

**Kimball Lofts HOA  
Special Meeting of Owners Minutes  
May 18, 2014**

The following units were represented by owner attendance or proxy: 201, 202, 203, 205, 206, 207, 208, 301, 302, 303, 304, 305, 307, 308, 309, 401, 402, 403, 404, 405, 406, 407, 409, 501 and 502

Units absent: 204, 209, 306, 408

President Redd called the special meeting of the owners to order at 6:05 p.m. A quorum was present. President Redd reviewed ground rules for the meeting with regards to having civil discussions and limiting individual comments to three minutes.

**Smoke Free Building**

President Redd led a discussion regarding the possibility and interest in making Kimball Lofts a complete smoke-free building or a building with designated smoking areas. There had not been a previous smoking issue with the building; however, within the last few months a renter consistently smoking on that unit's covered balcony has created an unfavorable environment for the units above it. The smoke is permeating through the walls and also blowing upward into open windows.

Currently, there is no specific bylaw or policy regarding smoking in the building. A show of hands of owners present indicated ownership would favor the Board looking into different options for approval. Such options could include, but are not limited to: a completely smoke-free building or smoking allowed but only in designated areas (i.e. designated areas on the sidewalk or open-air areas such as the community deck and other open areas on the 5th floor). The Board will continue to discuss options as well as recourse possibilities. Any smoking/non-smoking decision would more than likely be created as a policy and not a bylaw. Owner feedback is encouraged.

**Approval Items**

Voting occurred after all approval items had been discussed. Each item was listed as a separate voting opportunity on one ballot. Ballots were turned in during the meeting and counted immediately so results could be announced to the ownership in attendance.

*2014 Budget:* A copy of the proposed 2014 budget was mailed to all owners in a packet from Sonja Taylor. At the April Board meeting, the Board moved and approved to present the proposed budget to ownership at the May meeting. Discussion occurred regarding clarification of what some line items entailed. Ownership approved the 2014 budget 23-0.

*Dues Increase:* At the April Board meeting, the Board moved and approved to present ownership with a proposed 15% increase in dues. The increase is necessary to sustain payment of expenses after the next few months. The increase accounts for an approximate 5% surplus to cover anticipated increases in utilities expenses, the parking lot lease and gradually increasing the Reserve and Operating Funds. Owners agreed the start date for the increase would be July 1. It will not be necessary for owners to fill out a new ACH form for the PJ Morgan Group. The new dues amount for each owner was included in the special meeting packet sent by Sonja Taylor. Ownership approved the dues increase 23-0.

*Special Assessment:* At the April Board meeting, the Board moved and approved a proposed \$30,000 special assessment to present to ownership. President Redd explained the need to have \$20,000 (insurance deductible amount) in the Reserve Account. This amount was used by the developer towards the roof repair in the summer of 2013 and was not replenished by special assessment in a timely manner. Ideally, the Board and the property management company would like to see almost \$40,000 in this fund to cover up to two catastrophic events (i.e. major hail or other damage to roof/building, major structural work). The additional monies would come from a portion of dues. The Operating Fund requires funding per the bylaws. The Board proposed \$10,000 and the fund would increase with a portion of dues. This fund is the building's "savings account" and would cover any expenses not realized in the budget or affect the budget in a negative way (i.e. major snowstorms and snow removal expense is well over what was budgeted). Ownership approved the special assessment 22-1.

*NOTE: Owners will need to write a separate check for their portion of the special assessment, which is based on percentage of ownership and was indicated in the special packet. Please notate "special assessment" on the memo line. Payment of the special assessment is due by August 30, 2014 to Sonja Taylor at the PJ Morgan Group.*

### **Voting Rights**

Ownership discussed the recent communication from Eric Hochstein (401 & 502) regarding a possible change in the voting rights process and if ownership would be interested in changing the current "one unit, one vote" practice. Any change would require amending the bylaws and 2/3 approval from the owners. Some options discussed were keeping the current practice but allowing unit 502 three votes instead of one (502 was comprised of three units built into one and the developer had written in the purchase agreement 3 votes would remain with the unit; however, that statement violated the bylaws which the developer had originally created) and changing voting based on ownership percentage which is consistent with expense allocation. The Board will continue to seek feedback from owners and will discuss the topic at the May Board meeting.

### **Owner Comments**

Kevin Cunningham (208) asked if anyone else had water damage from the severe storm the weekend before. Although on the 2nd floor, he had water come in through the walls/ceiling in his kitchen. Sonja Taylor will ask Ken Hagedorn to look at unit 208 to try and determine where the water may have come in from. It was also noted there is a leak around the front door exit sign. A puddle of water is consistently forming on the floor below the sign after severe storms.

Kristin Brown announced the May progressive dinner had been cancelled due to lack of attendance.

With no further business to discuss, the meeting was adjourned at 7:30 p.m.

Respectfully submitted,  
Melanie Hecker  
KLCA Secretary