

**WEST VILLAGE CONDOMINIUM ASSOCIATION  
ANNUAL OWNERS MEETING  
FEBRUARY 2, 2021**

**MINUTES**

**CALL TO ORDER**

Steve Stafford called the meeting to order at 6:00 p.m. The meeting was held via Zoom video conference.

**ATTENDANCE**

Board Members in attendance were as follows:

- Jenni Marquez, Unit G201
- Vince Jones, Unit D102
- Michele Ziccardi, Unit A201

Other owners in attendance were as follows:

- Gretchen Ebbeson, Unit C102
- Carol Glasson, Unit I202
- John Lund, Units A202 and B101
- Bradley Stieber, Unit D101
- Kathleen Lyons, Unit C101
- Johanna Carrazco-Gonzalez, Unit A102
- Edgar Luevanos, Unit B201

Owners in attendance by proxy were as follows:

- Triple Z Investments, Debbie Adams, Units E101 and C202, via proxy to Jenni Marquez

Others in attendance were as follows:

- Claudia Wells, Choice Bookkeeping
- Steve Stafford, Slifer Management Company, Inc.

**ROLL CALL**

Steve Stafford went through the list of owners who were appearing on the screen and asked if he had missed anyone. He verified all those in attendance.

**ESTABLISHMENT OF QUORUM**

Steve Stafford said that the Bylaws require the presence in person, by teleconference or by proxy of at least 25% of the voting shares of the Association in order to establish a quorum. With 38 condominiums in the Association, that would mean that an approximate minimum of at least 10 owners are needed for a quorum. Since there were 13 units participating in the meeting, a quorum was established.

## APPROVAL OF MINUTES

Steve Stafford had emailed the Minutes from the previous Annual Owners Meeting, which was held on January 30, 2020, to the members of the Association. The Minutes were included in the package of documents for the Annual Meeting that was previously emailed or mailed to all members. Steve asked those present if anyone had any questions or comments. There were no questions or comments. Those present then approved the Minutes.

## FINANCIAL STATEMENTS / 2021 PROPOSED BUDGET

Steve Stafford noted that the most recent financial statements had been emailed or hand delivered to all members of the Association at the same time as the Notice for the Annual Meeting. The financial statements included the following:

- December 31, 2020 balance sheet
- January through December 2020 profit & loss budget vs. actual report including year-end budget comparisons
- Proposed 2021 budget

Steve turned the review of the financial statements and the 2021 proposed budget over to Claudia Wells. She said that the Association had ended 2020 with a net loss of approximately \$21,800. Part of that was due to increases in water rates from the Town of Eagle, which the Association has no control over. The other expense that the Association ended up over budget by approximately \$12,419 was landscape. That overage was due to landscape improvements rather than normal landscape maintenance. These improvements had been requested and were deemed to be needed, but they were not budgeted for.

Claudia and Steve had prepared a proposed 2021 proposed budget spreadsheet that had several different budget proposals that included different ways to deal with the 2020 deficit. Vince Jones had then taken that spreadsheet and put a lot of additional work into analyzing it and coming up with an additional budget proposal. The other Board Members had also worked on this project by giving their input. During that process, Steve had prepared an analysis of the different expenses that had ended up over budget, what those expense line items normally included and what the Association might be able to expect in the future for those line items.

Claudia asked those present if anyone had any questions about the budget comparison income statement that had been sent out to the owners. Steve said that as long as he's been involved with the Association, the landscape budget has always been a very bare bones budget that basically just covers mowing, spring cleanup, fall cleanup, etc. and there's never been any room in the landscape budget for improvements. Management and the Board got some requests for landscape improvements in the spring of 2020. Those improvements were what pushed the Association over budget for landscape expenses. Steve said that he does think that those improvements were needed but the Association can't do those kinds of landscape improvements every year, because the Association needs to be careful not to go over budget in future years. He said that he does feel that the Association needs a more realistic landscape budget going forward though. The Association can't just continue to have a bare bones landscape budget because the landscape starts looking kind of bad over a period of time if only the bare minimum of landscape

maintenance is done without any real improvements. That's not good for the property or for property values, but that's something that the owners must decide on.

John Lund asked what the procedure is for approving landscape improvements. Steve said that he got proposals for those landscape improvement projects and the Board did approve them. He said that he thought that the hope was that the Association would end up under budget on other line items and that the Association would then end up within the budget overall. That obviously didn't happen. In the future, management and the Board needs to keep a tighter rein on improvement requests and expenditures. Sometimes it's hard to say no to improvement requests, but sometimes it's necessary for management and the Board to say no.

Carol Glasson said that it's a good idea to rebid the landscape maintenance contract every few years. Steve said that when Slifer Management Company took over the management of the Association, he did bid out the landscape maintenance to 3 or 4 companies and the current landscape maintenance company, M&M Maintenance, was the low bidder. The Board at that time decided to go with them. Steve bid it out again in 2019 and once again M&M Maintenance was the low bidder. They have not increased their price since getting the original contract. Steve said that he agreed with Carol about getting bids periodically.

