

East Bluff Annual Meeting Minutes  
Tuesday, March 14, 2023  
6:30 – 8:30 pm

6:15 Roll Call (sign in at arrival)

*Except as otherwise provided in these By-laws, the presence in person or by proxy of twenty-five percent (25%) of the owners, as defined in "Section 4" of this Article shall constitute a quorum at any annual or special meeting of the Association.*

-- East Bluff Bylaws, Article 2, Section 3: QUORUM.

**Quorum not met. Will have paper ballots to send out.**

6:30 Proof of Notice of Meeting

6:35 Reading Minutes of 2022 Annual Meeting  
Unit 322 Buhler moves to accept minutes without reading them.  
418 Hazen seconds the motion. Motion carries.

6:40 Introductions  
Of bluff and present homeowners

6:50 State of East Bluff and Officers' Report

President's Report:

- Maintenance Report
- Water Main Breaks & Importance of Winterizing
- Staffing Challenges
- Structural Modification Reminder

3 units install new MagicPak furnaces requiring new venting and fixed siding. If looking, check what venting needs

5 big trees removed— Zach also pruned a bunch which will increase grass growing

300 fencing panels replaced

125 fence posts, stair railings looks and 2 replaced — roof replace after hole punch in it. 1 underground water main break

1 unit abandoned and heat turned off and water frozen inside and to outside. MGE did turn back on water. Please winterize/shut off outside water

Friske lawn care hired last year— and saved money doing so.

Jesse left, Myron left and — Only Oscar left. Kris stepping down to only doing office work after April 1st

SMF needed when making changes to outside of building without notice and had to redo it all. Before hiring contractor. 00 slop of yard, air conditioner, satellite

QUESTION: if replace air condition but no changes  
No don't need SMF

#### State of East Bluff

- New Residents in last year (units sold/bought): 20
- Number of owner-occupied units: 142
- Number of rented units: 34

19% rented units, within FHA financing

#### 6:55 2022 Year in Review

##### Major Expenses:

- Water Main Breaks- 1 costed 10k, 15 feet deep on a weekend. Different plumber which was cheaper and did a good job
- Friske Lawn Care
- Tree Removal
- Siding Project

##### Changes in 2022:

- Fees were increased 8%, and a special assessment for siding and fencing was implemented.
- Mitchell joined the Board as Treasurer. Leni has resigned.
- Rules changes about security cameras. (Video doorbell— needs SMF, also rules in Rules & Regulations)

#### 7:10 Treasurer's Report & Budget

##### 7:40 Annual Hazard Insurance

- Rockford Insurance ~ \$42,530 / \$10k per incident
- Building value went up 30%, so yearly price increased
- Co-Insurance has been increased to 100%

##### Price per unit

- 2br - \$227.12
- 3br - \$256.17

\$10-15 dollars more than last year.

#### Siding Project – 2022 Progress

##### Fencing:

- 20 units, including fencing between units (as well as individual panels were replaced)
- 125 posts
- 330 panels

##### Siding

- No full building unit was sided
- Areas were repaired as needed

Contractor had problems getting staff & personal issues

Only 12K of special assessments not collected

Total Special Assessment: \$98,912.00

- Special Assessment Funds Used:
- Contracted Labor Costs: \$44,680.00
- Panels Costs: \$39,522.35
- Paint/Brushes/Caulk: \$ 4,669.66
- Equipment Purchases for Project: \$ 2,834.00
- Landscaping, Hauling Waste: \$ 5,800.00
- Misc. Supplies: \$ 2,022.78
- Total Cost in 2022: \$99,528.13

