

## **Annual Meeting of Chateau Acadian Home Owners Association**

Owner's Lounge

Saturday, July 15, 2006

10:00 AM

**Call to Order:** President Andrew Pollock called the meeting to order at 10:05 A.M.  
A quorum was established with 12 of the 15 owners being represented either in person or by proxy.

**Owners Present:** 101 –Andrew and Joan Pollock  
102 – Proxy to Edward Mlynek  
103 – Proxy to Andrew Pollock  
104 – Jerry and Jane Brooks  
105 – Not in attendance/No proxy  
106 – Proxy to Jerry Brooks  
107 – Proxy to Andrew Pollock  
108 – Myron and Donna Treber  
109 - Michael Marston  
110 – Not in attendance/No proxy  
111 – Not in attendance/No proxy  
112 – Not in attendance/No proxy  
113 – Paul and Dee Johnson  
114 – Joey Michlmayr  
115 – Dennis and Mary Minchow  
116 – Proxy to Jerry Brooks

### **Minutes of the 2005 Annual Meeting:**

A motion carried unanimously to approve the minutes of the Annual Meeting held Saturday, May 28, 2005.

### **President's Report:**

President Pollock reviewed the following:

1. Following the resignation of Tom Richardson in May, 2005, the Board hired Matt Hoover as the Resident manager. Hoover resigned in May, 2006 and the Board researched the possibility of hiring a management company to manage the property. After a lengthy review of the pros and cons of having a resident manager, the Board hired Eddie Ferguson in May, 2006.
2. In an effort to improve communications with owners, the Board sent seven letters to owners over the past year, including the Manager's job description and the 2006 budget.
3. The Board brought the Association into compliance with CCIOA regulations. President Pollock attended a half-day seminar on the subject and Board Member Myron Treber completed the Compliance Manual. The manual is kept in the Manager's apartment and is available for review by contacting the Manager.
4. President Pollock paid special recognition to Donna Treber for her volunteer effort in doing the bookkeeping for the association and extended a vote of thanks. This has saved the Association approximately \$4800 in the past year.
5. A Life Cycle study was conducted. The Project was headed up by Board Member Paul Johnson and Treasurer Dennis Minchow.
6. The Board complied with the amendment to the by-laws to extend the Board to 5 members. Joey Michlmayer agreed to fill the vacancy left by Rich Babich due to the sale of his properties. The term runs through 2006.
7. The Board of Directors is in the process of reviewing the reserve funds with the intention of ensuring that the funds are actually reserved and not used for operations as they have been in the past.

**President's**

**Report: (cont.)**

8. The following projects were completed:
  - a. The dumpster enclosure was completed and includes recycle bins. President Pollock asked owner who rent to post a notice in their units regarding recycling.
  - b. Deferred Maintenance Projects
    - i. October, 2005 the association received a water bill for \$8,200. President Pollock was told that the reason was due to bad timers and leaks in the system. President Pollock lobbied for a reduction in the bill due to inadequate procedures on the part of the water district. As a result, the bill was reduced substantially and the water district has revised their procedures. The Association incurred repairs in the amount of \$2,600 when starting up the system in the Spring of 2006.
    - ii. The lawn mowers were in disrepair and inoperable due to improper maintenance on the part of a previous manager. Board member Paul Johnson was able to repair the riding lawn mower, but not the push mower which is being replaced
    - iii. Due to record low temperatures this past winter, some pipes were frozen and the Association incurred damages in the storage areas as well as some of the units in building A.
    - iv. Spraying for pine beetles will occur sometime in late July or early August.
    - v. Unit 107 had incurred damages nearly five years ago; however previous Boards did not complete the work. Therefore, the Board approved repairs by an outside contractor and saved \$200 in the process due to a coinciding insurance claim.
  - c. Remodeling of the lobby area was completed. The reception desk was removed and a new tile floor was installed. Tile was also installed in the two breezeways between the center building and buildings A and B.

A motion carried unanimously to accept the President's report.

