

**MINUTES
KIRKLAND CENTRAL OWNERS ASSOCIATION
BOARD MEETING
January 23rd, 2007**

Deadline: Pursuant to Article 3 Section 3.7 of the Kirkland Central Association, a regular meeting of the Board was held on January 23rd, 2007, at 5:30 pm at St. John's Episcopal Church along Kirkland Avenue.

Officers: The President, Marna Hanneman, opened the meeting at 5:33 pm. The Secretary, Melissa Lising, was present to record the meeting.

Quorum: The following Board Members were present:

Stan Hill – Vice President

Ritchie Tryon - Treasurer

Andrew Person – Member-At-Large

Larry Hoyt – Member-At-Large

Joan Hensley – Member-At-Large

Sally Barkley – Facility Manager

~~SPRING~~ Jean Norberg

Homeowners' Forum:

Avril Pattenaude of Unit 329 asked if there was a place to put real estate lockboxes for access to units that are for sale in the building. This was discussed in a prior meeting where it was decided not to have lockboxes on the premises. The Board will take this matter up again under "Old Business".

Bobbie Reed of Unit 203 was concerned about cigarette butts being thrown beside the steps

inside the KC courtyard facing the church. It was suggested putting a notice in the elevators, the mail area and the upcoming newsletter.

Tina Cooper of Unit 419 was concerned that people congregate on the stairs/walkway along the west side of the building. Unfortunately that walkway is a public thoroughfare and cannot be locked during the day. There is a sign posted by the City of Kirkland saying that the gate is closed from dusk till dawn. Kirkland Central could get fined for locking it **before dusk and not unlocking it immediately at dawn**. It was suggested putting springs on the gate so that it closes automatically.

There was also a concern that the main garage doors are left open during the weekends for commercial use. Signs will come up soon to tow unauthorized cars parked in assigned commercial spaces.

Carol Dore of Unit 204 reported that plans for the progressive floor parties will be done in February 2007 when the weather gets better.

~~Call~~ Order:

There being no other matters to discuss, the Homeowner's Forum was adjourned and the regular meeting was called to order at 6:00 pm.

Introduction of Suhrco Property Manager:

Jean Norberg introduced herself to the Board.

Jean distributed the Action Items that need to be addressed. Suhrco received the KC records from CWD on the 17th of January 2007.

President's Report:

Marna thanked everyone who helped out when the electricity went out on the 15th of December 2006. Alan and Tim and one other gentleman helped open the garage doors. It was determined that we need a back-up system to get the garage doors open as well as provide hallway lights when the power goes out again.

Secretary's Report:

The minutes of the December 12th, 2006 meeting were distributed to all board members before the meeting. Sally Barkley made a correction regarding the cabinet issue. The revised minutes were sent out. There were no further corrections or additions. A motion was made by Larry Hoyt to accept the minutes. The motion was seconded by Joan Hensley and approved unanimously.

Treasurer's Report:

No financial report for the month of December was provided by the CWD Group for Treasurer's review. Ritchie Tryon will get together with Suhrco to obtain this report.

As of the end of December 2006, the Operating Cash was \$76,974.74. Maintenance Reserve was at \$25,197.15 of which \$5,000 was transferred from the Operating Fund. Insurance Reserve was at \$16,439.81.

Based on Ritchie's review of the KC bank statements, Income was at \$21,260.47 and Expenses were at \$24,750.81 reflecting a Net Loss of \$3,197. KC is under budget for the year by \$21,554. It was noted that two-thirds of the expenses were to the CWD Group.

Jean of Suhrco said that KC's monthly financial statements would typically consist of a Summary of KC's bank account amount, Balance Sheet, Profit and Loss Variance Statement, a Check Register by Check Number, a Check Register by Account Code, Voucher Report (open

items that are vouchered from one month to the next), True Period Open Items (bills that Suhrco would have the bills for but haven't been paid), Full Delinquency / Pre-paid Report (Aged Report).

The President and Treasurer would also get the bank statement with a single page reconciliation. Suhrco can provide other reports upon request. These reports can be emailed however additional costs apply if hard copies are requested.

Marna and Ritchie requested copies of the General Ledger.

