

**Building #19 - Sigma Home Owners Association
Annual Homeowners Meeting
Saturday, June 13, 2009 10:30 a.m.
CMC Meeting Room**

MEMBERS PRESENT: Jeff Oehm (President) & Dayne Oehm, Corinne Kazerooni (Secretary), Karen Whittier (for Jack Whittier, Vice President), Cele & Albert Albrecht, John Greive & Jacqueline Lampe, Jane & Kent Oehm, Mary Peterson, Jane & Robert Lundeen, Lynda & Greg Brown, Regena Koch (for Amy Whittier)

MEMBERS PRESENT BY PROXY: Thomas Wisnom, William Davis, Betty Jean James, KFC of McAlester, Susan Glissman

OTHERS PRESENT: Brian Lence (CMC President), Noreen Frye (CMC Accounting and Association Business Manager), Matt Priebe (CMC Property Manager)

CALL TO ORDER: President Jeff Oehm called the meeting to order at 10:35 a.m.

ROLL CALL/PROXY COUNT/QUORUM:

- A count was taken of the members present & proxies received. It was determined a quorum of more than 50% of homeowners was met.

APPROVAL OF 2008 ANNUAL MEETING MINUTES:

- Jeff called for a motion to approve the June 14, 2008 annual meeting minutes. A motion was made, seconded and passed to approve the minutes as written.

ELECTION OF DIRECTORS:

- Bob Lundeen was elected in 2006 to the Board as Vice President for a 3-year term expiring in 2009. Bob resigned and Jack Whittier agreed to serve the remainder of his term at last year's meeting.
- Jack Whittier was nominated to the Board as Vice President, seconded and approved for a 3-year term expiring 2012.

MAINTENANCE REPORT:

- A motion was made to move the review of the Spring Complex Report and the Long-term Replacement Plan & Contributions on the agenda to New Business. The motion was seconded and passed.

FINANCIAL REPORT:

- Review Fiscal Year-To-Date (06/08-04/09) Financial Statements
 - Noreen presented the Balance Sheet as April 30, 2009.
 - The CD at Millennium Bank had a balance of \$30,399.76. It was a 90-day but was recently changed to a 30-day rolling CD in case the Association decides to use the funds for upcoming projects.
 - The Current Over/Under Assessment balance of \$5,802.19 was for 11 months so it could change. After year end, the Over/Under Assessment will be rolled into Reserves, which includes the flood insurance. **Action Item: Noreen to roll year-end over/under assessment into Reserves.**
 - Noreen presented the Income Statement for the period June 1, 2008 to April 30, 2009.
 - Interest Income and Finance Charges are not budgeted, which can help create a year-end profit. Other Income of \$700, also not budgeted, was the result of the 2008 Workday no-show fines.
 - Gas & Heat expense was \$4,313.75 less than budget. The winter was not as cold therefore usage was not as high. In addition, the building improvements may have contributed to energy savings.
 - Noreen presented the detail for the Extraordinary Maintenance expense account for the period June 1, 2008 to April 30, 2009.
- Noreen presented the Accounts Receivable status reports as of April 30, 2009 and an update as of June 12, 2009.
 - Unit #1908 is over 90-days past due and will be getting an attorney letter. **Action Item: Noreen to make sure unit #1908 is sent an attorney letter.**
- Review Insurance Reserves & Contributions
 - Noreen presented the Current Insurance Fund Allocations worksheet.
 - The Insurance Fund balance as of 5/31/09 was \$6,251. Adding the current year collected assessments for 12 months of \$10,800 (\$900 per month) the total reserve available was \$17,051. The actual cost was \$14,919, which includes the flood insurance paid in full until May 2010.
 - Based on an estimated increase of 7% for liability insurance, the reserve will be underfunded for the coming year by approximately \$250/month.
 - An option would be to make up the shortage by transferring funds from the Maintenance Reserve or change the current funding allocation between insurance and long term maintenance. This will be discussed later.
 - **Action Item: Noreen to shop for insurance in the fall.**
- 2009/2010 Operational Budget Proposal
 - Noreen presented the Proposed 2009/2010 Operational Budget.
 - Insurance and Maintenance Reserve funding will remain the same unless they need to be changed.
 - The budget presented is strictly for operational expense and does not affect the reserves. A motion was made to approve the 2009/2010 operational budget. The motion was seconded and the budget approved.

- **Action Item: Noreen to adjust homeowner billing accordingly for the approved 2009/2010 budget effective June 1, 2009.**

OLD BUSINESS:

- Deck Carpeting
 - The deck carpeting was installed last August/September. It has not been cleaned since. **Action Item: Matt to get bids for carpet cleaning.**
 - It was agreed that the carpet would not be cleaned until the roof replacement project was complete.
 - There was a discussion about having runners made from the left over carpet to put in the high traffic areas. Jeff will contact the carpet company to get a quote.
- Railings
 - The replacement of railings was approved last year. A contractor was selected to install the railing before the snow. The contractor then contacted Jeff to advise due to insurance, he could only work on 2-story buildings. The railings were put on hold because of the roof issues that surfaced shortly afterward.

NEW BUSINESS:

- Maintenance Report - Review of Spring Complex Report:
 - The 2009 Spring Report was mailed with the May billing and was included in the meeting packets.
 - All sump pumps are working and there is currently no standing water.
 - Matt said CMC could use brooms and leaf blowers or a sweeper to clean the parking lot. The cost would be approximately \$200.
 - Netting to keep the Barn Swallows away was put only in the problem areas last year. The birds are back in other areas, however they are a "protected species" and nests cannot be knocked down until they leave. **Action Item: Matt to see the areas where the birds are nesting is cleaned up and netting put in place when the birds leave.**
 - It was mentioned that one of the spigots was not working. **Action Item: Matt to check to see the spigots have been turned on for the spring.**
 - A chipmunk was seen coming out from under the building with insulation in its mouth. **Action Item: Matt to check the foundation for holes.**
 - **Action Item: Matt to add the building to the water truck schedule for watering trees and flower beds at no extra cost.**
 - Matt explained that CMC offers a full service maintenance department for homeowners. Labor rates start at \$35/hour.
- Maintenance Report – Review Long-Term Replacement Plan and Contributions:
 - The major item is the roof replacement. Jeff distributed an updated roof sheet.
 - A full exterior painting was done in 2002 and should have an estimated life of 10 years. The one side of the building facing the road will need painting soon rather than paint the entire building. Jeff said he and some others plan to scrape, prime and paint this side later this summer. Jeff will send an email and others are welcome to help but under no obligation. CMC offered to lend tools if needed.
- Long Term Capital Improvement - Board Recommendations and Estimates:
 1. Roof
 - There had been a meeting earlier with 5 HCH buildings that need roof replacements. If the 5 buildings go together and have the roofs done at the same time, there will be a discount given by the roofing company. Two bids for the HCH buildings were received.
 - Matt passed around a sample of Duro-Last, a new roof component. He has done extensive research and is very happy with the product. As the manufacturer, Duro-Last offers a 15-year warranty on the roof, which includes internal damage from roof leakage. After installation, the roof is inspected by the manufacturer.
 - Matt recommended using the roofing company Turner Morris. They are a certified Duro-Last installer and already have the roof measurements so the project could be completed in a short amount of time. The installation is estimated to take about 1-week, and work would be done on weekdays. Turner Morris usually requires 50% down-payment, but Matt believes payment terms can be negotiated.
 - Insulation was discussed. A motion was made, seconded and passed to use 2-inch insulation when the roof is replaced.
 - The mansard needs to be fixed also. **Action Item: Matt will get quote from Turner Morris for the mansard repair included with the roof replacement.**
 - Discussion followed on how much the roof would be and how to fund it. It was decided to leave \$10,000 in the reserves in case there are contingencies with the roof installation. The total cost was estimated at approximately \$75,000. Currently there is \$45,000 in the reserves, and if \$10,000 were to be kept in reserves, an assessment of \$40,000 would be needed, which is roughly \$2,700 per unit.
 - A motion was made to have a 3 month special roof assessment, amount yet to be determined, beginning July 1, 2009. The motion was seconded and passed. The assessment does not have to be equal amounts each month and can change after total amount is found out. **Action Item: Noreen to set up special assessment billing to begin July 1, 2009.**
 - A motion was made that if the total of the roof project exceeds \$75,000, the Board could make an extra assessment, which will be determined by an email vote. The motion was seconded and passed.
 2. Drainage Mitigation/Site Plan
 - The Board met in March and got a site plan.
 - Jack met with a paving company, who could put a diagonal cut in the pavement, pour a concrete trough to be used for drainage and place a metal grate over it. Estimated cost would be \$11,000.

