

Draft
LULU CITY ASSOCIATION
ANNUAL MEMBERSHIP AND BUDGET MEETING
December 16, 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 3:35 P.M.
Board members present: Barb Nazari - 3B, Mary Koprowski- 3F, Dan Peterson - 6I, Jill O'Dell - 6G, Nicki Bergstrom - 6A, and Andrea Booth - 4C .
Owner present: Stephen Godevais – 3E, Thomas Emilson - 3D, Thomas Chris Woods – 4D, William McDermott – 5A, Matt Steinke – 6E, Pamela and Walter Mauer - 6M, and Miten and Rekha Patel – 6P, Robin Marsh – 6Q.
Owners by Proxy: NONE
Others present: Judi Balkind, HOA Manager, Kurt Shugars – Accounting Manager and Nicole Pieterse – HOA attorney, Damien Belli – HOA's insurance attorney Jim Carlson, Maintenance Quorum established (25% of owners)
2. Motion to approve/waive notice of meeting. ***Mary Koprowski made a motion to approve notice of meeting. Barb Nazari seconded the motion and passed unanimously.***
3. Determination of quorum of Members –By-Laws. Section 5 Action by Owners – C. **“Owners representing at least 25% of the total votes present in person or by proxy represent a quorum.”**
4. Approval of the Minutes for the Annual meeting on December 17, 2020 ***Barb Nazari made a motion to approve the Minutes of the Annual Membership meeting of December 17, 2020. Nicki Bergstrom seconded the motion and passed unanimously.***
5. Report of Officers – Jill O'Dell President Introduce herself and the rest of the board, Judi Balkind, HOA manager, Jim Carlson is the maintenance manager, Nicole Pieterse HOA attorney and Kurt Shugars – HOA accountant.
 - Leasing of common area storage units – lease for a fair market value price, owners can lease them with a signed lease
 - Update on the pool (Miten gave an update)
 - Update on trash shed – Dumpsters have been moved and secured from bears
 - Update on asphalt & concrete repairs - new asphalt on the driveway and concrete stairs
 - New carpet in parts of building six hallway with baseboard trim -
6. Old Business:
 - a. Review of the 2021 Financials – Kurt Shugars. Pool financial update, original estimate was 250 – 300K. Reserve fund had a cash balance of approximately 275K and we do annual assessment to the reserve fund of 69K . Then the project grew, as problems have come up and additions were made to the scope of the project. Currently we are at 514K. Kurt suggests making a budget adjustment to the 2021budget to 600K to see the completion of the project.

We have utilized the operations fund balance and dues not needed for monthly expenses to pay for a capital project. The Board is authorized to borrow up to 25% of annual common expenses– which adds up to \$110K. A line of credit was obtained of which only 75K has been drawn on, with a fixed interest rate at 4.5% for a 24 month period.

Nicole noted next step to borrow more than 25% over 110K, you need owner approval and assign the HOA's receivables for repayment of dues. The approval of a majority vote, defined as a majority of a quorum. The board will review a ballot to seek up to \$250,000.00 to send to the owners for a vote. Ballot needs to be approved and get 10 of the ballots back – a majority of the ballots – need 6 and 20 votes depending on the number of ballots returned.
Line of credit is paid back from the capital reserve portion of your monthly dues.

- b. IRS ruling 70-604 – HOA to defer excess revenue to new fiscal year – Motion was made by Mary seconded by Andrea, passes unanimously.
Reserve Fund. IRS revenue ruling 75-370 and 75-371 Motion was made by Jill O’Dell, seconded Mary Koprowski, passes unanimously.
 - c. Update report from Miten Patel on the pool repair Miten noted we will have water in the pool by the end of the year. Big gate was installed today and there is a delay on the smaller gate. Looking into getting a new lock from Building six door to the pool. A gas line was put in for a future fire pit and gas grill. The original plan was to use the existing boilers
Bill McDermott made a note for the records that the community appreciates what Miten Pitel has contributed to the pool repair.
 - d. Jim Carlson: Updates on repairs : Jim Carlson moving into the winter season – a roof over the back flow device planned for next week, clean up of – rubber on the stairs of the 6 building needs to be replaced, paint touch up on the 6 building, roofs on the 3, 4 & 6 building have had roof leaks. Homeowners need to let Jim know when they experience water leaks, when it’s occurring to assist in determination of the cause. And Jill suggests that absentee owners direct property managers to look for evidence of leaks.
Jim has added more roof snow removal to try and help to clean the valleys in the roof.
Jill requests that this issue is moved to next meeting agenda.
7. New Business:
- a. Review and ratification or veto of 2022 budget. Changes to the expense side of the budget – Natural gas for the pool moving to a year round pool – doubled it to 8K. Kurt suggests and presents a dues increase of approximately 13K annually. Budget is ratified by the board and no owners made a motion to reject the budget.
 - b. Renewal of contracts: Jarmik Property Management, Jim Carlson and Shugars and Company at the board meeting
 - c. Reminder: Construction compliance – all owners must receive approval for a remodel if it’s anything more than new carpet and painting
 - d. Reminder: Garage spaces – nothing is to be stored in the garage space.
 - e. Deck and post repairs – Building 4 – Mark Carlson of Carlson Mountain builders has been contacted for a proposal to repair. Board will vote on obtaining an engineer and Mark Carlson to investigate the structural integrity further. This discussion
Thomas Emilson and Mary McLaughlin had their posts repaired at their costs.
 - f. Other
8. Election of Directors – 7 –Directors shall serve a term of one year
- Nicki Bergstrom
Mary Koprowski
Andrea Booth
Barb Nazari
Jill O’Dell
Dan Peterson
Jennifer Van der Borgt
- Jill made a motion to reinstate the current directors for the next year. Secret voting by membership is required and was accomplished via the chat option to meeting host in zoom.
9. Next Annual meeting date and place: TBD
10. Adjournment: Jill makes a motion to adjourn the annual meeting at 5.31 pm, seconded by Mary Koprowski, passes unanimously.