Ritchie reported a \$9,000 variance that needs to be resolved. Ritchie will sit down with Heather of Suhrco to familiarize himself with their accounting / reporting procedures.

Jean pointed out that they typically have a limit of \$500 for expenses before requiring Board approval. Suhrco does not sign contracts for work to be done. When Suhrco gets a bill for a specific job they will not pay unless the Board is completely satisfied with the job done. This may cause some delay in payment.

Marna said that there may some prior resolutions approved with CWD that may be rescinded.

A motion was made by Andrew Person to approve the Treasurer's Report. The motion was seconded by Larry Hoyt and approved unanimously.

Facility Manager's Report:

- Elevator 2 continued to be an issue. After the third motor and a new pump, we have not had any more issues with this elevator. Still have not signed a maintenance contract with Thyssen Krupp because we are still trying to get some issues resolved.
- Lobby lights are still burning out. Sally continues to coordinate with Johnson Electric and Architectural Details to re-manufacture these lights. Sally hopes that the final fix will take place next week.

- Garage door repair. Sally received one bid from Pioneer Door to put in a couple of emergency battery packs for P1 and P3 for over \$7,000. Jean suggested getting a generator instead that will run the doors and the hall lights.
- Power outage. A lot of people used battery packs to ignite their fireplaces. Sally posted a note reminding people to remove these batteries since these may corrode and cause the fireplaces to stop working. Sally suggested putting a packet together on how to run things in each unit.
- Unauthorized move in. Someone moved in on December 19th without Sally's knowledge. This was done on a Sunday and is a violation of the KC rules. We still don't know who they are. It was suggested to de-activate their garage door opener and/or not to program their entry key thereby forcing them to come to Sally's office.
- Sump pump on P3 overflow drain needs to be cleaned out.
- Garage Cleaning. KC is trying to get Continental to pay for this. Jean sent an email to Alina who is covering for Rosemary who is out on personal family leave.
- Electronic bar bid came in for \$2400. This does not include installation. This cost will be shared with the commercial spaces.
- Security Camera. Not everyone can access the security camera on their TVs. The problem seems to be with the kind of TV and the digital/cable box and not the camera. Continental will get back to Sally on the specifics.
- Doggie Bags. Lyle of the Portsmouth condo building came by on Friday to raise their concern about the use of the bags on their Doggie Station. Sally pointed out that KC only has 4 dogs in its premises.

Lyle offered the use of their conference room. There is a \$50 deposit and the charge is \$20 per hour.

- Exercise Room. Sally will put a sign to remind people to wipe down the equipment after use. Mike Reilly of Equipment Fitness Group once again offered to do a class on the proper use of our equipment. There will be a sign up sheet in the mailroom and a notice posted in the elevators.
- Notices should be cleared with Sally before posting. These should be taken down after two weeks. Joan Hensley suggested having a classified section for these announcements in our newsletter.
- Emergency Preparedness. We need an evening in February for emergency preparedness night in conjunction with the Fire Chief of Kirkland.
- No parking in commercial spaces.

Old Business:

- Hard Surface Flooring Policy. CWD was to have a lawyer draft this policy. Jean will follow up with Terry Leahy as to the status.

A resident on the 5th floor who wanted to install hardwood floors has since changed his mind after realizing the noise impact that hardwood floors would have on his neighbors below.

- Lease Rental Cap Update. Jean proposes a rental cap amendment to limit wear and tear on the building with move ins and move outs and to have better mortgage options. If owner occupancy falls below 50% then we lose status for the primary insurance market

which would make KC a high risk and becomes a Lloyds of London type of insurance.

To pass any amendment to the declarations we need a 67% positive vote of the ownership. Amendments that restrict usage of the unit takes a 90% vote of the association. Most Boards will pass their rental cap amendment with the 67% positive vote and then record it. Homeowners cannot challenge the validity of an amendment one year after it is recorded as provided by statute.

Jean suggested that it would be more cost effective to conduct a survey of the homeowners before drafting the amendment, hiring a lawyer to present this to the homeowners, knocking on doors, etc.

A motion was made by Larry Hoyt to conduct a survey of the homeowners as to how many would approve a rental cap. This was seconded by Stan Hill and unanimously approved. Jean will draft the survey and present that to the Board for approval.

