

Finance Committee Meeting Notes for April 27, 2011

Members Present:

Betty Latson, Committee Chair

Duane Hickling

Judy Barnes

Dave Beck

Gina Zehr

Frances Andrews

Barbara Fiacchino

Barbara Grodzins

Jay Owens

Rich Vicens, Property Manager

Guests:

Sarah Leonard

Marcie Johnson

The meeting commenced at 6:35pm

Ms. Latson announced that the topic of the meeting would be the Kilmer direct charge related to the 2011 Kilmer façade, balcony, terrace wall and window resealing project.

The current estimated total cost of the Kilmer exterior rehabilitation project is \$848,000. The current estimated Limited Common Element expenses, which includes cost of window resealing, east side terrace wall repairs, balcony concrete repairs as well as replacing the membranes on the balconies, and repair and repainting of the balcony railings is approximately \$365,000 of that total. Kilmer owners will be responsible for payment of the cost of Limited Common Element repairs in the form of a direct charge.

Discussion then turned to the current estimated direct charge per unit. These allocations were calculated by Rich Vicens and are based on balcony size, linear feet of windows per unit and in the case of terraces, the lineal feet of the walls. Rich went through a description of the current estimated charges for each unit. The HOA project figures for the west side terrace owners were built into the figures for those units affected by that project. The

estimated figures range from a high of a \$13,000 charge for a 3 bedroom unit on the first floor west side of Kilmer to approximately \$2250 for one bedroom units above the first floor.

Sarah Leonard expressed some concern that she and other east side first floor owners were unaware of that terrace walls would be repaired, and that those repairs were a large portion of the estimated direct charge. Betty and others pointed out the terrace walls were in the reserve study, and that completion of the repair to the building could not be completed without doing the terrace walls. Rich briefly discussed how he arrived at the calculations and indicated he would have those data sheets available to the committee by Monday. Rich intended to again review the bids to make sure that the costs were properly allocated between common and limited common elements and hoped to have final estimated figures by Monday 5/2.

The discussion then turned to financing of the direct charge for those Kilmer owners that needed such an option. Betty indicated that given the relatively small amount of money involved, going to a bank for a loan may not be cost justifiable. She has a call in to David Sugar, the Association attorney, to determine the logistics of direct financing by the Association. The group discussed how long owners who needed financing should be given to repay. The consensus of the group was that up to three years was sufficient. One and two year plans would also be offered. Also discussed was whether people should be allowed to pay off early. No decision was made, but this question will be addressed as the committee gets further into the process of working out the financing details.

Lastly, it was agreed by all that a letter would go out to all Kilmer owners as soon as practical, advising Kilmer owners of the project, the current estimated direct charges, that financing would potentially be available for up to three years---details would be forthcoming, and that payment would likely be due no sooner than September 1, 2011. The committee agreed that this would likely be the earliest date, but a later date is very possible given the amount of work that needs to be done by the committee. It is anticipated that the project could start in June 2011 and go three months. The committee also felt that there should be a town hall meeting of the Kilmer owners to explain the project and direct

charge and answer questions.

Meeting Adjourned at 7:54pm