

**PARK AVENUE LOFTS HOMEOWNER ASSOCIATION
BOARD OF DIRECTORS MEETING
February 3, 2017**

I. Call the Meeting to Order

The Park Avenue Lofts Board of Directors Meeting was called to order by Denis Franks at 2:04 p.m. on Friday, February 3, 2017 in the Great Western Lodging Conference Room.

Board Members Participating via Teleconference Were:

Denis Franks, President, Unit 307 Rob Young, Commercial Representative
Bob Johnson, Unit 208

Representing Great Western Lodging were Keith Kroepler, Brian Juchno and Lindsay Toyne. Erika Krainz of Summit Management Resources was recording secretary.

II. New Business

A. *Employee Apartment Funding*

Denis Franks said he spoke to about a dozen owners and only two were in favor of assessments to fund the apartment. There is enough funding in the budget to repay 10% per year plus interest. The consensus was that the unit is a benefit to the Association and there is nothing to be gained by selling since the Board would not have any control over who lives in it and GWL would have to be compensated for the loss of housing. He proposed proceeding with refinancing or financing through the owners who responded.

Lindsay Toyne said the balloon payment for the unit is due March 27, 2017. The budget assumes an interest rate of 5.5% and a ten-year term for the loan. The owners who provide funding will be issued a check at the end of each year.

Denis Franks will talk to Chad Christy on Monday. An LLC will need to be formed. The owners who expressed interest in funding the unit will be asked to send checks by March 1, 2017.

B. *Discuss Quarterly Dues Collections*

The Board authorized switching to quarterly dues payments.

C. *Reserve Dues Increase*

Denis Franks said FNMA and FMCC require an annual Reserve contribution of at least 10% of total Operating income in order for units to qualify for financing. This Association was not meeting this standard. The Board agreed to increase the Reserve contribution by 1.54% to reach the 10% threshold. Bob Johnson suggested a slightly larger increase (\$20 - \$30/unit/month) so the dues will not have to be raised again next year. Lindsay Toyne noted that this would provide a cushion in the Operating Fund and would allow the Board to make more choices about the timing of projects and charging projects to Operating to preserve the Reserve balance. Denis noted that the Association

*Park Avenue Lofts Homeowner Association
Board of Directors Meeting
2/3/17 Page 2 of 2*

often ends the year with a surplus and owners might question the need for a dues increase. Bob said it could be justified based on the increases to the insurance premium and Reserve contribution. The Board agreed to increase dues by approximately \$5/unit/month (based on square footage), with Operating dues increasing approximately 1% and Reserve dues increasing approximately 3% for an overall increase of 4%.

D. Set Annual Meeting Date

The Annual Meeting will be held on Saturday, April 29, 2017 at 9:00 a.m.

E. Review Proposed 2017 Budget

Denis Franks said the most significant increase was for the insurance line item. There was a significant problem with energy costs but this has been stabilized. Brian Juchno attributed this stabilization in part to manual operation of the snow melt system.

F. Review HOA Insurance Renewal

The initial insurance premium proposal included a 70% increase; the final proposal included a 40% increase over last year's budget.

III. Adjournment

The meeting was adjourned at 2:44 p.m.

Approved By: _____


Board Member Approval

Date: _____

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