- HOA Dues Update. Jean has an up-to-date delinquency list and will send out statements to everyone if they have any questions on their charges. Suhrco sends out a statement at 15 days then at 45 days. At 75 days the delinquent homeowner has 10 days to pay before it goes to the attorney.
- Legal Services. Ritchie suggested interviewing some lawyers to represent KC. Jean suggested Mary Morganstern, John Coe and Terry Leahy as being good lawyers. Jean will forward each of their bio-data so that the Board can set up a working session to interview them. The Board will let Jean know about availability.
- Overflow Separating Drain Update. Jean will talk to Continental about this issue.

- Garage Cleaning Update. Jean is talking to Continental about this.
- Clarification On Move-In Fees. Unit 205 requested a reduction of the move-in fee from \$300 to \$200. The unit may have flipped again according to Sally. Jean needs to talk to the owner and Sally about this unit.
- ISTA Billing for Gas Update. We still need to get individual billing. Jean left a message for Mike Ringer on the 10th and the 18th. She has not received a response to-date. Jean received an email from Stephanie Potts who is the Rates Specialist for ISTA. Jean will contact her instead. Jean can give an alternative to ISTA. Sally will send the ISTA contract to Jean.
- Unit 406 Violation. As of Friday, January 19th, the front door hardware still has not been changed. There has been no response from the unit owner. Marna will provide Jean a copy of the letter that was sent to the unit owner. Typically Suhrco sends a warning letter and gives the unit owner 10 days to comply. The letter may have to be sent via registered mail.
- Elevator Contracts. Nothing has been signed. Jean says that we may have a 1 year installation warranty with Thyssen Krupp and a 4 year developer warranty that covers defects in construction. KC still needs a maintenance contract. Jean will provide 2 other vendors for the Board to consider.

Checks Sent Per Board Request. The check sent to St. John's Church as a memorial gift for Ron Reed was acknowledged by the Church as well as Bobbie Reed. Sally does not think that the checks for the Kirkland Downtown Association and the donation for the use of the room at St. John's Church were sent out.

Audit Proposals. We received proposals for a transition audit from Andrew McAlister for \$3,000 and another one from Cagianut and Company for \$2,000 (both from CWD). Jean informed the Board that there are accountants do not like doing transition audits because it is twice as much work as a regular audit. Jean expects \$1,500 to \$2,000 for a regular audit of an association our size. This process will usually take three months. Our tax return has to be filed by March 15th. Jean recommended securing our place in line.

A motion to have Andrew McAlister complete Kirkland Central's transition audit was made by Stan Hill and seconded by Joan Hensley. This was unanimously approved.

- Mailbox Cubbyhole Update. Stan suggested that we do one section first that would give us 13 smaller boxes and 1 large one. This would cost \$1,500. The entire project would come to \$6,000. Sally will take the plans and talk to Jason, our mailman, and find out the best configuration for our mailroom.

A motion was made by Larry Hoyt to convert one section of the mailroom cubbyhole boxes, costing approximately \$1,500, subject to our mailman's approval. This was seconded by Stan Hill and unanimously approved.

New Business:

- Second Floor Courtyard. Stan met with the City of Kirkland. This area was intended as a viewing area only and was approved as such. However since there is a dedicated entrance to the courtyard then it may be approved subject to limited occupancy requirement. Stan will continue to work with the City of Kirkland and the Developer to resolve this issue.
- Office Printer. A new printer for Sally's office will be purchased for less than \$500.

- Ongoing Warranty Developer Issues. Jean will coordinate with Sally and Rosemary of Continental on this. The Board can have annual inspections done based on our declarations. Jean recommended choosing our legal counsel to review our documents and give recommendations for our next courses of action.
- Annual Meeting is scheduled for the March 20th, 2007 Board meeting. Jean will send out a notice for the annual meeting which must be mailed out by Suhrco. Homeowners need a 10-day notice.

Adjourn: There being no other business, a motion was made, seconded, and unanimously approved to adjourn the meeting at 8:00 pm.

MELISSA LISING, Secretary

Date:

MARNA HANNEMAN, President

Date: