

Amended & Approved July 5, 2023

**LULU CITY ASSOCIATION
SPECIAL MEETING OF OWNERS AND
SPECIAL MEETING OF BOARD
Tuesday, June 20, 2023, 3:30 P.M. (MDT) / 5:30 PM (EDT)
Location: Zoom Conference
Minutes:**

1. Convene Owners/Members Meeting
Board Members: Dan Peterson (6I), Jill O'Dell (6G), Andrea Booth (4C), Mary Koprowski (3F), Jennifer van der Borgt (5C), Barb Nazari (3B)
Owners: Michelle Kluge (5B), Walter & Pam Maurer (6M), William McDermott (5A), Rekah Patel (6P), Matt Steinke (6E), Michael & David Zutler (5F), and Jess Hafich (5H).
Proxies: George Norcross proxied Jill O'Dell.
Others: Judi Balkind, HOA manager, Kurt Shugars, Shugars and Company, Nicole Pieterse, HOA Attorney.
Jill O'Dell called the meeting to order at 3:33 PM.
2. Roll Call, Determination of Quorum of Owners (25%=10 Units), certification of proxies
3. Motion to Approve/Waive Notice of Owners/Members Meeting.
Barb Nazari moves to approve, Andrea Booth seconds, motion passes via roll call unopposed.
4. Approval of Agenda: ***Mary Koprowski made a motion to approve the agenda. Barb Nazari seconded. A vote was taken via roll call, and the majority voted to approve the agenda.***

Owners request to speak: Michael and David Zutler

Special Assessment- They express that they believe that if defeat of the special assessment requires more than 50% of the membership voting against it, having less than 50% of owners present conflicts with the declarations, specifically 13.E.

Nicole Pieterse clarifies that the assessment would be approved in the same manner as the budget; 13.D states the budget will be approved as set forth in the "act", a reference to CCIOA, section 303.4A. 13E refers to special assessments. David Zutler points out that given these parameters, 20 units would be necessary to veto the assessment.

5. a. Review and Discussion of the \$500,000 Special Assessment (Budget Amendment) approved by the Board on May 24, 2023.
Nicole Pieterse outlined the process to date. A letter was sent to the owners explaining that this was approved by the board and would be deemed approved by the owners unless more than 50% of the owners vetoed. Time for comment will be allowed.
Kurt Shugars gave a summary of the deficit incurred by the remodel of the swimming pool and hot tub. A loan was procured to pay for the costs of the project and add 50K to the operating fund. A budget was proposed this last year without fully knowing the cost of operating the pool with some of the added amenities such as snow melt. Utilities came in significantly higher than expected and absorbed much of the 50K.
He sees that there were two options; the first being a special assessment to pay off the note. The second would be to increase operating dues significantly.
The board voted on a special assessment. The amount of that assessment was determined by both the amount needed to pay the note off and pressing capital improvement needs.

David Zutler understood there was no warranty on the pool because it was a repair not a

new installation and that the financial scope of the project grew unexpectedly. He would like to avoid a similar situation with the roof, either with a “not to exceed” bid, warranty, or both.

Bill McDermott asked for financial statements and any document that identifies both known and likely maintenance and projects that are needed in the next few years. The reserve study was suggested. Bill suggested that the terms of the special assessment include a “not to exceed” amount on the roof repair that is known and allows the loan pay-off to occur.

Jessica Hafich asked what the push was to apply funds against the loan vs repairs or reserves as well as questioning how the loan which was taken to avoid an assessment is now requiring an assessment for repayment.

Jill O’Dell noted this has been the topic of discussion for many meetings and it has been agreed that the best financial path for the HOA is to pay off the loan to allow the money being used on monthly loan payments to be applied to the reserve account, \$5,738.00/mo. according to Kurt Shugars.

b. Ratification of Special Assessment (Budget Amendment) by Owners pursuant to Declaration Sections 11.B., 13.D. and 13.E and CRS 38-33.3-303(4)(a)(II)(A) *(deemed ratified unless a Majority of all Units (20) vote to veto)*

David Zultler made a motion to veto the special assessment until more information for the costs of the gutters and roof repairs. Bill McDermott seconded the motion. A vote was taken via roll call and the majority of owners polled voted against this motion. The threshold to veto was not met.

The special assessment is ratified per CIOA.

Andrea Booth made a motion to adjourn the membership portion of the meeting and convene the board meeting, Mary Koprowski seconded, passes unopposed.

Amendment of July 5, 2023: David Zultler asks that the minutes reflect that funds from the assessment are to be used first to pay off the loan and then the balance to go to repairs/capital fund.

6. Adjourn Owners/Members Meeting an
Board Members: Dan Peterson (6I), Jill O’Dell (6G), Andrea Booth (4C), Mary Koprowski (3F), Jennifer van der Borgt (5C)
Owners: Michelle Kluge (5B), Rekha Patel (6P), (6 F) Mike and David Zultler (5F), Matt Steinke (6E) and Jess Hafich (5H).
Absent: Barb Nazari (3B)
7. Motion to approve/waive notice of meeting.
8. Determination of quorum of Board (Quorum = Majority = 4 Directors)

9. Discussion/Approval of \$500,000 Special Assessment Payment Structure:
Kurt gave the following information:
Proposed making a single payment invoice. If people can't pay in a single invoice, then provide a three-payment option.

Jill O'Dell made a motion to enact the special assessment; to be invoiced in the full amount by July 1, 2023, with payment due July 15th. If anyone requires an installment plan, they can pay in three installments: July 15th, August 15th, and September 15 by arranging with Judi Balkind, and if additional arrangements are needed, an owner can propose a plan they feel they can achieve to the board through Judi Balkind. Mary Koprowski seconded the motion. The motion passed.

Vote: Andrea Booth – Yes, Jill O'Dell - yes, Mary Koprowski – yes, Jennifer van der Borgt – yes, Dan Peterson– yes.

10. Adjournment: *Mary Koprowski made a motion to adjourn the board meeting, Jill O'Dell seconds, passes unopposed.*

11. Next Meeting: July 5,2023 at 3:30 PM .

Respectfully submitted,

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