#### Siding Project and Property Management

- There were many lessons that were learned during this last year.
- Communication with homeowners regarding the special project could have been clearer. ASAP so homeowners can prepare yard/etc.
- Progress was slower than expected, and materials and labor were more expensive. Fences were easier to replace than siding. Siding will be priority going forward
- Kris has decided to reduce her role to solely Bookkeeper, meaning East Bluff will soon need a new Operations Manager.
- The Board believes that hiring a Property Management Company (PMC) is a fiscally responsible option. There are several options, costing between \$20-30 per unit per month. This is comparable in price to hiring an individual for the position.
  - A company gives us security from turnover.
  - Will not affect Oscar's position
  - Board will send out an RFP to several companies, and quotes will be available for homeowner viewing
- There will be the potential for several homeowner improvements associated with this possible change. This includes 24-hour emergency on-call services, an improved website that will include a homeowner portal, online payment options, improved communication with homeowners, potential savings in other areas of the budget, and a skilled team of people with more experience doing large scale projects.

Due to these experiences from the 2022 year, the Board believes it is in the best interest of East Bluff to defer the siding project for one year. During the first year, a new Operations Manager or PMC can be hired and will have time to figure out a solution and timeline to replace the fencing and siding, with guidance from the Board.

For this reason, there will not be any special assessment for the Fiscal Year 2023.

Ongoing siding and fencing repairs will be made as they are needed for this year

#### Bylaws

*The Board of Directors may employ for the Association a management agent at a compensation established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in Section 3 of this Article.* -- East Bluff Bylaws Article IV, section 4: MANAGEMENT AGENT

10 minutes for comments on hiring a Property Management Company  
(Paraphrased from conversation)

**N=\*nothign settled yet**

**QUESTION: Special assessment for next 10 years**

**ANSWER: year step back, not expecting Kris to step down, but with looking for new PMC, to learn association. Possibly to restart next year, if we find the right company. Also because of neglecting to increase fees for last 20 years. Goal of reduced special assessment with higher monthly fees. Hope is company will have contacts and negotiate better prices and budget better. We've also been able to add to reserve fund s a lot**

**QUESTION: No special assessment this year, next —April 1 is next fiscal year. March 20 special assessment meant is still on track.**

**ANSWER:**

**QUESTION: In difficult position, question fo PMC — corpartations take over. Never a person here — This place is over 50 years old. Will they fix all the siding of that, including beams inside siding. (HO used to work here during summer)**

**ANSWER:We have companies that have expressed interest and we will set expectations on how to replace siding and fencing. This si also what we need to know — what to put in RFP. Need to be here x amount of days. Will be in writing. More than what Oscar do.**

**QUESTION: Price/unit — Had bad experience. How does company manage with homeowners association vs. rental plcece**

**ANSWER:does not include landscaping costs, and will depend. Nancy has heard of one company that works with \_\_\_\_ which is another condo association. That is part of their RFP (and ours)?**

**QUESTION: What's the significance of Kris as bookkeeper**

**Answer: Kris was Operations Manager and would like to go back to purchasing,**

**Questions: Do we need bookkeeper in office**

**ANSWER: Yes needed for transitions, for 6 months.**

**QUESTION: Operations manager had more power than budget**

**ANSWER: President met with her each week. Project changed due to staffing issues. Putting all eggs in one basket is a problem. Kris had decades of experience.**

**QUESTION: not wrong to look at operations. Big Cont not caring? Not on site?**

**Nervousness**

**Answer: We are looking at local management company.**

**Question about our experiences vetting companies.**

**Gate issues, Gates are optional.**

## 2023 Budget Changes

The East Bluff Board is increasing homeowner fees by 6%. 2022 will not have a special assessment.

Projected 2023 budget focuses on:

- Fencing and Siding are part of the budget this year
- Friske Lawn Care is budget this year
- Equipment purchase/repair
- Overtime to compensate employees fairly- have not had in budget before
- Focus on the management of East Bluff property

Budget items of note:

- Projected Income: fees + carryover, mines uncollected
- Reserve Fund Additions:
- Utilities:
- Payroll: Change of operation manager, add PM, etc
  