- The Board will need to talk to the Town of Winter Park about drainage into the Fraser River.
- 3. Railings
 - **Action Item: Matt to get a bid for CMC to install the railing.**
- 4. Siding Condition/Paint
 - One side of the building will be painted this summer, as mentioned above, and the rest of the building as needed.
- 5. Landscaping
 - 5 big trees are scheduled for removal on the west side. It would not be feasible to plant more trees until they are removed.
- 6. Road Paving
 - The road paving status for the HCH complex will be better known after the Recreation Center meeting on June 27th.
 - Jack met with other buildings about paving from the bridge up, but all those buildings need roof replacements also so his suspects paving will be put on the back burner.
- **Rental Issues**
 1. Winter Incidents/Damage
 - Reports of incidents and damage were no higher than other years.
 - Someone put a cigarette out on the new carpet. CMC got an estimate to patch the section but the Board declined due to protecting the life of the carpet.
 2. Board of Directors Rental Unit Advisor/Representative
 - CMC cannot enforce the House Rules and fine schedule for all units, particularly those who do not use CMC as a rental agent. It is the owner's responsibility to make the rental agent and/or guests aware of the House Rules, and up to the owner to insure enforcement.
 - Owners of rental units need to be aware of violations so they know what to change in the future.
 - Jacqueline Lampe of Unit #10 volunteered to be a Rental Unit Advisor/Representative.
- **Bylaws Review**
 1. Propose review by attorney to check for outdated language & update to today's legal requirements.
 - A 70% ownership quorum is needed to vote on changes to the Bylaws.
- **Display a listing of house rules**
 1. Review rules
 - Jeff distributed a draft of the proposed rules. Please email him with feedback.
 - It was agreed that in the future the documents be sent prior to the meeting.
 2. Vote to remove old rules from bylaws, add reference to addendum & incorporate House Rules Addendum to bylaws. Establish fine schedule.
 - A motion was made to modify Section 8 under Article VII of the Bylaws by removing the "Rules and Regulations" and adding them to the House Rules, which would then be an attachment to the Bylaws. The motion was seconded and passed.
 3. Vote to add Engineering review for internal remodeling (verify code compliance)
 - Similar to House Rules, a document would be drafted to ensure unit internal remodeling is up to code, with unit owners obtaining the necessary work permits and employing licensed contractors.
 4. Review process of reporting violations to CMC
 - CMC can be called when there is a common area violation. They are basically on-site and can get to the location quickly.
 - The police should be called for after hours noise or violent acts.
 - Owners, particularly those of rental units, should have an updated list of contact numbers available in their unit.
- **Renewal of Management Agreement**
 1. Add replacement of smoke detector batteries as an annual task. They are changed every 6 months and checked regularly.
 - A motion was made to accept the renewal of the CMC contract with an increase of 2.5%. The motion was seconded and passed.
- **Other Discussion**
 - The current year property tax assessment was mentioned. The assessment was for the period that ended 1 year ago and the numbers are in line, and owners have the ability to protest by June 1st. It was requested in the future, the Board send a letter giving comparable sales information for the assessment period and the date for protest. Jacqueline Lampe volunteered to pull county sales information.
 - There was a discussion about fining owners who do not show for work day and possibly raising the fine. It is not fair for the certain owners who come every year. The discussion was tabled for next year's meeting.

SCHEDULE OF 2010 ANNUAL MEETING: The 2010 Annual Homeowners Meeting was scheduled for Saturday June 12, 2010 at 10:30 a.m. The work day will follow on Sunday June 13, 2010. Members not showing will be assessed a fine.

ADJOURNMENT: The meeting was adjourned at 1:20 pm.

Minutes recorded by Becky Varga of CMC & reviewed by the Board of Directors prior to distribution. Minutes are not formally approved until voted on at the next Annual Homeowners Meeting.

