

Hillcrest East 25, Inc.

Condominium Board Budget Meeting Minutes: February 21, 2019

Call to order: Meeting was called to order in the main lobby by Steve Hurtig at 7:04 pm.

Board Members Present: Steven Hurtig, Cindie Rock, Armond “Clay” Hockman, Cindy Bridges and Mirjan Vehbiu.

Board Members Absent: None

Meeting Summary:

First item for vote: Cindy Bridges read the minutes of the February 18th meeting, which was held to approve a plan to rent the Association owned parking spaces to unit owners. After the minutes were read, Steve Hurtig called for a motion to approve the minutes of the February 18th meeting. The motion was made by Cindie Rock and was seconded by Armond “Clay” Hockman. The vote to approve the minutes of the February 18th meeting was unanimous.

Steve Hurtig reported that on Monday, February 18th we learned that the land previously owned by the former golf course on the southern boundary had been staked and we, along with building 24, are 20 feet onto the developer’s property. Mr. Hurtig stated that he negotiated with Pulte to not change the property boundaries or otherwise we might have been required to move our fence back to the pavement.

Steve Hurtig also reported that he and John Moore negotiated for four months and recently learned that Pulte will provide \$20,000 to us for landscaping, from which we are considering planting hedges to add privacy from those on the walking path behind the property.

Second item for vote: Steve Hurtig explained that in the August 29, 2018 board meeting, he had discussed his concern for continuing his work on the board while also carrying out operational responsibilities on his paid job. Mr. Hurtig had agreed to hire an assistant to handle operational matters at his job, which would allow him to continue to serve on the board, however he was unwilling to do so at his own expense. He offered to continue to serve on the board with the proviso that doing so would be revenue neutral for him through reimbursement from the association. Mr. Hurtig explained that in 2017 he attended school for property management at his own expense and became a licensed community property manager, vetted by the state. Because he is licensed, he can be compensated for this work as a board member and his training has enabled him to significantly cut Association costs, such as attorney fees for guidance on matters which he is now qualified to manage independently. Mr. Hurtig reminded the board that a vote was taken at the August 29th meeting and his compensation was approved. Mr. Hurtig pointed out that the budget reflects increased payroll costs due to his compensation and a raise given to maintenance staff. However, there will be no increase in monthly maintenance fees to unit owners this year. Mr. Hurtig explained the Association’s debt, stating that we pay approximately \$198,000 per year toward amortizing bank loans. We currently have about two years remaining until we are debt-free. The current surplus funds in the bank are used to fund needed work in the building without increasing maintenance fees. As the loans pay down, within the next 15 months, we expect to have a positive net worth and when the loans are paid off, we will have a positive

cash flow for projects in the building. Mr. Hurtig also explained the Association has a \$500,000 line of credit which is available in the event of an emergency such as a hurricane. Because of our large insurance deductible, the line of credit will enable the Association to react quickly in the event of a catastrophe. Mr. Hurtig also reported that we are communicating with our insurance provider about the possibility of getting a reduction in our deductible from 3% to 2%. Mr. Hurtig made a motion to approve the 2019 projected budget. The motion was seconded by Cindie Rock and the vote for approval was unanimous.

Steve Hurtig stated that this year the board will concentrate on cosmetic projects, including redecorating the lobby, replacing the carpet and installing epoxy on the service area floor and re-painting the service area.

Mr. Hurtig opened the floor for questions from the owners.

Steve Hurtig recognized Louise Lamontagne and asked her to join him at the front of the room to acknowledge her very helpful gardening work on our grounds. As a token of appreciation from the board, Mr. Hurtig presented a plaque to Ms. Lamontagne.

Steve Hurtig made a motion to adjourn the meeting. Armond "Clay" Hockman seconded the motion and the vote to adjourn was unanimous.

Meeting Adjourned: 8:04 pm.