

**Richmond Manor Condominium Owners Association
Minutes of January 10, 2013 Board Meeting**

I. Call to Order

This meeting of the Board was called to order at 7:00 pm in the 3rd Floor Common Area Room by President, Cheri Schuricht. Five (5) Board members were present thus constituting a quorum: Kaare Otnes, Cheri Schuricht, Preeti Singh, Jerry Taylor and Bob Terry. Manager Molly Sabol was also present.

Other owners present included: Doris Beck, Carol DePaoli & Bruce Rawlinson, Linda & Dawson Harvey, Carol Lutovsky, Bev Klein, Dean Sabol and Linda & John Weschler.

II. Review/Approval of Meeting Minutes

By motion duly made, seconded and unanimously passed the Minutes of the October 11, 2012 Board Meeting was approved as distributed.

III. Reports

a. Financial

Molly presented the December 2012 Financial Report which was accepted for distribution to owners.

b. Update on Delinquency

Cheri stated that she had learned in discussion with Laurie Shinyama of Barker-Martin that one document (a Conformed Copy of the "Satisfaction of Judgment") remains to be provided to RMCOA as it has been held up in district court for an extended period. Once this document is completed and a final invoice paid this delinquency account with Barker-Martin will be closed.

c. Washington State Community Association Institute Meeting

Cheri reported that she and Bob attended the WSCAI 2012 Annual Meeting in October. The WSCAI's purpose is to meet the educational, business, and networking needs of community associations. Members include condominium, cooperative, and homeowner associations as well as those who provide services and products to associations. Cheri and Bob's interests were primarily to learn more about how to respond to delinquency situations. They also met numerous service providers including lawyers, property management firms and contractors.

d. Carbon Monoxide (CO) Detectors/Alarms

Kaare reported that Washington State adopted a law (RCW 19.27.530) requiring all condo owners to have CO detectors/alarms installed by Jan 1, 2013. These devices are designed to detect and announce the presence of carbon monoxide (a by-product of incomplete combustion of carbon based fuels) which is poisonous to humans. CO sensors are relatively inexpensive (~\$20 - \$50/ea) and can be purchased at local hardware stores. The sensors should be placed relatively close to sleeping areas and mounted

according to the manufacturer's directions. Some models plug directly into an electrical wall outlet, some are battery powered and others are designed with battery backup capability.

Owners are advised that CO poisoning is a legitimate concern – many hundreds of people die each winter as a result of exposure to CO. Owners should install CO detectors ASAP.

e. Unit 210 For Sale

Bob stated that Molly and Dean had informed the Board that they have a contract to sell their Unit and have requested a Resale Certificate (which has been provided). Molly and Dean will continue living here for several months and she will continue serving as Manager until other arrangements are made.

IV. Unfinished Business

None addressed.

V. New Business

a. Does Your Unit Have Hot Water Issues?

Cheri reported that she recently had her water heater replaced – and her heating system flushed - due to a deteriorated dip tube within the water tank. Only 4" remained of an original 4+ ft long plastic dip tube. Over time Cheri found tiny bits and pieces of blue/turquoise colored plastic dip tube in the aerators of her kitchen and bathroom faucets. These pieces tended to plug the aerators which reduced water flow and pressure. She also observed a lack of sufficient hot water for showers. If you have noticed similar issues your hot water heater may need to be inspected and replaced and possibly the heating system flushed.

There is no way to visually inspect the tube as it is located inside the water tank. The services of a licensed plumber are probably required to remove/replace the drip tube as soldering of copper fittings is involved. Considering the age of our building and most of our water heaters (10 years vs. an average service life of 8 – 13 yrs) it may make sense to replace the entire water heater as opposed to replacing only the dip tube.

Cheri says that her water flow and pressure problems are now solved and that cold showers are a thing of the past. Refer to her report (following) for more details.

Jerry reminded participants about the importance of a functional "mixing valve" in the heating system. Several owners have had to replace their mixing valve (aka anti-scalding valve) at a cost of \$500 - \$700 when the valve became inoperable. This article on the RMC website provides additional information: <http://richmondmanor.org/portal//admin/index.php?ToDo=previewCompletedArticle&articleId=1>

Service representatives have indicated that owners should rotate the dial (numbered handle) on the valve every few months to prolong the life of the valve.

b. Managers Job Responsibilities

Molly and Cheri reviewed with the Board the Contract for Managerial Services that describes the Manager's responsibilities. Molly had also compiled in calendar form a list of activities the Manager performs in arranging for work by various service providers.

