

**LULU CITY ASSOCIATION  
BOARD MEETING  
May 11, 2023, 3:30 P.M. (MDT) / 5:30 PM (EST)  
Zoom Conference  
Minutes**

1. Roll call, determination of quorum and certification of proxies.  
Present:  
Board Members: Dan Peterson (6I), Jill O’Dell (6G), Andrea Booth (4C), Mary Koprowski (3F), Jennifer van der Borgt (5C)  
Owners: Pamela and Walter Mauer (6M), David Zutler (5F), Miten & Rekha Patel (6P), Matt Steinke (6E), Merlyn Ellis (6L), Bill McDermott (5A).  
Others: Judi Balkind, HOA manager, Matt Lewis, Maintenance Manager, Kurt Shugars & Sharon Feathers, Shugars and Company, Nicole Pieterse, HOA Attorney.  
Proxies: Barb Nazari proxied Jill O’Dell.  
***Jill O’Dell called the meeting to order at 3:34 PM.***
2. Motion to approve/waive notice of meeting. ***Mary Koprowski made a motion to approve notice of the meeting. Jill O’Dell seconded, and motion passed.***
3. Determination of quorum of Board – Majority of the total number of Directors seats (both filled or vacant). **Board is 6, Quorum 4 Act of majority of quorum of Directors is an act of the Board; 4 Votes = act of Board**
4. Approval of Agenda. Jill O’Dell requests changes to the agenda; 1) request to speak from David Zutler is item 6. Jill requests to move Zutler request to speak to after item 8. She also requests to strike “need for special assessment” from item 8b and leave “discussion of finances”. ***Mary Koprowski made a motion to approve the agenda with the above changes, Andrea Booth seconded the motion, and the motion passed.***
5. Approval of the Minutes for the Board meeting on April 5, 2023  
***Jill O’Dell made a motion to approve the minutes from the Board meeting on April 5, 2023. Mary Koprowski seconded; motion passed unopposed.***
7. Old Business:
  - a. Opening of pool and hot tub – May 24, 2023
    - Draining issue: Matt Lewis described the pool cover and the pool cover trench. He noted that he hadn’t seen any alleviation in the level of water on top of the cover until recently. This last week he hasn’t had to pump water out of the trench or off the pool cover, indicating that the water table is beginning to drain. The pool sits at a low point in the town’s water table. Long term solutions would include installing a hard-wired pump in the pool trench, set to engage at a certain water level automatically, and drain out to the downspout clean out at the entrance to the garage. This would decrease pool labor costs and break the cycle of the water just returning to the same water table by moving it west, into the leach field at the entrance sign of Lulu City, and on to the valley floor.
    - David Zutler suggests placing longer hoses to avoid water issues from the pool drainage at building 5; Matt Lewis is directed by the board to use this short-term solution.
    - David Zutler asks for information on the pool warranty. Miten Patel offers that since the work on the pool was repairing, rather than replacing, there wasn’t any product warranties offered other than the equipment which was only for two years and that sunsets soon. All work done was repairing the old pool.
    - Miten also pointed out that there is not a drainage system around the pool, just a dry

well and it was also improved from what was there before. Again, nothing new was installed. Therefore, no warranties. Work done on the pool has resulted in increased unit values for all.

8. New Business:

- a. Review and consideration of governing document amendments required by CCIOA – Nicole Pieterse had taken the boards’ input from her draft that she circulated in February. The updated draft was distributed to all the members for review and comment.

Nicole states that the focus was mostly on collection and enforcement policies, ensuring that they are compliant with Colorado law as it was amended last year. Major changes include stricter requirements for HOAs trying to collect past due dues, as well as more noticing & cure period requirements on the enforcement of non-compliant behaviors. Maximum interest for late dues has been reduced to 8%. She explained the adoption of the new laws are necessary to allow for collection of past due fees at all.

