

*Draft*  
**LULU CITY ASSOCIATION  
SPECIAL BOARD MEETING  
May 24, 2023, 3:30 P.M. (MDT) / 5:30 PM (EDT)  
Zoom Conference  
Minutes**

1. Roll call, determination of quorum and certification of proxies.  
Board Members: Dan Peterson (6I), Jill O’Dell (6G), Andrea Booth (4C), Mary Koprowski (3F), Jennifer van der Borgt (5C) Barb Nazari (3B)  
Owners: Pamela and Walter Mauer (6M), Michelle Kluge (5B), Nicki Bergstrom (6A), Rekha Patel (6P), John Condojani (4A), Colin Simmer (6 F)  
Others: Judi Balkind, HOA manager, Kurt Shugars, Shugars and Company, Nicole Pieterse, HOA Attorney.  
***Jill O’Dell called the meeting to order at 3:42 PM.***
2. Motion to approve/waive notice of meeting.  
***Barb Nazari made a motion to approve notice of the meeting. Andrea Booth 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 adds owner comments: after agenda item 6a and again after agenda item 6c  
***Mary Koprowski made a motion to approve the agenda with the above changes, Barbara Nazari seconded the motion, and the motion passed.***  
Ground rules for commenting include a 3-minute time limit per owner and requesting to speak by raising of hands.
5. Approval of the Minutes for the Board meeting on May 11, 2023  
***Barb Nazari made a motion to approve the minutes from the Board meeting on May 11, 2023. Mary Koprowski seconded; motion passed unopposed.***
6. a. **Review and Discussion of Proposed Special Assessment and/or Increase of Regular Dues/Common Expense Assessment (Budget Amendment)**  
Barb Nazari suggests going for the maximum amount of \$500,000.00. All board members agree. Kurt Shugars reports that the loan balance is 412K at this time; leaving roughly 88K to put in the bank if a 500K assessment is pursued. Current monthly contribution to capital reserves without the loan encumbrance would be \$5700/month.  
Jill O’Dell suggests leaving regular HOA dues or common expense assessment where it is through this budget year. She continues by clarifying that funds collected initially would be needed for the roof and gutter projects, while paying off the loan would take a back seat until all assessments have been realized. Kurt Shugars adds that the proposed installment option(s) would drag the note pay off date out and he therefore hopes that any installment plan would not exceed a year.  
  
Dan Peterson notes the increased assessed values of Lulu properties. Dan suggests Kurt to offer suggestions on possible payment installment scenarios for owners- Nicole Pieterse points out that the board can craft any arrangement they like, as long as it’s the same for everyone. CCIOA rules apply when an owner fails to meet their payment obligation.  
Nicole Pieterse outlines the process for the board to enact an assessment.
  - 1) The board approves the assessment.
  - 2) As 500K is greater than 25% of the common expense for the year, notice of the boards’ intent

- along with the revised budget must be sent to all owners.
- 3) A meeting must be held with ten days' notice
  - 4) Ratification of the new proposed budget occurs or exists *unless* a majority of all the owners veto at this noticed meeting.

Owner comments:

**Nicki Bergstrom Noel** points out that her deed restricted unit does not go up in value. Special assessments place an inequitable burden on such properties; and she would like the board to consider not including her unit in the assessment.

**Rakeh Patel** feels that many condos throughout the country are experiencing a rise in both value and expenses, an unfortunate but a reality. Assessments are not based on the value of your property as much as what is necessary for the community.

**Walter Maurer** stresses that any payment plan offered would have to include the interest rate currently being paid on the loan to their unpaid balance of the assessment for the HOA to avoid absorbing those costs. He also identifies suggested projects from the reserve study that won't be realized as long as the reserve fund suffers from the monthly loan payment.

**Bill McDermott** suggested and requested that a 5 or even better 10-year budget plan be built before moving forward with an assessment. The purpose of this long-term plan is to provide a document that:

- Gives homeowners detailed visibility into the costs required to operate the HOA over a long timeline,
- acknowledges the known and anticipated expenses, (Kurt mentioned that he has much of this done)
- provide a cushion for some unknown expenses,
- follows expected increases in costs,
- guides us to a predetermined time when our capital reserves are at the agreed upon target,
- avoids the need for assessments by providing a plan and maintaining discipline around capital reserves,
- addresses monthly HOA dues over the timeframe (which may increase over time) to avoid additional procedures in subsequent years.

**b. Executive Session pursuant to CRS 38-33.3-308(4)(f) for Communication with Legal Counsel**

*Jill O' Dell made a motion to go into executive session pursuant to CRS 38-33.3-308(4)(f) for Communication with Legal Counsel, Barb Nazari Seconded, passes unopposed.*

Discussion ensued –

*Barb Nazari moved to reconvene the open session, Mary Koprowski seconded, all were in favor. Motion passed.*

**c. Board Action on Special Assessment and Increase of Regular Dues/Common Expense Assessment (Budget Amendment).**

The board entered executive session to discuss the legal aspects of the \$500,000 special assessment that they had concluded was the best option to alleviate the financial

problems of the HOA and increase funds in the reserve account for urgently needed maintenance projects. Nicole Pieterse asks for any owner comment. No comments.

***Mary Koprowski moves to approve the special assessment in the amount of \$500,000 which shall be utilized first for the roof and gutter repairs, secondly to pay off the Alpine Bank Loan, and thirdly applying any excess funds to the reserve account for the HOA. Dan Petersen seconds.*** No more discussion. Role call vote as follows:  
Dan Petersen – yes, Barb Nazari – yes, Andrea Booth – yes, Jennifer van der Borgt –yes, Mary Koprowski – yes, Jill O’Dell – yes. ***Motion passes unanimously.***

Nicole Pieterse explains the need for owner ratification, budget information that needs to be distributed, and noticing requirements.

7. Next meeting date. Special meeting date, Tuesday, June 20, 2023 @ 3.30 p.m.
8. Adjournment. ***Barb Nazari made a motion to adjourn, Andrea Booth seconds, Motion passes without opposition.***