The Board discussed in general terms the skill set needed to properly perform the managerial duties (including property and financial management) and the preference of having an on-site manager. The Board will begin the process of identifying potential candidates meeting the necessary qualifications.

VI. Announcements and For The Good Of The Order

None

The meeting adjourned at 8:50 pm.

Respectfully submitted,

Bob Terry

Secretary/Treasurer

**Richmond Manor Condominium Owners Association
Minutes of March 14, 2013 Special Board Meeting**

I. Call to Order

This special meeting of the Board was called to order at 7:00 pm in the 3rd Floor Common Area Room by President, Cheri Schuricht. In addition to Cheri two (2) other Board members were present: Jerry Taylor and Bob Terry thus constituting a quorum. Incoming Managers Laurie and Kaare Otnes also participated as did Ann Morgan.

II. February Financial Report

The Board reviewed the preliminary February 2013 Financial Report which will be issued to owners as reported.

III. New Business

a. Managerial Services Contract with Laurie and Kaare Otnes

Confirming an earlier decision:

By motion duly made, seconded and unanimously passed Laurie and Kaare Otnes are contracted to provide managerial services as outlined in the Contract for Managerial Services: Agreement & Responsibilities effective March 1, 2013.

As a related matter Laurie Otnes is hereby designated as Managerial "signer" as regards the several banking accounts and per the Resolution re: Financial Authorities Adopted at the RMCOA Board Meeting, September 21, 2009.

b. Revise the Resolution re: Financial Authorities

The Resolution re: Financial Authorities Adopted at the RMCOA Board Meeting, September 21, 2009 predated the opening of the Contingency Operating Fund and thereby does not specify authorities for managing that Fund.

By motion duly made, seconded and unanimously passed the aforementioned Resolution is hereby revised to specify authorities for the Contingency Operating Fund as reflected in Attachment I.

c. Maintenance and Other Issues

1. Moss on Roof

It has been reported that moss is on our roof. Kaare will investigate:

- whether or not the presence of moss shortens the life expectancy of our torch down and architectural roofing, and if so by how much, and
- identify and evaluate options to treat/remove the moss.

2. Reapply Yellow Paint to Sections of Curbing

The yellow painted curb sections at the entrance to our parking areas will be repainted under appropriate weather conditions.

3. A sign will be installed at the head of the two visitor parking spaces in the parking area off NW 195th St. to guide visitors, delivery personnel and first responders to the lobby.

IV. Adjournment

The meeting adjourned at 7:35 pm.

Respectfully submitted,

Bob Terry

Secretary/Treasurer

Attachment: Resolution re: Financial Authorities Adopted at RMCA Board Meeting September 21, 2009 and Revised March 14, 2013.

Richmond Manor Condominium Owners Association
Minutes of April 11, 2013 Special Meeting of the Association

I. Call to Order

The meeting was called to order at 7:00pm in the 3rd Floor Meeting Room by the President Cheri Schuricht. Twelve (12) owners were present including: Doris Beck, Puneet & Mahima Bhargava, Myrna Burkey, Dixie Buol, Al Gunns, Bev Klein, Carol Lutovsky, C. J. & Luis Munoz, Laurie & Kaare Otnes, Judy Terry, Linda & John Weschler and Board Members Cheri Schuricht (President), Preeti Singh, Jerry Taylor (Vice President) and Bob Terry (Secretary/Treasurer). Former Manager and resident Molly Sabol was also present. For voting purposes six (6) owners signed proxies authorizing others to vote in their stead: Richard Lembo, Donna Olsen and Ann Morgan were represented by Cheri Schuricht, Dawson Harvey by John Weschler, Won Moon by Carol Lutovsky and Arnie Bickford by Bob Terry. Voting interest represented at the Meeting totaled 68.2% which exceeded quorum requirements of 51%.

II. Election of Board Member

Former Board member Kaare Otnes earlier resigned Board membership to take on the duties of the RMCOA Manager. One nomination for Board membership was made prior to the Meeting, specifically Bev Klein. There were no nominations from the floor.

By motion duly made, seconded and unanimously passed Bev Klein was elected to Board service to fill the vacant position until such term expires at the conclusion of the Annual Meeting of the Association in September 2013.

III. For The Good Of The Order

None

The meeting adjourned at 7:15pm.

Respectfully submitted,

Bob Terry

Secretary/Treasurer

Richmond Manor Condominium Owners Association
Minutes of April 11, 2013 Board Meeting

I. Call to Order

Following refreshments and expressions of thanks to Molly & Dean Sabol for a job well done as Manager and best wishes on their upcoming relocation this meeting of the Board was called to order at 7:30 pm in the 3rd Floor Common Area Room by President, Cheri Schuricht. Four (4) other Board members were present thus constituting a quorum: Bev Klein, Preeti Singh, Jerry Taylor (VP) and Bob Terry (Secretary/Treasurer). Managers Laurie and Kaare Otnes were also present as was former Manager Molly Sabol and Dean.

Other owners present included: Doris Beck, Puneet & Mahima Bhargava, Dixie Buol, Myrna Burkey, Carol Lutovsky, C. J. & Luis Munoz, and Linda & John Weschler.

II. Review/Approval of Meeting Minutes

By motion duly made, seconded and unanimously passed the Minutes of the January 10, 2013 Board Meeting and the Minutes of the Special Board Meeting of March 14, 2013 were approved.

III. Reports

a. Financial

Laurie Otnes presented the March 2013 Financial Report which was accepted for distribution.

IV. Unfinished Business

a. Preparations for Emergency Evacuation Drill

Cheri indicated that an evacuation drill has been suggested as a way to familiarize residents with the best means to evacuate the building in an emergency. Bev Klein and Linda Weschler volunteered to plan and coordinate an "announced" drill which is intended to be conducted in the coming summer. More information will be provided to residents as planning develops.

V. New Business

a. Repairs to Common Areas

Cheri mentioned that repairs to common area walls and door frames at the entrance to four Units on the 2nd and 3rd floors would begin soon.

VI. Announcements and For The Good Of The Order

None

The meeting adjourned at 7:50 pm.

Respectfully submitted,

Bob Terry

Secretary/Treasurer

Richmond Manor Condominium Owners Association
Minutes of June 13, 2013 Special Board Meeting

I. Call to Order

This special meeting of the Board was called to order at 7:00 pm in the 3rd Floor Common Area Room by President, Cheri Schuricht. In addition to Cheri two (2) other Board members were present: Bev Klein and Bob Terry thus constituting a quorum. Managers Laurie and Kaare Otnes also participated as did Donna and Don Olsen.

II. February Financial Report

The Board reviewed the preliminary May 2013 Financial Report which will be issued to owners as reported.

III. New Business

a. Maintenance Issues:

1. Laurie indicated that repairs to common areas caused by settling are near complete and will total \$6,279.00.

2. Kaare stated that proposals have been solicited for the repair/replacement of deteriorated fascia boards and for steps to prevent future deterioration.

Payment for these unplanned repairs will be guided as follows:

- no Special Assessments will be imposed,
- withdraw/use \$4,000 from the Contingency Operating Fund (COF),
- pay the balance needed from the Checking Account, and
- suspend contributions to Reserves for 3 months ($\$2,678.75 \times 3 = \$8,036.25$) to replenish the COF and the checking account.

b. Painting of Building Exterior

Bob reported that competitive proposals for the painting of the Building exterior had been reviewed and recommended that RMCOA accept the proposal of GreenLake Painting Inc. Accordingly,

by motion duly made, seconded and unanimously passed RMCOA accepts the May 26, 2013 proposal by GreenLake Painting, Inc. to paint the exterior of the RMC building using one (1) coat for wood trim, HardiePlank, metal doors and garage level window frames.

This work, which will be funded from Reserves, will be scheduled for August 2013. Further notification will be provided owners closer to start date.

c. Considerations for Developing the Budget and for Possible Revisions to Contingency Operating Fund

The COF has been helpful in providing the means to pay for unplanned repairs without the need for special assessments and in minimizing disruptions to the budget management process. As our building ages it is reasonable to expect that more repairs will be required even beyond those planned/specified in our Reserve Study and provided for via Reserve Funds. Our recent history is that unplanned and significant repairs are required on an increasingly frequent basis.

This history will be considered in the preparation of the Budget as will possible revisions to make the COF even more useful.

IV. For The Good Of The Order

Cheri reported that Bev Klein and Linda Weschler have been developing an emergency evacuation plan and drill to assist residents in the best means to leave the building in an emergency. More information will be presented at the July Board Meeting.

V. Adjournment

The meeting adjourned at 8:15 pm.

Respectfully submitted,

Bob Terry

Secretary/Treasurer

Richmond Manor Condominium Owners Association
Minutes of July 11, 2013 Board Meeting

I. Call to Order

President Cheri Schuricht called the meeting to order at 7:00PM in the 3rd Floor Common Area Room. Four (4) other Board members were present thus constituting a quorum: Bev Klein, Preeti Singh, Jerry Taylor (VP) and Bob Terry (Secretary/Treasurer). Managers Laurie and Kaare Otnes were also present as were owners Doris Beck and Judy Terry.

II. Review/Approval of Meeting Minutes

By motion duly made, seconded and unanimously passed the Minutes of the April 11, 2013 Board Meeting and the Minutes of the Special Board Meeting of June 13, 2013 were approved.

III. Reports

a. Manager's

Laurie Otnes presented the June 2013 Financial Report which was accepted for distribution.

Kaare reported that repairs (by McLeod Construction) necessitated by settlement are complete and cost about \$6,500. McLeod Construction was also the successful bidder for replacing deteriorated fascia boards and installing drip edge flashing to prevent future deterioration. McLeod's work will begin July 29. These repairs will cost in excess of \$4,000.

Kaare also reported that he recently discovered that our roof decking has deteriorated in several areas. There is no indication now that water has intruded into the living space. Information is being gathered and assessed as to what must be done to replace the deteriorated decking and to assure the integrity of our roof. The cost of these repairs is not yet known.

Lastly, Kaare reported that he installed 300 lineal feet of zinc strips on the upper portion of our architectural shingled roofing to inhibit moss growth. Cost = \$150.

b. Secretary/Treasurer's

Bob reviewed the potential financial implications of the recent and impending repairs. These points (discussed and agreed to at a Special Board Meeting June 13, 2013) include:

- the need to perform the repairs and take preventative measures now to preclude even more expensive repairs later;
- not to declare a special assessment at this time;

- withdraw \$4,000 from the Contingency Operating Fund (COF) and to temporarily suspend contributions to the Reserve Fund to have sufficient cash to pay for the repairs;
- replenish the COF over a multi-year period and increase the designated/target amount in the COF from \$5,000 to (say) \$15,000 to provide funds for future significant and unexpected issues;
- reevaluate the reserve fund balance while accounting for this temporary suspension of contributions and a lower than expected outlay for exterior painting;
- increase the amount budgeted for expected - but non-designated - repairs by an amount greater than the \$500/yr increase that has been built into recent Operating budgets.

The upshot of these unexpected expenditures, and the fact that our building is aging and requires more upkeep, is that an increase in assessments in 2014 appears unavoidable. Assessments were last increased in 2012 and the Board's hope was to hold assessments constant for the three (3) year period 2012 – 2014. While no decision has been made on this matter these unexpected and costly developments must be taken into consideration in the process of preparing our Operating Budget for 2014 - 2016. More information will be provided in the fall.

Bob reported that GreenLake Painting, Inc. would begin painting the exterior trim and siding of our building the week of August 5. GreenLake's work schedule will likely be 7:30 AM – 4:30PM M-F and will extend 3- 4 weeks. Safety barricades will be placed near our driveways and walk through doorways when work is in progress in those areas. Residents are requested to respect such barricades and to be extra alert to the presence of contractors (possibly working above them), as well as to ladders, equipment and supplies that will be around the perimeter of the building. GreenLake Painting will provide a portable restroom for their employees. The placement of this temporary facility has not yet been determined and will be based on considerations including access for unloading/pickup and servicing and minimizing the visual impact for residents, neighbors and passers-by. Bob will be the liaison with GreenLake Painting so contact him if you have questions or concerns.

c. Lawn and Garden Committee

See attached report by Bev Klein for the L&G Committee.

d. Emergency Evacuation Drill

Bev Klein reported that she and Linda Weschler were developing plans for a voluntary evacuation drill to better prepare residents for an evacuation should the need arise. Following discussion it was concluded that in lieu of an evacuation drill an "informational meeting" with a representative from the Shoreline Fire Dept. would be arranged. This would enable resident to learn from and ask questions of an expert, as well as share ideas and their own plans in event of an emergency. More information will be forthcoming.

IV. Unfinished Business

None

V. New Business

None

VI. Announcements and For The Good Of The Order

Kaare has obtained a supply of window screen tabs that can be used to replace broken tabs. Contact Kaare if you need new screen tabs.

Kaare reported that Milgard will no longer replace defective skylights under warranty except to the original owner of the Unit served by such skylight. Milgard skylights are warranted for life to the original owner only. Should an original owner identify a defective skylight and want it replaced they are to contact Milgard directly (Steve Robinett, 800-562-8444, cell 425-328-7365) and provide proof of original ownership. The defects noted to date have all been seal failures of the double pane glass which resulted in condensate forming between the panes. There have been no indications that these defects resulted in leaks or moisture intrusion into the living space.

Skylights in common areas are covered by a different warranty which has now expired.

Cheri stated that the Annual Meeting of the Association has been rescheduled to Thursday, September 26. At that meeting owners will vote on two (2) Directors to fill the expiring terms of Bev Klein (recently elected to fill the remainder of the term originally held by Kaare Otnes) and Bob Terry. Nominations for Board membership can be made in writing to any Board member prior to the Annual Meeting or orally at the Meeting. Bev and Bob each indicated they would serve if nominated and elected.

The meeting adjourned at 8:45 pm.

Respectfully submitted,

Bob Terry

Secretary/Treasurer

Richmond Manor Condominium Owners Association
Minutes of September 26, 2013, Annual Meeting of the Association

I. Call to Order

The meeting was called to order at 7:00pm in the 3rd Floor Meeting Room by the President Cheri Schuricht. Twenty six (26) owners were present or represented by proxy including: Doris Beck, Puneet and Mahima Bhargava, Frances Bigley (for a portion), Myrna Burkey, Dixie Buol, Carol DePaoli, Barbara & Jan Gillman, Dawson Harvey, Frances Lembo, Carol Lutovsky, Don & Donna Olson, Betty Roberson, Judy Terry, John & Linda Weschler and Board Members Bev Klein, Cheri Schuricht (President), Preeti Singh, Jerry Taylor (Vice President) and Bob Terry (Secretary/Treasurer). Managers Laurie and Kaare Otnes were also present. For voting purposes Frances Bigley and Arnie Bickford were represented by Bob Terry, Al Gunns by Cheri Schuricht. Marianne Armstrong was also present as was Melanie Granfors (for a portion). Voting interest represented at the Meeting totaled 72.8% which exceeded quorum requirements of 51%.

II. Presentation on Fire Safety & Evacuation

Melanie Granfors, Community Services Officer - Shoreline Fire Department, presented information on fire safety and building evacuation. She stated that our building was "super safe" as it is equipped with a fire suppression or "sprinkler" system. Melanie explained that sprinkler heads are activated by heat and that only those sprinklers sensing high temperature will activate. So in case of a localized fire only those heads in the immediate vicinity of the fire will spray water. Activation of the sprinkler system automatically notifies the Fire Department and disables the elevator.

Melanie indicated that residents, upon hearing an alarm, should not necessarily assume that evacuation of all residents in the building is called for. If the fire is in close proximity able-bodied residents should evacuate using the stairs to a safe sheltered location (such as Hills Restaurant). Residents using wheelchairs or those who cannot safely exit the building without assistance may find it best to move horizontally to the stairwells, which are typically considered safe refuge areas, and await Fire Dept. personnel.

Melanie emphasized that residents should NOT go to their decks, as the Fire Dept. is not equipped with the necessary ladders, etc. for rescue from our decks.

Residents, after evacuating, should call 911— even though a notification is automatically transmitted to the Fire Dept — as helpful information can be communicated to the Dept. while they are in route to the property. This information might include specific location and nature of the fire, and whether people need assistance to evacuate, etc. Fire Dept. response time should be no more than four (4) minutes.

Melanie stated that smoke - even after a fire is extinguished - is a particular danger as it is often highly toxic and small amounts can be lethal or at the least render a person incapacitated. Accordingly, residents are advised to avoid smoke inhalation by keeping low to the floor and using a cloth of some sort over the mouth and nostrils.

Kitchen grease fires can typically be smothered quickly by placing a lid over the flaming pot or pan. Small, easy to handle, extinguishers can be effective in putting out kitchen fires. Such extinguishers should be stored near exit doors or on an escape route. Never let a fire come between you and an escape path.

Other safety tips include:

- keep an emergency kit in each car (remember snow storms wherein people have been stranded on the road),
- register cell phones and create your personal safety profile that automatically displays to the receiver of a 911 call your name, address, medical condition, medications, allergies, physical disabilities and other pertinent information. The purpose is to reduce response time and assure that correct information is provided to first responders. Learn more and register at Smart911.com. There is no cost for this service.
- practice fire prevention
- sleep with a phone nearby: landline phones have Enhanced 911 capability wherein the phone's location and other information is automatically displayed to receivers of the call.

III. Officers Report

a) Presidents Report

Cheri led a discussion that included some "Did you know?" questions about RMC and provided information about committees and other governance matters. Refer to the attached document titled Condo 101.

b) Financial Review/Projection for Year End 2013

Laurie reported that a projection for the 2013 end of year financial situation indicated we would overspend the Budget by nearly \$22,000 as a result of three unplanned maintenance issues. A consequence of this situation is that funds were withdrawn from the Contingency Operating Fund and Contributions to Reserves were temporarily suspended to facilitate continued operations. These actions prevented need for a special assessment.

Kaare passed around a sample of wood fascia that had deteriorated from rot and insect damage. He also displayed pictures of damage to the roof by water intrusion through improperly repaired punctures made in the roof during original construction. The damage and repair expense, while significant, would have been much greater had Kaare not discovered the problem, brought the matter to the Board's attention and arranged for repairs.

c) 2014 – 2016 Budget Outlook

Referring to Laurie's Financial projection Bob described the Board's considerations in developing the 2014-2016 Operating and Reserves Budget including:

- a trend of unpredictable and significant maintenance issues (one in 2010 costing \$6,550 and three in 2013 totaling \$21,875),
- a temporary suspension of Contributions to Reserves to help pay for repairs,
- borrowing \$4,000 from the Contingency Operating Fund to help pay for repairs,
- withdrawal of a Reserve CD (\$10,350.05) to help pay for repairs.

In light of these considerations the Board intends for the 2014-2016 Budget to:

- restore the \$4,000 borrowed from COF,
- increase maximum balance in COF from \$5,000 to \$15,000,
- increase Budget for "routine" Maintenance & Repair by ~4,000/yr, and
- increase Managers compensation to \$1,000/mo to recognize additional responsibilities and time/effort to manage RMCOA affairs.

The upshot of these intentions combined with our best forecast of utility, insurance and other cost is that monthly assessments will increase by about 17 – 18% or ~ \$63/month on average for the 2014-2016 period.

The Board will consider and adopt a Budget at the Oct. 10 Board meeting and will present that Budget for ratification at a Special Meeting of the Association November 14, 2013. Per procedure the adopted Budget will be provided to all owners at least 15 days in advance of the Special Meeting.

Note: The Contingency Operating Fund was established in 2010 following a significant repair issue. Withdrawals from that Fund are guided by a Policy that states in part "The Contingency Operating Fund (COF) is to provide a source of funds to meet extraordinary unexpected operating requirements so as to preclude disruptions to Operating and Reserve Budgets and the need for Special Assessments." The current maximum balance of the Fund is \$5,000.

Note: Questions were raised earlier about using reserve funds to pay for unplanned repairs of the type recently experienced. While such a use of reserve funds is permitted (per WA RCW regulations) any monies used for purposes other than their intended use must be "repaid" to the reserve fund in not more than twenty-four (24) months. As reserve funds are designated for repairs/major maintenance on specifically defined items in the Reserve Study all other uses (even for emergencies or unplanned maintenance) must be "repaid". Accordingly, no great advantage would be gained by the use of reserve funds for these type unplanned expenditures.

In the recent specific event RMCOA cashed in a Reserve CD in the amount of \$10,350.05 to help pay for repairs to the roof. These funds were "paid back" to Reserves via:

- spending \$9,859.89 less to paint the exterior of the building than was budgeted, and
- transferring \$490.16 from Operating Checking Acct to Reserves.

IV. Waive Financial Audit

On the basis that:

- the Finance Committee reviews monthly the Financial Statements prepared by Management, and
- no “exceptions” in accounting/reporting financial balances and transactions have been identified nor any procedural improvements recommended in two (2) formal Financial Reviews (years 2007 and 2011),

the Board recommends that the Annual Financial Audit be waived for business year 2012 as provided in RCW 64.34.372.

By motion duly made, seconded and unanimously passed, the members approved the Board’s recommendation to waive the Annual Financial Audit for fiscal year 2012.

V. Election of Board Members

Board membership terms for Bev Klein (recently elected to fill the unfinished term of Kaare Otnes) and Bob Terry expired at the conclusion of the Meeting of the Association. Two nominations for Board membership were made via written correspondence to the Board prior to the Meeting, specifically Bev Klein and Bob Terry. There were no nominations from the floor.

By motion duly made, seconded and unanimously passed Bev Klein and Bob Terry were elected to Board service for two (2) year terms beginning immediately.

VI. For The Good Of The Order

Several members complimented the Board for not “cutting corners” and for efforts to maintain the property in top quality condition. There was also unanimous appreciation for the excellent work of Team Otnes in managing the property and finances of RMC.

The meeting adjourned at 8:40 pm.

Respectfully submitted,

Bob Terry

Secretary/Treasurer

**Richmond Manor Condominium Owners Association
Minutes of September 26, 2013, Board Meeting**

I. Call to Order

This Meeting of the Board was called to order at 8:45 pm in the Book Nook by President, Cheri Schuricht. Four (4) Board members were present thus constituting a quorum: Bev Klein, Cheri Schuricht, Jerry Taylor and Bob Terry. Managers Laurie and Kaare Otnes were also present.

Cheri stated that the agenda for this Meeting included review/approval of Minutes of the July Board Meeting, election of Board Officers and setting the meeting schedule for the coming year.

II. Review/Approval of Meeting Minutes

A motion was duly made, seconded and unanimously passed to approve Minutes of the July 11, 2013 Board Meeting.

III. Election of Officers

Motions were duly made, seconded and unanimously passed to elect Jerry Taylor as President, Cheri Schuricht as Vice President and Bob Terry as Secretary/Treasurer.

IV. Meeting Schedule

Meetings are scheduled as follows:

- Oct. 10, 2013 Board
- Nov. 14, 2013 Special Meeting of the Association (to ratify the Budget)
- Dec. 12, 2013 Finance Committee
- Jan. 9, 2014 Board
- Feb. 13, 2014 Finance Committee
- March 13, 2014 Finance Committee
- April 10, 2014 Board
- May 8, 2014 Finance Committee
- June 12, 2014 Finance Committee
- July 10, 2014 Board
- Aug. 14, 2014 Finance Committee
- Sept. 11, 2014 Finance Committee
- Sept. 18, 2014 Annual Meeting of the Association
- Oct. 9, 2014 Board
- Nov. 13, 2014 Special Meeting of the Association (to ratify the Budget)
- Dec. 11, 2014 Finance Committee

Board Meetings and Meetings of the Association will be in the 3rd Floor Common Area Room and Finance Committee Meetings will be in the Book Nook.

The meeting adjourned at 9:15 pm.

Respectfully submitted,

Bob Terry

Secretary/Treasurer

**Richmond Manor Condominium Owners Association
Minutes of October 10, 2013 Board Meeting**

I. Call to Order

This Meeting of the Board was called to order at 7:00 pm in the 3rd Floor Common Area Room by Vice President, Cheri Schuricht substituting for President Jerry Taylor (who was absent). Four (4) Board members were present thus constituting a quorum: Bev Klein, Cheri Schuricht, Preeti Singh and Bob Terry. Managers Laurie and Kaare Otnes were also present as was John Weschler.

II. Review/Approval of Meeting Minutes

Motions were duly made, seconded and unanimously passed to approve Minutes of the September 26, 2013 Board Meeting and the September 26, 2013 Annual Meeting of the Association.

III. Reports

Laurie reviewed the September Financial Report which was accepted for distribution to owners.

IV. Unfinished Business

None

V. New Business

a. 2014- 2016 Operating & Reserves Budget

Laurie presented the Preliminary 2014 - 2016 Operating & Reserves Budget as recommended by the Finance Committee.

Operating expenses for the next three years are expected to average almost 15% higher than Budgeted 2013 expenditures but should be nearly \$10,000 lower than 2013 Actual Expenses. Key reasons for the increase in the future Budget include expectations that utility costs will continue to rise at rates higher than inflation as will repair & maintenance cost as the property ages. There is also a planned increase in managerial compensation as Team Otnes has performed exceptionally well and taken on responsibilities beyond contractual requirements.

Contributions to Reserves are planned to continue at the current level.

The net result is that an HOA increase of 11.1%, or about \$40/month on average, will be required to support the Preliminary 2014 - 2016 Operating & Reserves Budget.

By motion duly made, seconded and unanimously passed the Preliminary Budget was adopted and will be recommended to owners for ratification at a Special Meeting of the Association to be called for November 14, 2013.

b. Contingency Operating Fund Policy Revision

Bob commented that the Contingency Operating Fund (COF) had been very helpful in providing a temporary source of funds to meet unexpected operating requirements such as during prolonged delinquencies in HOA payments and recently to help pay for unbudgeted repairs. At present the maximum Fund balance is \$5,000 (only \$4,000 is available without penalty) and is far short of the nearly \$22,000 cost of the recent repairs.

In consideration of the increasing frequency of unexpected repairs the Finance Committee recommends the maximum balance in the COF fund be increased from \$5,000 to \$15,000 and:

By motion duly made, seconded and unanimously passed the COF Policy is revised to reflect a maximum balance of \$15,000.