***Mary Koprowski makes a motion to approve the updated responsible governance policies and rules as submitted to the board council. Andrea Booth seconds. Roll Call was taken.***

***Jill O’Dell– yes, Dan Petersen– yes, Andrea Booth– yes, Jennifer van der Borgt – yes, Mary Koprowski– yes. Motion passes***

b. Discussion on Finances: *Kurt Shugars*

- YTD has the association @ a 40K loss.
- Loan repayment: Monthly loan payments are approx. \$4,900.
- There was 60K in cash, in the bank, from the loan; with above observation, that leaves approximately 10K due to other expenses.
- Current payables on this report are 23K. As dues came in these payables were covered, but the overall trend is picking away at the 10K remaining from the loan. The monthly deficit spending is higher than the debt service payment so there is a long-term solution needed.

Kurt informed the owners of the following:

Capital projects:

- Roof Leaks –Per Matt Lewis 30-40K in repairs that really can’t be ignored at this time- buildings 6, 3 and 4 have seven units that are experiencing problems originating from different areas and 5 has a common area hallway leak. Judi Balkind has opened a claim, but it is unclear what coverage will look like at this time. Nicole Pieterse points out that insurance is generally set up to pay for fixing the damage from the leak, not the leak itself.
- The suggestion was made to include the gutters and heat tape in the scope of work presented to the insurance company. Matt Lewis will investigate the feasibility of that.

Jill O’Dell requests discussion of pool closing(s) to be put on later in the summer agenda.

Kurt offers the suggestion of a special assessment to pay off the debt and relieve the association of the monthly debt service payment, thereby freeing up almost 5K a month, and possibly provide extra funds to set aside for imminent capital projects that are sitting on the table right now.

Kurt presented various scenarios of assessment amounts; @450K the average owner's responsibility would be roughly 9-14K. A 500K assessment would cost unit owners 10K on the low end and 17K on the high end.

Nicole Pieterse offered options to the board to consider.

Nicole Pieterse outlines the process for an assessment. If it's more than 25% of the common expense budget, including reserves, it is the same process for approval as the annual budget. The membership would be required to vote on it after board approval; and can be vetoed by a majority vote at a noticed meeting either by presence or proxy.

Judi Balkind emphasizes the need for cash on hand to move forward with the roof repairs and notes that an insurance payment should not be assumed. She also explains that some that are worried about the recent tax valuation notices the associated increased costs, may not understand that they won't *pay* those increased taxes until 2025 and therefore assuming assessment costs prior to that may be advisable.

The meeting was opened up to all of the members for comments.

- 5A – McDermott – expresses the importance of a plan that is defined for at least a few years out in addition to addressing the immediate problem. It was noted that a Full Reserve Study has been conducted for the LuLu City HOA in 2019.
- 6M – Maurer – there are both ongoing expenses and major projects requiring special assessments. Also consider not having the pool open all winter, but rather just the hot tub
- 6L – Ellis – approves of both an assessment and increased dues given the increased costs of the HOA

Dan Petersen suggests a meeting exclusive to this topic on finance and assessment evaluation.

c. Magpie Maintenance Report: Matt Lewis & Eric Wheeler

- Matt Lewis talked with Kurt regarding the maintenance budget. An agreement was made to reduce maintenance costs for a couple of months to around 2k.
- Matt Lewis noted that the roofer who looked at the roof this winter, will look at the roof and inspect it prior to removing the panels. He will give a report to submit to the insurance company and the gutter systems as well.

d. Other: Update on Parking signs – 16 owners in Buildings 3, 4 and 6 have approved the ordering of parking signs. The owners have agreed to pay for the costs of the sign and installation.

9. Next Meeting date and time: Wednesday, May 24<sup>th</sup> at 3:30.

10. Adjournment Dan Peterson made a motion to adjourn the meeting at 5:34 pm and seconded by Mary Koprowski.

Respectfully submitted,

By: \_\_\_\_\_  
Jarmik Property Management, Inc.  
Judi Balkind, LuLu City HAO