**Treasurer's**

**Report:**

Treasurer Dennis Minchow reported the following as of 6/30/06:

- Cash on hand - \$8,418
- Operating Income - \$31,881
- Operating Expenses - \$29,895
- Net Income - \$1,986
- Reserve Income - \$8,526
- Reserve Expenses - \$1,923
- Net Reserves - \$6,603

Some bills for water damage and sprinkler maintenance have not been included in the above figures.

The 2006 budget indicated \$9,300 for reserves at year end; however, reserves have often been used for operating expenses and deferred maintenance projects such as landscaping items, the dumpster project, and other like projects.

- In addition to the money received from the insurance claims, \$2,614 was paid for incurred damages out of operations and/or reserve accounts.

**Treasurer's**

**Report: (cont.)**

The matter of the way dues increases are currently set, i.e., flat rate is at odds with the Association's current by-laws. The Board will research the matter of basing such increases on flat rate vs. square footage.

A motion carried unanimously to accept the Treasurer's Report as submitted.

**Manager's Report:**

Eddie Ferguson presented the following report:

- Inspections will be more routine now that projects are completed.
- Outside and inside lights are being monitored more closely for burned out bulbs.
- Common area closets will be cleaned.
- Hot tubs are being maintained on a regular basis.
- A sign will be mounted on the left door of the dumpster enclosure saying to use the small door rather than the two large doors.

Owner Jerry Brooks suggested that an inventory of the tools be taken. The Board agreed and will do the inventory.

A motion carried unanimously to accept the Manager's Report with thanks.

**Life Cycle  
Study Report**

Board member Paul Johnson reported the following:

- The purpose of the Life Cycle Study was to anticipate major capital improvements that may be needed in the future, including a time line. The cost to fund the reserve account as based on the study is approximately \$89 per month per unit. Coincidentally, we are now dedicating \$88.81 per month per unit from dues to the reserve account. However, for the past few years, we have not been able to operate without dipping into reserves for operations each year, the result being that there is a need for a dues increase to shore up the operating accounts. This will allow us to establish a segregated reserve account.
- The Board is recommending that these funds be placed in a protected account and used only for capital expenditures, since reserves are a requirement of CCIOA

The following motion was made by Mike Marston and seconded by Ed Mlynek. Move to accept the Boards recommendation to set up funding for the reserve account in the amount of \$4,263 per quarter beginning the end of the third quarter, 2006. The reserve account is to be used exclusively for capital expenditures. After discussion the motion carried unanimously.

**Old Business:** There was no old business to come before the owners.

**New Business:**

President Pollock presented the following new business items:

- Staining of the deck stairs and top rails will be completed the first week of August, 2006
- Following discussion, a motion carried unanimously to assess insurance deductibles to owners as they occur.
- There have been times when renters have urinated in the sauna room, left excessive trash in the common areas, and caused damage to furniture and walls in the common areas. Excessive trash removal and damage caused in common areas is being billed to owners. Owners agreed that a security camera be placed in the hot tubs and sauna rooms.

**New Business** (continued)

The Board recommended a special assessment in the amount of \$24,000 (\$1,500 per unit) to cover the following items:

- Floor coverings in common areas approved at the 2005 annual meeting - \$16,000
- Extra ordinary insurance expenses from previous year - \$2,614
- Storage shed for landscape equipment - \$2,000-\$2,500
- New lawn mower to replace ruined push mower - \$400
- Irrigation system repairs - \$2,600

The following motion was made by Jane Brooks and seconded by Joey Michlmayer. Move to approve the Board's recommendation for a special assessment, payable with the September dues. The motion carried with 11 yeas and one nay.

Jerry Brooks requested that the Board look at options beyond a storage shed for storing the landscape equipment.

A motion carried unanimously that the Association no longer rent the commons areas and that a letter be sent to Bev Babich reflecting this.

**Election of Officers:**

A motion carried unanimously that Joey Michlmayer be elected to serve a three-year term on the Board of Directors for the Association.

**Adjournment/Next Meeting:** The meeting adjourned at 1:00 P.M. The 2007 Annual Meeting is scheduled for mid-July, 2007 at 10:00 AM in the Owners Lounge with the picnic to follow.