See Revised COF Policy.

c. Special Assessment to Fund COF

Bob stated that the Finance Committee recommends that the necessary funds to increase the balance in the Fund (currently \$1,000) to the maximum authorized amount (\$15,000) be raised by Special Assessment. One advantage of a Special Assessment over an increase in HOA is that the desired balance can be achieved faster (3 months vs 24+ months) and thereby be available as needed. This approach may also be considered more “transparent” in that it keeps fund raising for the COF separate from the HOA’s which fund ongoing operations.

Accordingly,

by motion duly made, seconded and unanimously passed the recommendation for a Special Assessment in the amount of \$14,000, effective December 1, 2013, is approved. Further, Owners, at their option, may elect to pay the Special Assessment in three equal monthly installments: Dec. 1, 2013, Jan. 1, 2014 and Feb. 1, 2014.

d. Reserve Study – Annual Update

Bob also reviewed the 2011 Reserve Study as required by WA Chapter 64.34.380, Reserve Account - Reserve Study - Annual Update.

No change is indicated as far as reserve components, their life expectancy or costs. No material change to the reserve account balance total is projected.

Accordingly,

by motion duly made, seconded and unanimously passed the Reserve Study has been reviewed and considered to be current with no changes indicated.

VI. Announcements and For The Good Of The Order

Bev suggested all owners review the pros and cons of the City of Shoreline’s intended “assumption” of Ronald Wastewater wherein the City would acquire the sewer utility including all assets, reserve funds,

employees, equipment and any District debt and the Ronald Wastewater District would cease to exist as a separate government entity.

The meeting adjourned at 8:00 pm.

Respectfully submitted,

Bob Terry

Secretary/Treasurer

Contingency Operating Fund Policy - Revised October 10, 2013
RMCOA Contingency Operating Fund Policy

Purpose: The Contingency Operating Fund (COF) is to provide a source of funds to meet extraordinary unexpected operating requirements so as to preclude disruptions to Operating and Reserve Budgets and the need for Special Assessments.

Expenditures:

- Expenditures will be limited to extraordinary and unexpected operating requirements such as (but not limited to) paying the deductible amount of insured losses.
- Expenditures against the COF will not be permitted to pay for new projects (that should be approved through the budgeting process) or for routine maintenance and repair expenses that are higher than normal. Expenditures for Reserve items are also not permitted to be funded through the COF as such are provided for through the Reserve Fund.
- Withdrawal/expenditures against the COF will be directed by the Board and limited to Board Officers and the Manager.

Balance and Restoration of Balance:

- The maximum balance in the COF will be \$15,000.00 as approved by the Board on October 10, 2013. Any expenditure against the COF will trigger consideration by the Board as to the best means to restore the COF balance (including a Special Assessment).
- Interest earned will be deposited to the Reserve Account.

Accounts:

- The COF will be established and maintained in an FDIC insured interest bearing account.

Reporting:

- The COF balance and any expenditure will be reported monthly to members via Balance Sheet and P&L Statement. Any expenditure will also be communicated to members by the President.

Revisions:

1. Maximum balance revised from \$5,000.00 to \$15,000.00 by Board action on October 10, 2013.

Richmond Manor Condominium Owners Association
Minutes of November 14, 2013, Special Meeting of the Association

I. Call to Order

The meeting was called to order at 7:00pm in the 3rd Floor Meeting Room by President Jerry Taylor. Eleven (11) owners were present including: Doris Beck, Laurie & Kaare Otnes, Betty Roberson, Judy Terry and Mahima Bhargava as well as Board members Bev Klein, Cheri Schuricht (Vice President), Preeti Singh, Jerry Taylor and Bob Terry (Secretary/Treasurer). Voting Units present totaled 7 and Voting Interest was 27%. However, per RCW 64.34.308, a quorum is not required for this Special Meeting. Proof of distribution of Notice of the Meeting was demonstrated.

Jerry stated that the purpose of the Special Meeting was for owners to ratify the Budget that had been adopted by the Board at the October 10, 2013 Board Meeting. Information on the Proposed Budget was provided to owners via meeting notice from Cheri Schuricht dated October 12, 2013.

II. Ratification Vote: Proposed Operating and Reserves Budget 2014-2016

By motion duly made, seconded and unanimously approved the Proposed Budget is ratified.

III. Adjournment

The meeting adjourned at 7:10pm.

NOTE: Following adjournment Jerry reminded owners that the Special Assessment approved by the Board at the October 2013 Board Meeting was due and payable on December 1, 2013. Owners may choose to pay this Assessment in three equal monthly installments due December 1, 2013, January 1, 2014 and February 1, 2014.

Respectfully submitted,

Bob Terry

Secretary/Treasurer