

**Ridgeview Homeowners Association
Annual and Board Meeting Minutes
December 9, 2014 (7 p.m. Recreation Room)**

Board Members Present: Ed Grosswiler unit 25, Brian Aveney 41, Franki Satisky 28, James Sturm 53.

Owners/Others Present: Jennifer Sturm 53, Carole Breck 46, Bill Nichols 35, Ashwini Prashad 12, Reddy Mallidi 30. , Dorothy Carroll 24, Sharon Shannon and Fred Pegelow 29, 43 and 56.

Annual Meeting called to order at 7 p.m. by Chair Ed Grosswiler

Chair reviewed the proxy count – 35 on hand, four more present. Chair explained that proxy count is weighted by percentage of ownership, complicating the counting – but we had the needed quorum. No proxy contained write-in nominations for the Board

Bill Nichols moved re-election of Brian Aveney to Board, Fred Pegelow seconded, voice vote re-elected him. Bill Nichols moved re-election of Franki Satisky to Board, Fred Pegelow seconded, voice vote re-elected her.

Chair asked for a motion to adjourn the Annual Meeting so we could move to the Board Meeting. Fred Pegelow so moved, Bill Nichols seconded, voice vote confirmed.

Board Meeting called to order by Chair.

Chair reported spelling correction to draft September Board meeting minutes. No other changes offered. Brian moved to approve, James seconded, approved four to zero.

Chair explained that Bob Thompson resigned from the Board after the meeting materials had been sent, and solicited suggestions for filling the vacancy.

Board Chair Report: Chair reviewed our financial situation based on third quarter figures and projections for the rest of the year. By end of September, we realized that we had run through most of our reserves. We had three drain pipe failures this year – one very expensive. A portion of one was covered by insurance; two were below our \$5K deductible. We had extensive repairs to stairwells and decks, which are still on-going. One stairwell has been patched, but needs to be completely rebuilt. [Rebuilding was completed in mid-December.] Water and sewer costs continue to escalate; we don't yet know what next year's increase will be, but have budgeted 5%. Utilities, insurance and Loan payments continue to be our major expenses.

Chair opened discussion on finances.

Telephone: Sharon Shannon questioned the telephone item. Chair explained that was for the answering service. There was general discussion of possible alternatives. While an answering machine might handle non-emergency calls, we still need a way to handle emergencies. Chair explained that many emergencies involve leaks or pipe breakages and cannot wait until morning. Ann Kayser is called first, then Brian, then the Chair. Non-emergencies are reported by email.

Discrepancies between budgets: There were questions about discrepancies in some line items. Chair explained that administrative services and management fees were combined. Ann has taken on responsibilities formerly handled by others.

Repair & maintenance: There was discussion of the General Repair & Maintenance item, which jumped. Chair explained that some line items have jumped or were dropped because of re-allocations within the budget as part of our new accountant's trying to clean up problems in the old budgets. A number of items were previously mis-categorized. Also, repairs were affected by our on-going fixing of decks, stairs and curbs; we estimate \$12K of work still to be done.

Financial review: Brian said that we had been undergoing an audit this past year. Chair said it was not properly an audit, but a financial review – the first since he has been on the Board. We should have one every year. There are still questions pending for the clean-up. This year, the review cost \$1,500.

Excel Errors: Ashwini Prashad pointed out some arithmetic errors in the Excel spreadsheet for the Budget. Chair acknowledged these and said he will clean up the spreadsheet further.

There was general discussion of insurance premiums and deductibles. Some thought we might do better with smaller deductibles. Chair agreed to review our coverage and deductibles with our agent.

Uncollected payments: Reddy Mallidi asked about the Uncollected Payments. Chair explained the new line items. We currently have two units in foreclosure and one missing owner. We have had trouble collecting from another owner who has filed bankruptcies.

Concerns Over Dues Increase: Dorothy Carroll brought up concerns over currently delinquent dues, and owners ability to pay higher dues and the fact that higher dues will make it harder to sell units. She asked how many owners are currently on payment plans; Chair said it's down to four. She said we should expect dues reductions after the loan is paid off in 2017.

Capital reserves: Chair reviewed current mortgage issues; some banks and credit unions are loosening requirements. But we now have only one month of dues in reserve and that's a stumbling block for mortgages. We currently have 29 rental units and 34 resident owners, but lenders seem less concerned about renters than reserves. If we had a major drain pipe failure, we wouldn't have enough in reserves to handle it.

Assessments: There was discussion of special assessments. Someone said that at Oswego Summit, special assessments ran \$50-100K per unit. Some pointed out the difficulty of collecting special assessments. Chair pointed out that many folks took months to respond to the last increase.

Phasing: There was discussion of phasing in increases – maybe at six-month intervals. Dorothy Carroll suggested committing to reducing dues when the loan is paid off, but it was pointed out that this year's Board cannot legally commit future Boards.

Siding lawsuit: There was dissatisfaction expressed at the progress of the siding lawsuit. The contractor is out of business. We won a \$200K judgment in July 2013, but the insurance company is claiming it did not get proper notice. Chair promised to address this further with the lawyer.

Chair said that we held off raising dues for the last five years because of recession concerns, but cannot hold off further. We don't have the credit-worthiness to borrow if we have a major emergency. The Board will vote on the budget electronically after changes are made. James Sturm commented that about half of the proposed increase is due to utility costs.

Chair asked for motion to adjourn. Brian Aveney so moved, Franki Satisky seconded, Board voted to adjourn.

Electronic Votes

Following the December board meeting, the Board voted on several motions electronically. They are recorded here with the December Board minutes.

Dec. 11: Ed Grosswiler moved and Franki Satisky seconded the re-election of Ed Grosswiler as Chair and Franki Satisky as Treasurer. Ed Grosswiler moved and Franki Satisky seconded the election of James Sturm as Vice Chair and Brian Aveney as Secretary. By electronic vote, the Board unanimously approved the motion.

Dec. 10-11: Brian Aveney moved and Franki Satisky seconded that dues be increased by 15% and rounded to the nearest dollar, effective January 1, 2015. By electronic vote, the Board unanimously approved the motion.

Jan. 12: Franki Satisky moved and Brian Aveney seconded approval of the 2015 Budget. By electronic vote, the Board unanimously approved the motion.

Feb. 3-5: Ed Grosswiler moved and Franki Satisky seconded the election of James Sturm as Secretary. The Board unanimously approved the motion.

Feb. 3-5: Ed Grosswiler moved and Franki Satisky seconded the appointment of Ashwini Prasad to the Ridgeview Board. The Board approved unanimously.