**Sigma Homeowners Association
Annual Meeting
June 14, 2008**

ATTENDANCE:

- Members present were Al & Cele Albrecht (1901); Corinne Kazerooni (1905); Jack, Karen & Erick Whittier (1906); John Greive (1910); Jane & Kent Oehm (1912); Mary Peterson (1913); Bob & Jane Lundeen (1914); and Greg & Linda Brown (1915).
- Units not represented were 1902, 1903, 1904, 1907, 1908, 1909, and 1911. These units will be assessed \$100 for homeowners work detail this weekend.

CALL TO ORDER: Meeting was called to order by Jack at 10:30 a.m.

APPROVAL OF JUNE 9TH 2007 MEETING:

- The 2007 minutes were amended to include the attendance of Peter and Mary Peters.
- The purchase of fireplace doors for each unit was closed due to the high cost of the item.
- The number of thermostats ordered for installation in each unit was changed from 13 to 14.
- A motion for approval was made, seconded, and approved.

ELECTION OF BOARD OF DIRECTORS:

- Bob Lundeen Vice President, resigned his position since his unit is for sale.
- Jack Whittier's term as President expired. He wished to resign and, if the membership approved, he would remain on the Board as Vice President. The motion to have Jack remain on the board was made, seconded, and passed.
- Jeff Oehm was not present but had previously stated he would serve as President if nominated. The motion was made to nominate Jeff Oehm for President, it is seconded, and approved.

CMC MAINTENANCE REPORT (Matt Priebe):

- Touch up painting to the building will be performed as needed. ACTION: MATT PRIEBE
- Sump pumps in the crawl space. These pumps require replacement periodically due to sand getting in the motors. Since these motors are not expensive, it is better to replace rather than repair them. As a result, there are about two pumps a year that need replacement. In addition, the drainage pipe extending outside the building was relocated from draining into the wetlands to the river.
- Roof hatch on the north end of the building will be repaired and the roof inspected. ACTION: MATT PRIEBE
- Siding on the building that faces the road may need some attention. ACTION: BOARD MEMBERS
- Heating system is fine.
- Replacement of carpeting on the main decks and individual decks will occur when the weather warms up. ACTION: JACK WHITTIER
- Barn swallow nests on the north end of the building cannot be disturbed while the birds are nesting. After the birds are gone, netting will be installed. ACTION: MATT PRIEBE
- Parking lot will be swept. ACTION: MATT PRIEBE

FINANCIAL REPORT (Noreen Frye):

- Maintenance Reserve Fund balance as of May 31, 2008 was \$46,975.67.
- Flood insurance is in effect for the building. There is no need to increase the fees for this insurance as there are sufficient funds collected in the Insurance Fund.
- The renewal of the CMC management agreement was seconded for approval and passed.
- Brian Lence, President of CMC, attended the meeting. His focus is on the rental program for Vacations, Inc. Brian suggested when there is 30-40K in the money market that some of the money be moved into CD's.
- A motion is made to approve the 2008 operational budget, seconded, and passed.

OLD BUSINESS:

- Internet Service is available in Building 19. If interested, contact either Erick or Jeff.
- Building Railings - Again, this issue was discussed as to the insurance liability, requirements for building code, types of wooden or metal railing installation, and an estimated cost of \$60,000. It was explained that if the distance between columns is greater than 8 feet, a 4X4 can be installed to correct the problem. Additionally Matt Priebe will contact the city for their code requirement and notify the Board. The membership will be notified as the project continues. ACTION: MATT PRIEBE
- Swale and Gutter in Parking Lot Project - In order to contain the water as it flows over the paving from the higher elevations, it was suggested an engineer be hired for their assessment. Approved by the membership. ACTION: JACK WHITTIER

NEW BUSINESS:

- Wooden Floor Installation in the Units - In order to keep noise down, a motion was made and seconded to require a foam pad be placed under the wooden floors in a renovation. CMC asked for a policy letter from the Board President to this effect. ACTION: JEFF OEHM

SCHEDULING OF ANNUAL MEETING: The next meeting is scheduled for SATURDAY, JUNE 13, 2009 AT 10:30 AM.

WORK DAY will be on SUNDAY, JUNE 14, 2009.

MEMBERS NOT SHOWING WILL BE ASSESSED.

ADJOURNMENT: The meeting was adjourned at 12:45 p.m.