

## Park East Square Homeowners Association Annual Meeting, December 14, 2021

Call to order 7:01 p.m. via Zoom

### In attendance

#### Board

Lois Bennett    Tim Johnson    Evan Lam    Karen Fassler    Arkia Virapongse

#### Staff

Jon Ray Gardner, HOA Manager                      Bonnie Skilton, Bookkeeper

#### Owners

Kevin Bush (3 townhomes)	Therese Spears	Dave Longenecker
Antje Sliger and Bjorn Bergmann	Kevin Kudrna	Brett Macinness
Connor Sims and Alexandra Haggarty	Curtis Riggs	Greg McDuffie
Tim and Glori Gessel	Rene Sotola	Carol Conzelman
Tim Molnar (3 townhomes)	Megan Leuthold	Greg Butt
Gina Martyn and Michelle Slusher	Pat Jeske	Mark Liebendorfer
Steve Haymes	Mary Magee	Heather Ballew and Krister Shalm
Christiane Sammoury-Audi	Kellie Brownlee	

17 proxies were also received. Jon Ray determined that a quorum existed so the meeting began.

**Reading of the Annual Meeting Minutes.** Karen read the 2020 minutes, which were approved.

### Maintenance and Major Project Report

- Completed in 2021
  - 4140-70 and 4269-99 lots repaved, completing third year of approximately eight-year repaving project
  - Sewer lines in paved lots scoped and issues repaired before repaving
  - Exterior of six buildings repaired, completing fifth year of ongoing repair project
  - Six buildings painted
  - Gutters and downspouts repaired on six buildings
  - Ongoing coordination of 4232 fire restoration
  - Pressure Regulating Valves replaced on water mainlines in five buildings
  - Some older trees in decline were removed and four new trees planted
  - Some concrete stoops and sidewalks replaced
  - Two cluster mailboxes replaced
  - Split rail and patio fences replaced
  - New retaining wall between 4227-4269
  - Maintenance: irrigation, weeds, gutters, snow, pool, fences, lighting, dog stations, lawn care, and more
- Plans for 2022
  - Repave two more parking lots including sewer line issues (4100-10 and 4244-74)
  - Continue drain cleaning
  - Repair building exteriors and paint six buildings
  - Replace two D unit stairs and railings
  - Complete restoration of 4232

- Prune and remove more trees, plant more trees
- Replace more cluster mailboxes
- Replace a worn concrete carport slab
- Grind trip hazards on sidewalks
- Rebuild more HOA patio and split rail fences
- Plan for D unit deck replacement
- Plan for park strip improvement
- Repair gutters and downspouts on five buildings
- Replace more Pressure Regulating Valves
- Questions and comments
  - Antje. How are D units selected for replacement of railing and stairs? Inspection of condition in conjunction with building repair/painting cycle. Two of the worst six were selected. D unit owners can contact Jon Ray and he will look at their condition.
  - Mary. What is the schedule if one of the six to repair/paint? Not set yet, probably start working on in January and know in March. Begin with the oldest to be painted and pick the six needing the most work.  
How do we choose the types of trees to plant? Jon Ray uses his background in horticulture, discussions with the Tree Farm and arborist, and what the city is selling (sell trees that work). We try for variety but we avoid Chinese/Siberian Elms.
  - Steve. How are wasps removed in D units? Existing railings have a space underneath so as we rebuild the railings, the crevices are removed.

### **Insurance Discussion**

- Lois said the purpose of the discussion was to provide an opportunity to ask questions. All owners should have the September 1<sup>st</sup> letter explaining the changes. The changes were to keep premiums under control; even with the fire we only had a 9% increase. Every owner should have their own policy covering the unit interior and loss assessment and asbestos abatement coverage, which was found in the dry wall mud in 4232 although buildings differ.
- Questions and comments
  - Rene. Knows “walls in” is the owner’s responsibility but looks like shifting “walls out” to owners. Is that best? Also felt like little notice. Lois noted that the Declaration says the HOA only has to insure the Common Area and things it is required to maintain, not a given lot. The history of insurance is on the website but at some point, the HOA decided to provide more insurance. In the last five to 10 years, costs have gone up and we also found out we are underinsured based on an analysis done by our insurance agent and common practice. Although owners pay the full amount one way or the other (through the HOA dues and through their own policy), it was decided it made more sense from a construction standpoint to insure the structure to which the siding and roof are attached. In terms of the notice, it was done as quickly as possible after the Resolution was adopted on August 10<sup>th</sup> to allow as much time as possible before the policy expired on November 5<sup>th</sup>.
  - Kevin. What if another unit causes damage to his unit and that owner is underinsured? It would need to be worked out between the two owner’s insurance companies and possibly the HOA’s depending on the damage. The new policy is clearer now. With our size, age, high rental rate and unusual coverage, costs were high and we had no bids so we were advised to go with the more common type of coverage.
  - Megan. Loss assessment for hail? The roof is maintained by the HOA but if we had damage like 2015 when we had to replace all the roofs, the HOA might have to do a special assessment so that’s when an owner’s loss assessment coverage kicks in.