Gretchen Ebbeson said that although M&M Maintenance did a good job on the special projects, she thought that they didn't do as good a job on the normal landscape maintenance as in prior years. She also said that she didn't think that they have been doing a very good job on snow removal this year. Steve said that the snow removal this year is being done by the same company as in the past few years. He will let Marco know about the concerns that have been voiced. He will also be happy to bid out the snow removal next year, although finding a company that will do a better job will most likely cost the Association more, since M&M Maintenance has been the low bidder for snow removal.

The discussion then moved back to the proposed 2021 budget. Steve explained that in the proposed budget spreadsheet that had been included in the package of documents that had been sent to all members of the Association, there were 3 columns to the right with 3 different proposed budgets. The 3<sup>rd</sup> column from the right was a proposed budget with no increase in dues and no special assessment. That column is not a realistic budget, but it was put in the spreadsheet to show owners what would be expected without any increase in dues and without any special assessment. The 2<sup>nd</sup> column from the right shows a proposed budget that covers the 2020 deficit with an increase in dues but without a special assessment. That dues increase would cover the 2020 deficit and would also increase the operating budget to a level that hopefully would not result in a deficit in 2021. The last column to the right would accomplish the same thing but with a special assessment instead of an increase in dues.

What Vince Jones and Steve had subsequently worked on together was a proposed budget that included a smaller increase in dues and a smaller special assessment. The amount for landscape in that proposed budget is a compromise amount between the landscape amount in the 2020 budget and the landscape amount that Steve had placed in his first draft of a 2021 proposed budget. Vince explained that the first proposed 2021 budget that included an increase in dues but no special assessment would increase operating dues by approximately 37%. The proposed

budget prepared by Vince would increase operating dues by approximately 15% and it would not attempt to cover the 2020 deficit all in one year. If the 2021 budget attempted to cover the 2020 deficit all in one year, the 2021 dues would increase drastically in 2021 and then be reduced drastically again in 2022. His proposed budget would collect the 2020 deficit over 3 years, meaning approximately \$7,267 per year for 3 years. His budget would also keep the landscape budget in line with what landscape expenses had been in 2018 and 2019, when it basically just covered normal maintenance, plus an amount for tree care, which has been determined to be needed. That would make the landscape budget approximately \$15,500. That amount would cover normal landscape maintenance, as in 2018 and 2019, plus tree health care. That would result in an operating budget with an approximate 15% increase in operating dues and it would keep the budget more level over the next few years.

John Lund asked if the amount that Vince has placed in the budget is realistic. Steve said that he thought that it was realistic as long as the Association realizes that it will not include many improvement projects. The Association might be able to undertake one small landscape improvement project each year with that amount in place. Steve said that mulch was a big expense in 2020, since all of the mulch was replaced and many of the liners were also replaced. Much of that was paid for with replacement reserve funds, but part of that expense was paid for with operating funds, since some mulch replacement or addition is done every year. Also, prior to about a year ago, the Association never paid for any tree care. Several years after Steve started managing the Association, it became evident that many of the trees on the complex were suffering from disease and/or pests. Because of that, Steve had Old Growth Tree Service do an inspection of all the trees to determine what needed to be done. Since then, the Association has paid for tree service in order to save the trees that remain on the property. The \$15,500 amount for landscape expenses in the budget prepared by Vince does include about \$1,500 for tree care.

Bradley Stieber asked if tree replacement was off the table now because of overspending in 2020. Steve said that tree replacements would be paid for with replacement reserve funds, although that is also a concern. If the Association continues to dip into the replacement reserve fund, it might not have the funds needed when something big, like major roof replacement, is needed in the future. Then the Association would end up with a special assessment for that major project. Steve met with Mike Earl (Old Growth Tree Service) and Mike Stevens (SHC Landscaping) last summer/fall and asked them to put their heads together and produce a proposal for replacing the cottonwood trees that were taken out last year. Although they haven't yet put that proposal together, he reminded them that he still wants that proposal. Although tree replacement might not be done in 2021, he wants the Board to see the proposal so they can be aware of it and start planning for it. It's not necessarily off the table, but it will need to be discussed in relation to where the Association is at with its replacement reserve fund.

According to the replacement reserve study that was done a year or two ago by Borne Consulting, the Association is about \$50,000 under funded at the current time. That being the case, the Association does need to pay attention to what goes into that fund and what is taken out of it.

Kathy Lyons asked if the Association could do an increase in dues to cover a more realistic operating budget and also a special assessment to cover the 2020 deficit. Steve said yes, that can

be done. Kathy asked how much the special assessment would be for each unit. Steve said that a special assessment could be done all in one year or it could be spread out over several years. If a special assessment was done all in one year to cover the 2020 deficit, it would amount to approximately \$574 per unit, although that's an approximation, since the sharing percentages of the units vary depending on size of the units. Steve said that the special assessment could be paid in installments, such as monthly or quarterly during the year. Jenni Marquez asked if a 20% increase in the operating dues (an approximate increase of \$70 per unit) would cover a more realistic operating budget as well as the 2020 deficit and Vince said that it would, assuming that the 2020 deficit amount was spread out in the budget over the next 3 years.

