reminded to park in their designated spots. Parking has become an issue and the Board has decided to implement fining and/or towing. One owner recommended towing the improperly parked car instead of fining the owner. It was noted that a towing warning should be posted on the property. Charles Johnson pointed out that vehicles could not be towed from about 75% of the parking spots. A suggestion was made to mark improperly parked cars with the bright orange stickers that are difficult to remove.

*E. Clubhouse 2 Closure*

Susan Snyder said the Board is looking closely at cost savings and efficiencies. The Board asked for owner feedback on the idea of closing Clubhouse 2 during the slow seasons from mid-September to mid-November in order to realize cost savings for Clubhouse utilities, supplies, water, and cleaning. There is very little use of that Clubhouse during that period. The Clubhouse could also be closed mid-April until Memorial Day.

Several owners spoke against closing Clubhouse 2. In a straw poll vote, the majority was opposed to complete closure of Clubhouse 2.

The recommendation instead was to close one hot tub in Clubhouse 2 during these slow times to include the summer months: from mid-April up until mid November. Susan Snyder said one hot tub cover was being purchased as a test to determine ease of use and cost savings.

*F. Dues Allocation*

An owner asked about the dues allocation. Candy Ramage explained that there was an Exhibit with the Declarations that spells out the percentage of the whole for each unit, but there is no indication of what the total square footage is so she cannot figure out what the assumed square footage is for each unit. Candy did further research and found that the Declarations percentages are not accurate. Units of the same size in one stack are allocated different percentages of ownership and are not paying equal amounts of dues. Candy emphasized that the Declarations are a legal document and all owners should have been aware of what they contain when they purchased so there is no legal obligation to make any changes. Some Board members feel that this discrepancy should be corrected in the interest of fairness. Charles Johnson measured the units and his results were close to but not the same as the County. Gary Nicholds had contacted a professional assessor about providing measurements for the 17 different floor plans. He noted that changing the Declarations would entail the same process as the previous amendment, requiring approval of 67% of the owners and 100% of mortgagees, and would result in several thousand dollars in

legal expenses. There was general discussion about the dollars involved in making this change and the consensus was this issue should not be pursued further.

**IX. ELECTION OF BOARD**

There were no nominations from the floor. All five Board members were willing to run for reelection. Dave Doman made a motion to elect the slate of incumbents by acclamation. Raymond Begin seconded. An owner noted that Christa Mehard had not attended the Annual Meeting for the past several years. Susan Snyder said Christa was an invaluable member of the Board; she worked very hard to identify areas for potential savings and spearheaded several expense reduction initiatives . In addition, she attended every Board meeting by teleconference. The motion carried.

The owners recognized the Board for their service to the Association.

**X. SET NEXT MEETING DATE**

The next Annual Meeting will be scheduled for Saturday, July 7 or 14, 2012 depending on the availability of the church. The date will be posted on the website and notice will be included with the insurance information.

**XI. ADJOURNMENT**

A motion was made to adjourn at 11:30 a.m. The motion was seconded and carried.

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