- Mary. When checking for loss assessment coverage what should we ensure? Be sure it covers an assessment for wind or hail.
- Christiane. If the HOA's \$10,000 deductible was spread over 220 units, that's only \$45 dollars each. Wind and hail deductible is different – 5% of the damaged building's value. There is an old figure of \$7,000 floating around and it is simply wrong. While the roof replacement cost \$1M in 2015, it would cost much more now and could require a special assessment, which loss assessment coverage is intended to cover.
- Rene. Explained that it might be financially advantageous to go with Class 4 shingles, which are much more hail resistant, even though they cost more. His insurance actually went down on his house. The HOA did not have that option in 2015 but if it comes up again, we will look at the options.

### **Financial Report**

- Lois reviewed the 2021 versus 2022 budget (on the website), 2021 year-to-date versus budgeted, and items in the approved 2022 budget. Dues increased as expenses increased, e.g., building repairs, paint, the fire, expiration of the grounds maintenance contract so that is expected to increase, insurance, payroll, the pool (chemicals and coverage when Jon Ray is gone), trash collection increased (but better service). We also need to cover deferred maintenance and build the reserves back up as we are spending more over the long haul and certain projects are out of reach (e.g., trees and parking strips). Tim noted that we should look at the big numbers. Eighty percent is spent on infrastructure so look at what is being done for owners (e.g., buildings, parking lots and sewers). That is where we want to spend. The board is conservative and what is spent is good for property values.
- Questions and comments
  - Caroline. Do not believe the grass needs to be mowed every week so would that help decrease costs? Jon Ray will talk to the landscapers later.  
Pool signs are expensive. Will residents have more access this summer? The board considers this in the spring, including factors like COVID-19 requirements and staffing.  
Conduct a beta test on ditch area? The parking strips are actually between the sidewalk and street.
  - Kevin. Is asphalt paid from reserves? Yes. The reserves are for infrastructure vs. operating. Dues were not raised last year and we had a year of inflation so spent from reserves and now need to replenish.  
Has there ever been a special assessment? No
  - Steven. Agree with lawn maintenance being spaced out. Four years ago, dues were increased for repaving and they continue to go up so once repaving is done, will they decrease? Probably not - we do not want to defer any maintenance and the roofs are already five years old. The idea is to save for large expenses that reoccur and avoid special assessments.

### **New Business**

- Board Election. Two board member's terms are expiring. A Nominating Committee was appointed to recruit candidates and present nominations. It created a job description, solicited candidates via a newsletter and email to owners, vetted the two candidates against the job description, and presented the slate with two nominees. Therese Spears and Kevin Bush were elected to the board by acclamation.
  - Questions and comments

- Christiane. How is a count taken as she believes voice acclamation does not work and the count should be taken again using the hands up feature? There is no requirement for a count because it was not a contested election.  
What about proxies, how many are there? We received 17 proxies, have a quorum, and it is a non-contested election.
    - Kevin noted that had there been an election, he owns three units so would have three votes.
- General Questions and Comments
  - Kevin. With raising dues, do we know how we compare with other HOAs? Evan (as a real estate agent) replied that we are moving toward the average but still below. The range in Boulder is anywhere from \$200 to \$500, with some higher, as it depends on the property. It does not impact resale values. It is more notable to say that we have not had any special assessments.
  - Steve. He is experiencing problems with a neighbor's cat and called Animal Control and they do not trap cats. Is there anything the HOA can do? Since this is a specific issue, Jon Ray and Lois will talk with him.
  - Mary. Do we have cost numbers for window replacements? No because it is not an HOA responsibility. We know two board members have replaced window so they might have some information. Therese said DCS replaced her upstairs windows and it was about \$1500 each. Evan said DCS told him labor is about \$500 per window, plus the windows and materials. Steve said he will talk with Mary if she would like.
  - Christiane. If the HOA amends the covenants, owners have to know and participate. Agreed, the board is aware of the process as spelled out in the Declaration and when it is time, will provide a lot of notice.
  - What are the dues for 2022? \$360 per month.

Adjourned at 9:00 p.m.