Jenni wondered if the Association needs to do something to bring the replacement reserve fund into line with the recommendations in the replacement reserve study that was done by Borne Consulting. She asked if it might be wise to add another \$25 per month per unit to go into the replacement reserve fund. She recognized the fact that all owners are sensitive to increases in their dues. She has noticed that the dues in Founders Place, a similar property, have increased substantially in recent years and they are more than the dues in this Association. She talked to an owner in that property and their dues are \$425 per month per unit and that includes a \$50 per month special assessment. What this Association is facing is not that different from what other associations of similar age are facing. The big question is how the owners want to handle it.

Edgar Luevanos suggested keeping the dues consistent going forward and handling the deficit with a special assessment. Vince reminded everyone that the dues need to go up by about 15% to keep the Association from having another deficit in 2021 and then it's just a question of how to handle the 2020 deficit. Kathy Lyons and Bradley Stieber both voiced their opinions that the dues needed to increase to cover a realistic operating budget and the 2020 deficit should be handled by special assessment payable in 2021. Steve said that it was evident that the operating budget needed to increase to \$148,666 in 2021 to be realistic. That is the 15% increase that's been discussed. That would increase the monthly dues by about \$45 per unit, although the dues do vary some per unit by size.

Those present then approved a 2021 budget with an operating amount of \$148,666 and no increase in the replacement reserve dues. Steve directed Claudia to make sure that the statements show separate line items for the operating dues, the replacement reserve dues and the 2020 deficit special assessment. The special assessment amount will most likely continue in 2022 and possibly in 2023 but it will then be for the purpose of bringing the replacement reserve fund up to a level that is recommended by the replacement reserve study. Once that happens, a special assessment should not be needed anymore. Those present then voted to approve a special assessment to cover the 2020 deficit of approximately \$21,800. It will be billed monthly during the 2021 calendar year and it will be in the approximate amount of \$48 per unit per month, keeping in mind that there is some variance due to size of units. No late fees will apply to the special assessment unless it's not paid by December 31, 2021.

Those present agreed that the Association needs to be very careful in the future with its projects and expenses. Steve said that management and the Board of Directors will most likely have to say no to some requests in the future, since almost every request has a cost associated with it.

Vince pointed out that the Association has tried to operate with a very conservative or unrealistic budget for a long time and that can't continue, as deficits are what happen then.

Kathy Lyons wondered if the governing documents need to be amended so that future Boards need to get specific owner approval in order to spend over the budgeted amounts. Steve said that he has never seen that in any of the Associations that he's managed over the years. Management and Boards of Directors are very cognizant that owners are very sensitive to dues increases and special assessments. He's certain that the Board of Directors will be very careful about projects and spending going forward.

Claudia will prepare a spreadsheet showing individual amounts. She will have the Board review it before billing the owners.

#### DELINQUENCY REPORT

Claudia Wells presented the delinquency report. There are no owners who are substantially delinquent at the current time. Approximately 75% of the owners are on ACH payments.

#### ELECTION OF BOARD MEMBERS

Steve Stafford said that at the current time, the Association has 3 Board Members. They are Jenni Marquez, Vince Jones and Michele Ziccardi. The Bylaws allow the Association to have 3 to 5 Board Members. The Bylaws require that the term of at least one Board Member must expire each year at the Annual Meeting. Jenni's term will expire at this meeting. Michele's term and Vince's term will expire at the Annual Meeting in early 2023. That being the case, the Board will need to decide which Board Member, Michele or Vince, will have a shorter term, so that one term will end at the Annual Meeting in early 2022. Steve asked Jenni if she would be willing to continue serving as a Board Member if reelected and she said she would. Steve said that it's best to have an odd number of Board Members, so that there's no chance of a deadlock. Steve asked if anyone else was interested in being a Board Member. Edgar Luevanos said that he would be willing to be a Board Member. Bradley Stieber asked if the Board could appoint a 5<sup>th</sup> Board Member during the year and Steve said that they could. Those present then voted to reelect Jenni Marquez for another 3 year term and to elect Edgar Luevanos for a 3 year term.

#### MAINTENANCE AND REPAIRS

Steve Stafford told Gretchen Ebbeson that his maintenance tech, Andrew Galarza, has informed him that a new ballast for the pole light in the big parking lot has been ordered and as soon as it arrives, Edwards Electric will install it.

Michele Ziccardi asked if management could try to locate one or two companies who would possibly do window repair or replacement at a discounted rate if enough owners were interested. Steve said that he had recently had a business lunch with the regional representative for Renewal By Anderson windows, which are usually the most expensive but also the best. They might be interested in doing some kind of group deal. Michele suggested an email to all owners to find out who might be interested. Gretchen suggested trying to find two companies instead of just one.

Kathy Lyons said that a sidewalk light east of C Building is out. Gretchen said that she has already talked to Andrew about that light, so he already knows.

ADJOURNMENT

There being no additional business to transact, the meeting was adjourned.

Respectfully submitted,

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Steve Stafford, Community Association Manager