- Administrative costs: To draw up contract — some may be part of PM contract but we've allocated budget in case.
- Maintenance and Repairs (Annual Expenses)— allocated money for more supplies/staff and Friske, lawn and fall cleanup.
- QUESTION: allocate more for Snow removal—
- ANSWER: in payroll now, will be added to contract for PMC. Oscar focuses on parking lots and other focus on sidewalks, but that person was not that reliable. Will be more of a focus now
- QUESTION: Water and Sewer — numbers
- Cherry picker rental for siding — still may need money in case of emergencies— that money is for Contracted labor and includes the rental of equipment

Totals (2023-2024 Budget)

Fees are within CPI

*“After the Board of East Bluff Homeowners Association has determined the needs of the Association, the Board shall have the right to adjust the monthly assessment to a maximum in conformity with the Consumer Price Index (CPI) published by the United States Department of Labor, specifically the CPI for urban wage earners and clerical workers, U.S. city average, all items, unadjusted for seasonal variation, using the aforementioned base for this purpose”*

-- East Bluff Bylaws Article 6, section 1, (b)

Graphs show that CPI-U for Midwest region is at 6.0 as of January 2023.

Another graph shows the 12-month percentage change of the Consumer Price Index of selected categories for January 2023.

Summary of Homeowner Costs for 2023

Fees:

6% fee increase (monthly)

- 2br: \$182/mo
- 3br: \$206/mo

Hazard Insurance (to be split into two payments)

- 2br - \$227.12/year
- 3br - \$256.17/year

No Special Assessment

A graph shows the 2022 Madison Area Condo (1-3 bedroom) fees and price of condo fees.

7:45

BREAK

8:00 Candidate Introductions & Election of Directors

*Can't vote on them at this time. Will after the meeting*

If you would like to nominate yourself or someone for a board position, please stand up and introduce yourself (2-3 min).

Two (2) terms to be elected

- (1) 1-year term (2023 – 2024)
- (1) 3-year term (2023 – 2025) This open seat is the remainder of the 3-year term of a member who resigned.

Note: Actual positions will be voted upon by board members at the next monthly board meeting.

Candidates:

Note: If not enough board positions, East Bluff would be put into receivership with State running things. Costs astronomical and no input. (Time input? Long time before receivership)

- Dennis Peterson #344: engineer for several years. Believe in identifying solutions to problems. Owns and operates lawn care business: () with resources. Seen issues with EB properties which could be addressed. Investor as homeowner. All should be involved. Too many cookies in the kitchen— 2 - 2025
- Liam — If no other nominations, Liam will stay. If position is open.
- 236 Wayne Svec — lived here 23 years was in Maintenance department there. 3 summers in maintenance here. Know a lot about this property because of that. 1 year til 2024

Write bios — will send out to homeowners and vote by proxy

8:10 New Business

Homeowners' Concerns

Concerns given in advance may be addressed first

We will address homeowner concerns until 8:25 pm

Each person has 2 minutes to describe their concern and each concern will be discussed at a maximum of 5 minutes. Concerns requiring more time will be handled during a monthly board meeting.

Martin had encounter with pit bull and also had box of groceries /meal delivery stole from porch. Wants to put a gate on fence but fence needs to be replaced.

RFP to be finalized. PM company hired, that face is then on the list

Metro bus

Steps by 420 has no railing— wood one rotted — been gone for 2 years.

Siding and fencing — summary— what's going on: who will be doing it.

PM be hired and we will work with them to contract or to have people on staff. Have invoices from Zach which have been paid out. Enforcing rules to be done be PM. If homeowner is selling we have to fix problems at that point. But otherwise we want todo a full ling or replacements.

Can HOs meet with PM, before hiring? Possibly yes.

We can't put all eggs in one basket—

Deck question: We inherit other peoples problems.

Ideally we get a PMC who can work within our limitations.

#442: Has incomplete siding, installation showing and had equipment — Will be taken care of.

Stuff still in Dennis Peterson's lawn too #344

WPRC—

Hazen #418 \_\_\_ # \_\_\_ made a motion to adjourn; seconded by \_\_\_ Price #514.

8:14 Adjourn