

Cezanne Condominium Homeowners Association, Inc  
Special Meeting Minutes  
August 31, 2022  
Meeting began at 3:00 PM.

Introduction of the Board of Directors:

President: Brian Sledge  
Treasurer: Barb TerLouw  
Secretary: Gail Gnirk  
Member: Jennifer Bauer

Introduction of Heritage Property Management team:

Karen Houlihan, Bookkeeper and Michelle Marie, Assistant Bookkeeper

Minutes:

No prior minutes were reviewed during this meeting.

Urgent Business:

This meeting was called by the Board of Directors to review financials and discuss the current financial status of the HOA.

Karen Houlihan provided Cezanne Court with a 2022 Budget Worksheet, 12 Month Income Statement from 2020, 2021, & YTD 2022; in addition, two Income Statements to projected 12-month Income Statements for 2022 to compare numbers between a 10% increase in 4<sup>th</sup> Quarter HOA Dues with \$1000 special assessment versus the second report with a 10% increase with \$1500 special assessment.

Budget Review Summary: 2022 Budget was approved at \$59,425. Required repairs on boilers, unit valves, and replacement of a hot water heater created unexpected costs exceeding \$36,000 in August. This, along with swamp cooler repairs, has caused the HOA to be significantly over budget. It is estimated an additional \$20,000 is still needed to pay the remaining boiler invoice (\$4,100), an outstanding Peaceful Valley Invoice (\$800), and replacement of a second hot water heater (\$13,000). The Peaceful Valley invoice is being disputed as the work was not requested or authorized by the Board.

Special Financial notes were presented:

- \$5,400 of prepaid HOA Dues should be recognized as they have not been earned to date.
- \$18,000 was transferred from savings to checking to cover some of the invoices paid to date.
- The two CD's in place for 2022, at approximately \$5K each are still available; discussion was considered to cash them out for emergency funds or to use them as collateral for a bank loan.

Financial Options Considered

Several options were discussed to cover the estimated \$20,000 in expenses coming due in the next 30 days, along with discussions for expenses through end of 2022 and what will need to happen to rebuild reserve funds for future needs in 2023.

1. ANB Loan Option: amounts of \$10-\$20K were discussed. If the loan option is selected, \$20,000 was decided on for the amount. The cost for the loan would be \$250 in document preparation fees and a \$350.00 loan origination fee. There is no prepayment penalty. Loan term request would be short term – less

than 2 years. The decision to request a loan was tabled and will be reviewed again if Special Assessment funds do not come in as anticipated.

2. Increase Dues 10% 4<sup>th</sup> quarter and 10% 1<sup>st</sup> quarter 2023 with \$1000 special assessment
3. Increase Dues 10% 4<sup>th</sup> quarter and 10% 1<sup>st</sup> quarter 2023 with \$1500 special assessment (with options to collect assessment at \$500 over three months, Oct. Nov. and Dec.
4. Increase HOA Dues 4<sup>th</sup> Qtr. By 10% and then put increase for 2023 1<sup>st</sup> Qtr. To a vote.

**MOTION:** by Barb TerLouw was made to increase 4<sup>th</sup> Qtr. Dues by \$15 per month, seconded by Gail Gnirk.

**VOTE:** All board Members approved \$15 per month increase to 4<sup>th</sup> Qtr. Dues effective Oct 1, 2022.

**MOTION:** by Brian Sledge was made to apply a Special Assessment of \$1500 to each unit, with three installments for members who need to make payments, **SECONDED:** by Jennifer Bauer.

**VOTE:** All board Members approved implementation of Special Assessment of \$1500, allowing for three payments if needed, \$500 in Oct., Nov., and Dec. in addition to the 4<sup>th</sup> Qtr. HOA Dues.

With the upcoming annual meeting, it was decided by all Board Members to bring the increase for 1<sup>st</sup> quarter 2023 HOA dues before the homeowners and request a vote to increase dues to \$220 per month.

Addition items discussed and to be considered at upcoming meeting:

- Future Stucco Repairs
- Planning for Roof Repairs/Replacement within next five years
- Pin hole water issues due to old pipes and planning for these “emergency” unpredictable repairs
- 2023 Projected Expenses and Goal for Reserve Account

**Board Request:**

Obtain new bid for landscape maintenance to see if savings can be realized compared to current vendor, Peaceful Valley.

Confirm best price on close out of Swamp Coolers for 2022; can we get it lower than \$75.00 per unit?

**Final Notes:**

- Letter to Cezanne Court Homeowners, dated August 16<sup>th</sup> was reviewed by board and suggested changes are drafted and will be attached to the minutes.
- Letter to be sent 9/1/2022 for 4<sup>th</sup> Qtr. Increase along with special assessment, to be reviewed by Board first thing 9/1 and then to be mailed by HMPGJ by end of day to allow for 30-day notice.
- Loan inquiry will occur to see if Cezanne might be approved for \$20,000 secured with CD collateral, to confirm rate for two years and payment. This is for information purposes at this time.

Meeting was adjourned by Board President, Brian Sledge at 4:30 p.m.

Respectively submitted by Michelle Marie this 31<sup>st</sup> day of August 2022.