

**LULU CITY ASSOCIATION
BOARD MEETING
February 10th, 2022 3:30 P.M. (MST) / 5:30 PM (EST)
Zoom Conference
Minutes**

1. Roll call, determination of quorum and certification of proxies. .
Jill O'Dell called the meeting at order 3:36 P.M.
Board members present: Mary Koprowski- 3F, Dan Peterson - 6I, Jill O'Dell - 6G, Nicki Bergstrom - 6A, and Andrea Booth - 4C.
Owner present: Sam MacBride – 3C, David and Michael Zutler – 5G, Bill McDermott – 5A, Matt Steinke – 6E, Pamela Maurer - 6M, and Miten and Rekha Patel – 6P, Robin Marsh – 6Q, Merlyn Ellis, 6L
Board Proxy: Barb Nazari, 3B to Jill O'Dell and Jennifer van der Borgt, 5C to Mary Koprowski

Others present: Judi Balkind, HOA Manager, Kurt Shugars – Accounting Manager and Nicole Pieterse – HOA attorney
2. Motion to approve/waive notice of meeting. *Mary Koprowski made a motion to approve notice of meeting. Jill O'Dell seconded the motion and passed unanimously.*
3. Determination of quorum of Board – Majority of the total number of Directors seats (both filled or vacant). **Board is 7, Quorum 4 Act of majority of quorum of Directors is an act of the Board; 4 Votes = act of Board**
4. Approval of Agenda *Mary Koprowski makes motion to approve the agenda, Jill O'Dell seconded and motion passed unanimously.*
5. Approval of the Minutes for the Board meeting on December 16, 2021. *Jill O'Dell made a motion, Andrea Booth seconded, passes unanimously.*
6. Request from an owner to speak on an agenda item: Zulters: parking in front of building 5. They agreed to address the issue in new business.
7. Old Business:
 - a. **Update on Pool repair:** Miten updated the owners on the pool repair. Plaster will go into the hot tub tomorrow and water in the next few days. Plaster and water for the pool next week. Plumbing for the pool and hot tub passed the inspection. He noted that the HOA will need to request more funding.
 - b. **Pool Project Close Out:** Jill O'Dell asked if anyone had additional questions. David Zutler asked about warranties, etc. prior to final payment. It was suggested by Nicole Pieterse that the primary contractor, PSS, will provide close out documents at the end of the project that will include lien waivers and warranties (or guarantees of workmanship) for themselves and their subcontractors. Those subcontractors not under the umbrella of PSS will provide lien waivers and warranties individually, and Nicole has the necessary verbiage/paperwork if the HOA needs it.
 - c. **Ancillary Pool Projects:** The beautification fund was discussed as a possible avenue to cover some smaller ancillary projects such as the grill, plants, seating, etc. This fund is not an assessment; it is voluntary contributions. Direction was given to Kurt Shugars to send information to owners regarding the fund.

- d. **Pool project financing:** Jill O'Dell explains that costs encompass more than just the pool project repair but upgrading the common areas such as the new decking around the pool. The underground piping needed to be replaced due to age which required the removal of the concrete. It was discovered there was two additional levels of concrete on the south side of the area. In order to keep the entire area of the pool even and installation of the snowmelt system around the pool, the planters and trees on the west side wall had to be removed. New boilers, electrical panels and a heater needed to be installed in the boiler room. Drainage was added around the pool as there was none and it was needed.

Kurt Shugars – updates on outstanding invoices:

- Pool Specialties(PSS) has two - \$19, 291.00 and \$15, 810.00 ; There is sufficient funds in current LOC to pay these two invoices.
- Electricians Invoices –has not sent his invoices
- Advanced Hydronics has not sent his invoices

Unbilled contractor payments expected is approximately \$55K to 65K and also Kurt Shugar's expected shortfall in cash available.

Three options presented:

The first is to delay payments of invoices until there is cash available

The second is to assess the owners or a hybrid of a smaller loan to cover the immediate outstanding pool project invoices understanding that an assessment would be necessary if anything else comes up within the duration of the note.

The third (favored by Kurt Shugars) is to convert the line of credit of 250K to a fixed low interest loan, adding 100K (perhaps slightly more) of cash available. The note would be 60 months and there would be a \$500 origination fee as explained by Jill O'Dell. Kurt Sugars corrects the duration of the note; his discussions with the bank have been for a note for 48 months and 350K amortized over ten years with an interest rate of roughly 5.5%. This may result in a balloon payment upon maturation which could require an assessment or refinancing.

Miten Patel suggests a larger loan of 450K to provide some money in the bank beyond the pool project and avoid future assessments.

Discussion ensued regarding loan amounts and associated interest rates. Kurt Shugars reports that the bank related that larger loan amounts would not result in lower interest rates, and may even result in higher rates at this time. The same interest rate as lower amounts could not be promised.

Mary Koprowski moved to approve the conversion of the line of credit with Alpine Bank to a loan in the amount of \$450,000 with an interest rate not to exceed 5.5%, and with no prepayment penalty, and if the interest rate exceeds 5.5%, the loan amount shall not be more than \$375,000. Seconded by Dan Peterson. Passes unanimously

Nicole Pieterse has been given direction to prepare the ballot with Kurt Shugars and review with Jill O'Dell.

Andrea Booth moves to approve an increase to the Pool Upgrade project by \$100K to cover the completion of the project.

And also moves to authorize Jill O'Dell to sign the new loan documents and the debt service for this note will be paid by owners monthly reserve fund contributions which are currently budgeted for and being collected. The motion was seconded by Mary Koprowski. Motion passed unanimously.

8. New Business:
- a. **Review Maintenance company performance** – Jill O’Dell suggests that Jim Carlson write a proposal for a contract with clear outlines of what he is going to do in light of his recent rate increase. She also advises seeking the same from other companies/providers.
 - b. **Request owners remind their property managers, guests and tenants:**
 - Please do not use construction debris container for dumping household garbage
 - No parking in the fire lanes at Building 5 – David Zutler recommends large signs on the wall that the area is a no parking area and vehicles will be towed.
 - c. **Dan & Nicki Bergstrom Noel – Dues Reduction for Deed Restricted Unit.** Nicole Pieterse advises that approval of the members would be required with 67% of the total vote obtained (27 votes) for approval to amend the dues assessment allocation formula in the Declaration.

Motion was made by Jill O’Dell to allow owners of unit 6A to send a letter to Lulu City unit owners within the next six months asking for a reduction in their dues. Seconded by Mary Koprowski. Motion passes, with Nicki Bergstrom recusing

Jill O’Dell makes a motion stating that the cost of the amendment, preparation, and recording should the above proposal pass, be borne by the owners of unit 6A, Nicole and Daniel Bergstrom. Andrea Booth seconded and motion passed unanimously.
 - d. **Review Nicole Pieterse Engagement Letter:** Change in firm name
Jill O’Dell makes a motion to approve the new engagement letter for legal services and that Jill O’Dell is authorized to sign it
Seconded by Andrea Booth. Passes unanimously
 - e. **Roof Leak Reporting:** Judi Balkind is going to distribute a form created by Nicki Bergstrom

9. Next Board meeting date and place: March 10th at 3:30

10. Adjournment.

Jill O’Dell closes regular meeting at 5:29 p.m. and the board enters into executive session to further discuss line of credit and loan. *Jill O’Dell moved to adjourn the executive session at 5:46 pm, Mary Koprowski. Seconded, passes unanimously.*
Respectfully submitted,

By: Judi Balkind, LuLu City HOA Manager
Jarmik Property Management, Inc.