

Approved 7-12-2018

**LULU CITY HOMEOWNERS ASSOCIATION
MINUTES - BOARD MEETING
May 24, 2018, 3:30 P.M. (MST)
Wilkinson Public Library – Meeting Room
100 West Pacific Street
TELLURIDE, CO 81435**

1. Roll call, determination of quorum and certification of proxies. Board members Present: Jill O'Dell, Jan Davy, Michael McAllister , Mark Koskovich, Kelly McGinty and Nicki Bergstrom Noel
Absent: Dan Peterson, Proxy to Judi Balkind
Also Present: Neal Elinoff (Unit 6H), Andrea Booth (Unit 4C) and Judi Balkind, HOA Manager, Kurt Shugars (Accountant)
2. Motion to approve/waive notice of meeting. *Jan Davy made a motion to approve notice of the meeting seconded by Mark Koskovich and passed unanimously.*
3. Determination of quorum of Board – Majority of the total number of Directors seats (both filled and vacant).
Board is 7, Quorum 4
Act of majority of quorum of Directors is an act of the Board
4 Votes =act of Board
4. Approval of Agenda. *Mark Koskovich made a motion to approve the agenda, motion seconded by Jan Davy and passed unanimously.*
5. Approval of the minutes from the April 25, 2018 Board meeting. *Jill O'Dell made a motion to approve the minutes from the February 15, 2018 meeting, seconded by Kelly McGinty and passed.*
6. Request to Speak on Agenda topics. Stephan Godevais has asked: Can someone provide some details around item D. What is considered a rental unit (short term, long term)? What is the basis to consider increasing dues for rental units? If it is targeting short term rentals, these units should actually pay less dues since they are only occupied a fraction of the time and therefore use many less amenities than permanent residents or long term rented units. Which section of the bylaws give authority to whom (the board, a majority of owners, etc.) to segregate against a different class of owners? Has the board considered the long term implications of segregating owners and the impact on future resale value? (see below)

Anonymous Donor has contributed \$5K specifically for painting of the interior hallways of Building 6.
7. Old Business:

- a. Deck and Post Projects. The Deck and post project is complete. The posts have been replaced although the price of lumber had increased by 30% in one month, however on the HOA side the project was under budget. The concrete sidewalk outside Building 4 has also been completed. Michael McAllister gave a brief overview for the remaining posts; we have others needing either total replacement or stripping of paint and re-painting. This has been delayed due to cost. We will need to discuss when we would like to move forward with Phase II and Phase III of this project.

8. New Business:

- a. Review of Finances – Kurt Shugars discussed the option of moving some of the Reserve funds into CD's as they are currently paying higher interest than Alpine Bank (.15%). Discussion ensued regarding the options of a 9 month CD (1.9%) and a 30 day CD (1.5%). Possible risk would only be any unforeseen capital projects that could come up. ***Nicki made a motion to move \$150K from the Reserve account into two CD's one for \$100K for 9 months and one for \$50K for 30 days which can be renewed each 30 days and to open an account at Edward Jones for this purpose. Jan Davy seconded and the motion passed.***
- b. Painting of Building 6 discussion ensued. Current bids are at \$15K and \$18.5K and do not include removal of the popcorn ceiling. It was suggested that everything, doors, ceiling and walls be painted the same color. Neal indicated that he prefers the two colors. It was indicated that bids would be requested for both one color and two colors. ***Jan Davy made a motion to apply the \$8k from the beautification fund and earmark the money for the painting of building #6, Nicki Bergstrom seconded and motion passed. Jill O'Dell made a motion to budget \$21K for Painting Building#6, Jan Davy seconded and motion passed.*** Jill and Judi will contact painters to review estimates and get final review.
- c. Asphalt near Building 5 is in need of repair. An estimate was obtained from Telluride Gravel of \$29,150. Discussion ensued; it was determined that the previous treatment of a thin top coat would not work as the asphalt is too far gone at this stage. A unanimous vote was made to table this until the December 2018 meeting for repairs to be made in 2019.
- d. Discussion – Increasing dues for rental units. Discussion ensued on this matter as to whether it was short term or long term rentals creating the most common area damage and issues. It was determined that less than 25% of the units are owner occupied. Issues include, smoking on property, cigarettes being put out on sides of buildings, butts being left on the ground, illegal parking, hot tub abuses, including beer cans left behind, people jumping in from roof tops, after hour use. It was decided that this discussion and Kelly McGinty would contact the Management companies and get their opinion on charging an additional nominal amount of dues to owners who rent their units out. This will be tabled for future discussion.

e. Other. None.

12. Next meeting: TBD

13. Adjourn: Jill O'Dell made a motion to adjourn.

Respectfully submitted:

By: Jarmik Property Management Inc.
Judi Balkind, HOA Manager