

June Little

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Sent: Wednesday, May 05, 2010 11:02 AM
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Cc: June Little
Subject: Draft of the Minutes of the March 23, 2010 Meeting of the BRV Board of Directors

All:

This is a draft of the Minutes of the March 23, 2010 Board of Directors' Meeting of the Bellamy River Village Condominium Association ("BRV"). (One more to go)

Please make any comments, suggestions and/or corrections that you believe are appropriate. Ron

The BRV Board of Directors met on March 23, 2010 at 7:00 p.m. at the home of Kathy and Wes Strevel. Board members present were Kathy, Ron Bell, Terry Riviezzo, and Jean Shula. Orion Simms also attended.

The meeting was called to receive a status report from Orion Simms on the issue of adjusting condo fees between the two phases of BRV, *i.e.*, Clearwater Drive and Deborah Lane. The following was discussed:

1. Adjustment to Condo Fees:

Based on his exploration of the topic, Orion reported that he doubts that he could get the required vote of 75% of the unit owners to support a straight percentage adjustment of the condo fees between the two phases.

Rather, he believes that the Board should restructure the budget, so that certain expenses, that can be clearly attributable to only one phase or one group of unit owners, should be taken out of the budget as items to be paid by the condo fees and instead assessed separately to that phase or that group, which will by force adjust the condo fees. He cites for examples, (1) flood insurance, which is only required for the Clearwater Drive buildings/units and therefore easily attributable to only them; likewise, (2) the fire suppression system, a/k/a sprinkler system, which is only installed in certain units and therefore easily attributable to only those units. The Board sees merit in that analysis and, in fact, has recently moved toward assessing only unit owners with sprinkler systems for sprinkler system related expenses. However, these type of discrepancies are not unusual in condo association living and are specifically endorsed in the By-Laws.

Although not in the same category as the above examples, Orion also believes that given the third floor decks, the larger Clearwater Drive units cost more to insure and maintain than the smaller Deborah Lane units, as evidenced by the recent cost differential in repairing the larger and more intricately designed Clearwater roofs this past Fall. Thus, he believes that some percentage adjustment to the condo fees could be made to reflect that difference in the costs for overall building insurance and repairs. Likewise, he believes that an adjustment in the condo fees assessed to each phase is appropriate for the cost of maintaining and plowing Clearwater Drive, which largely benefits only the Clearwater Drive unit owners.

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Orion can expect some push back on these types of adjustments, because the By-Laws specifically provide that the expenses shall be divided equally amongst all units in BRV. And, it has been, and will be, argued that when a unit owner bought into the BRV, the unit owner knew, or should have known, the set up and cannot now be heard to complain. Orion believes that the present apportionment is not fair, nor was it fair when the By-Laws were written and adopted. Nevertheless, changes to the condo fee apportionment would require a change to the By-Laws.

All budget items for possible adjustment need to be explored more thoroughly to come up with an apportionment of the expense between the two phases that is fair and reasonable and will be perceived as being fair and reasonable.

Kathy suggested that in any future presentation of this issue to the Association, perhaps Orion should focus on the obvious disparity with respect to flood insurance, which is more understandable and, if accepted, might set a precedent for other differentiations and adjustments.

Ron suggested, and the Board concurred, that Orion must more thoroughly research the matter, prepare a proposal to submit to the Board with specific budget items suggested for adjustment, with the rationale for each adjustment, and an explanation of the eventual affect on everyone's condo fees. The Board can then review the submission and make recommendations on each item, as well as the overall concept. Orion should probably make the proposal as comprehensive as is reasonably possible, because unit owners are not likely to accept frequent appeals to adjust condo fees and this may be the only opportunity for quite some time to make this pitch. There is also the possibility of compromise, e.g., if 5 items are presented, the Association may vote to adjust 2 of the 5.

We are probably looking at a Special Meeting in June or July 2010.

Adjournment:

The meeting adjourned at approximately 8:00 P.M.

Board of Directors

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