

**MINUTES
KIRKLAND CENTRAL OWNERS ASSOCIATION
BOARD MEETING
January 24th, 2011**

Date and Time: Pursuant to Article 3 Section 3.7 of the Kirkland Central Association, budgetary session and executive session of the Board was held on January 24th, 2011, at 5:00 pm at the Kirkland Central lobby, 211 Kirkland Ave, Kirkland, WA 98033.

Officers: The President, Marna Hanneman, opened the meeting at 5:00 pm. Secretary, Greg Peszek, was present to record the meeting.

Quorum: The following Board Members were present:
Marna Hanneman – President
Melissa Lising – Vice President
Greg Peszek - Secretary
Andrew Person – Member-At-Large
Stan Hill – Member-At-Large
Sally Barkley – Facility Manager
Suhrco Residential Properties, LLC: Jean Norberg

Absent: Mike Reph – Treasurer
Bill Anspach – Member-At-Large

Call to Order:

The meeting was called to order at 5:05 pm.

Commercial Property Report:

Andrew will be stepping down as the commercial property representative and will be passing on his duties to Stephanie. The commercial property owners will make the transfer official with a written vote.

President's Report:

- No new items to report.

Secretary's Report:

- **Marna Hanneman made a motion to approve the October 2010 meeting minutes. Melissa Lising seconded the motion which was unanimously approved.**
- **Marna Hanneman made a motion to approve the 2011 Budget (October 26th 2010) meeting minutes. Andrew Person seconded the motion which was unanimously approved.**

Treasurer's Report:

Operating Funds	\$ 28,309.91
Petty Cash (included in Operating Funds)	\$ 500.00
Reserve Funds – Chase Common (58.3%)	\$ 38,601.38
Reserve Funds – Chase Residential (41.7%)	\$ 40,774.47
Insurance Reserve Funds: Wells Fargo Bank	\$ 30,314.79
CD: Foundation Bank – Common #980 (9/30/12)	\$ 32,852.58
CD: Foundation Bank – Residential #980 (9/30/12)	\$ 43,548.79
CD: Foundation Bank – Common #981 (9/30/12)	\$ 32,852.58
CD: Foundation Bank – Residential #981 (9/30/12)	\$ 43,548.79

Items of note:

Transferred \$1,662.00 too much from Insurance Reserve to cover policy renewal.
Deposited \$1,662.00 back to Insurance Reserve from Operating in December.

Outstanding Financial Commitments:

\$88.50	Coe Law Group: Bob Stern collection
\$585.83	Gasline mechanical Inc: 12/10 Preventive Maintenance
\$10,000.00	Loan for J2 Expense-repay Replacement Reserve
\$828.09	Ballast/Lights replacement
\$135.13	November copies, supplies
\$11,637.55	Total

Delinquencies over 30 days:

\$32,596.03 – See Aged Delinquency Report for details

- **Marna Hanneman made a motion to approve the December 2010 financial report. Andrew Person seconded the motion. Which was unanimously approved.**

Rental Cap Committee Report:

- Mike was absent however Sally has been talking to a few owners who are still “on the fence”. We are very close to the required number to pass the amendment.

Facility Manager’s Report:

- Parking strips out back have dead grass and may need to be replaced. Jean mentioned that the piece of land may be city property; Sally will check with the city.
- Some of the carts on the parking levels are missing, the board has authorized the purchase of an additional cart
- There was a 3 hour power outage on 12/21, please be sure to keep flashlights in your car. The emergency lights are tested as part of the yearly building fire inspection.
- Thanks to the Bergdahl’s for letting the association use their unit to hang the Christmas lights out front.

Property Manager’s Report:

- Operations manual has been completed and is available in Sally’s office.
- The high-risk items list has been completed. Bid requests for inspections have been sent out. Harbro has offered to provide inspections for free (with conditions). The board has asked Jean to get a letter of intent from Harbro. The board will also consider extending Sally’s hours for her additional time that may be required.
- We have engaged Caginut and Company to perform the 2010 audit
- Check has been issued to the commercial unit owners for the rental of storage units 209 and 210, Andrew has the invoice.

Old Business:

- Envelope study update
 - Bill and Marna have been in contact with Continental over the holidays.
 - Finished scope of work is not complete, the process is on hold until that is created and the insurance company approves. Update is expected on Wednesday.
 - The board and Continental have created an extension of the tolling agreement to extend the agreement until June 2011.

Andrew Person made a motion to approve the Tolling Agreement Extension. Melissa Lising seconded the motion. Which was unanimously approved.

New Business:

- J2 reserve study proposal bid has been returned. Marna has had an excellent working relationship with J2 and recommends approving J2's proposal.
 - **Marna Hanneman made a motion to approve J2 Reserve Study proposal for \$2,400. Andrew Person seconded the motion. Which was unanimously approved.**
- SUHRCO management fee schedule
 - Added "lock box" fee to the list which was previous not illuminated in the fee schedule
 - Jean's hourly rate has gone from \$110/hr to \$125/hr for additional services. Nichole's rate has gone from \$60/hr to \$65/hr
- February meeting date will be 2/14 at 5:00pm
- Annual meeting date discussion: March
 - Stan and Sally will be on vacation during the first two weeks of March
 - Meeting date will be 3/21 at 6:00pm
 - Two board positions will be up for election
 - **SUHRCO** will draft a "save the date" and Sally will send an email.

Homeowners' Forum:

- Alice's toilet has been "gurgling" during the day. It sounds like there is a sewer vent that there is not functioning correctly. Sally will follow up tomorrow with the plumber.
- Gwen is on the second floor and has submitted a complaint about the gate being closing loudly. Sally has looked at the gate and has a contractor scheduled to look at it tomorrow to see if it can be quieted. Gwen suggests that we install a spring to keep the gate closing as well.
- Carol asked about the status of the rental cap. The vote is still out and Sally has been in touch with some unit owners who have not voted. The amendment is not a true rental cap but more a rental restriction that has a residency requirement. The last push for the few percent votes that are required has been difficult. The commercial property has not submitted their vote yet.
- Avril has noticed that the hallways are very cold and it seems that the air conditioning is running. There was maintenance done in December however there is still quite a bit of difference in each floors' temperature. Sally will follow up with Gasline and also inspect the thermostats on the 4th floor.
- Larry is interested in the bottom number for our reserves. The reserves currently stand at about \$345,000, which includes common, residential and insurance reserves. This year's budget is set to contribute the amount required by FHA.

- 8 units are in collection, which means that they are delinquent by 90+ days. The majority of the owed amounts are owed by 3 owners of which 2 are in bankruptcy.
- Envelope study's scope of work is not quite complete but is still on the way. The insurance company still has to approve.
- The meeting minutes are available on the web site.

Adjourn: There being no other business, a motion was made, seconded and unanimously approved to adjourn the meeting at 6:00 pm.

Reconvene: After the executive session a motion was made, seconded and unanimously approved to reconvene the meeting at 6:29 pm.

Marna Hanneman made a motion to reimburse the reserves \$10,000 for the loan to operating budget for the additional expense envelope study. Melissa Lising seconded the motion which was unanimously approved.

Adjourn: There being no other business, a motion was made, seconded and unanimously approved to adjourn the meeting at 6:31 pm.

Greg Peszek, Secretary

Marna Hanneman, President

Date:

Date: