

**\*\*\*DRAFT\*\*\***

**(To be officially approved at the 2020 Annual Homeowner Meeting)**

**COLONIAL FOREST  
ANNUAL HOMEOWNER MEETING  
March 9, 2019**

BOARD MEMBERS PRESENT: Marie Alba, Josh Dreyer, Jon Farrington, Val Krzyzaniak, Jess Salazar, Leona Staats

BOARD MEMBERS ABSENT: John Halvorsen

TARGA MANAGEMENT: Mark Pierovich

Mark Pierovich called the meeting to order at 10:35 a.m.

There were 59 homeowners represented (including proxies) but a quorum was not reached, thus the meeting became informational only. A “proof of notice” was mailed to each homeowner for: 1) the original 2/9/19 annual meeting that was canceled due to snow and library closure, and 2) for the meeting held 3/9/19, at which elections will be held.

**APPROVAL OF MINUTES FROM 2018 ANNUAL HOMEOWNER MEETING**

Val Krzyzaniak asked everyone in attendance to read the minutes from the 2018 annual homeowner meeting. Rick Krekel (B2U5) moved to approve the minutes; Marj Hause (B1U1) seconded and all approved.

**STATE OF THE ASSOCIATION**

Val Krzyzaniak provided a recap of projects accomplished in 2018 and noted a few things that could impact the 2019 budget.

**2018 Accomplishments:**

- In 2018, only Building 24 received new siding.
- Maintenance and repairs were performed on both gates, and an opticom was installed at the back gate for emergency vehicle entry.
- All dryer vents were cleaned and repairs were made where necessary.
- There were multiple roof and pipe leaks throughout the year.
- Extensive tree maintenance was performed throughout the entire complex.
- An Xfinity representative spent a few hours on site to answer questions from any interested homeowners.
- Seven buildings were “soft washed” as an alternative to pressure washing.
- Looked at various ways of addressing gutter performance issues.
- Five buildings had hazardous stepping stones and bricks around their group mailbox area—replaced with concrete.

- Performed multiple sprinkler repairs.
- Installed new signage on campus—a “Children at Play” sign at each entrance, and a sign at the SW corner of the complex so that drivers unfamiliar with the complex will not unintentionally go the wrong way.
- Replacing rotten railroad tie steps and hazardous stepping stones is an ongoing project.
- Performed a nighttime walk around to identify and replace burned out lights.
- Prepared the Colonial Forest rental unit for new tenants.

### **Things that could impact the 2019 budget:**

- Two buildings will receive new siding in 2019. A third building may be possible but that decision will be made later in the year after thorough review of the budget and actuals. Re-siding all the buildings is a major project. It became a 9-year project in which three buildings per year would be re-sided. In 2018 only Building 24 was re-sided due to the unexpected repairs in 2017. The re-siding project is now 10-11 years.
- More crack and seal work on the roads with some curb repair.
- The Colonial Forest maintenance truck was built in 1989 and a replacement truck may soon be necessary. Our CF maintenance crew has managed to do several repairs themselves, resulting in huge savings to the Association. If the oil pump goes out, a new truck will be required immediately. Budget for a replacement truck is planned in 2020. Kevin Goering (B17U4) offered to assist with purchasing a truck at auction. It is possible that he can get a dealer auction price.

### **ON-SITE STAFF VS. OUTSOURCING**

Val stated that the Board prefers our own Colonial Forest maintenance crew instead of an outside company for many reasons. With our own crew, we know what’s going on and our crew performs many, many tasks that would otherwise be additional costs to the Association such as cutting up fallen trees, replacing insulation that was pulled out by wild animals, replacing light bulbs and doorbells, etc. Val reminded residents with “resident gardens” that the owner is responsible for maintaining the garden at all times, which includes weeding.

One example of cost savings was in the early 2000’s when the Board at that time was researching a new sprinkler system. One company submitted a quote of approximately \$300K. After 1/3 of the campus was complete, the maintenance crew at that time offered to install the remainder of the complex, resulting in a large savings.

A different maintenance crew reconfigured the front entrance “Colonial Forest” sign by enclosing the base to meet The City of Federal Way requirements. The savings was around \$2K.

### **TARGA**

Prior to 2000, Colonial Forest had an on-site manager. The manager’s unit was located in B15U6, which is now the CF rental (all homeowners share in that ownership). The job was too big for one person and quite costly. In addition, there was a lack of accountability that we now have with Targa as our management company. Targa provides a more professional approach

and is knowledgeable in legal matters. In addition, Targa has not increased our rates since 2008.

### **RENTALS AND RECEIVERSHIPS**

In addition to the CF rental unit that was previously the manager's unit, there is one more "official" rental unit in Colonial Forest. In 2013, by a more than 2/3 vote of all homeowners, the CC&R's were legally amended to allow one non-owner occupied unit. This amendment was required in order for buyers to qualify for FHA funding. A lottery is held to select which homeowner may rent their unit. The official lottery process is documented.

At times there are rentals that are the result of a receivership. Currently B24U3 falls into that category. When dues on a unit fall into arrears, the attorney representing Colonial Forest may recommend foreclosure (depending on the circumstances). If the Board authorizes foreclosure, the attorney assigns a receiver to get the unit ready for rental. The receiver then rents the unit and a percentage of the monthly rent goes back to Colonial Forest to pay for any cost of repairs, attorney fees, etc. Once the delinquencies are paid, monthly payments go toward paying monthly dues.

Kimberle Roisum (B24U2) expressed concern about the front porch that is shared by four units in her building. The porch is in need of repair and one of the units is currently a foreclosure rental. Mark and Val both expressed the possibility of recovering the portion of the repair cost associated with the rental unit via the receivership process.

Jess Salazar noted that there were several receiverships when the market crashed in the late 2000's. Receiverships are a negative on a bank's bottom line so they normally want to move those units quickly.

### **CAPITAL INSURANCE GROUP**

Mark explained that our insurance broker looks for the best rate each year among +/- 20 companies. Each homeowner needs a separate HO6 insurance policy to cover inside belongings and any required deductible. HO6 insurance is inexpensive. The Colonial Forest master policy covers everything else.

Kevin Goering expressed concern regarding recent Servpro costs associated with a leak in his hot water tank. The cost of fans to dry the area was high and Servpro charged for asbestos analysis, even though asbestos has not been used since 1976.

Val pointed out that each CF homeowner should make sure their policy includes "Loss Assessment" of at least \$10,000.

### **COMCAST**

Val indicated that Comcast has been good to CF in various ways. At the end of 2017, Comcast lowered the rate from about \$50.00 to \$40.00 per unit. In addition, they gave us high definition technology for free.

## **2019 BUDGET**

Val went over the budget that was mailed to all homeowners prior to the meeting and explained the major components of each item. He has been the Association treasurer off and on for the last 19-20 years. His primary goal is to save everyone money if possible.

Currently there are approximately \$280K in reserves. Higher reserves would be nice but then dues would be higher. Val believes in watching costs to avoid higher dues.

There is a 2% increase in the dues from 2018 to 2019. The Association gets income from the CF rental unit, dues, and miscellaneous items like late fees and receiverships.

Payroll costs cover the full time maintenance staff and two summer hires. In the past, the maintenance staff (including summer help) has pressure washed the buildings. The Board looked into a new building cleaning process called "soft washing." It may be necessary to reduce summer help from two employees to one in order to pay soft washing costs.

Wanda Michael (B1U6) asked how many buildings would be soft washed per the budget. Jon Farrington explained that it could be 2/3 of the complex but there are variables. For example, soft washing only needs to be done every few years instead of yearly, and buildings with new siding do not need to be soft washed.

Val explained that there are five "Repair & Maintenance" line items with the identical budget of \$3,000. It is difficult to predict just which line item will incur actuals, but each year the budget and actuals among those categories work out in total.

There were many tree issues in 2018. Two trees were removed in front of Buildings 18 & 22. Evelyn Oreiro (B18U3) expressed concern over the lack of trees now in front of Building 18.

Catherine Allis (B10U2) expressed concern that shrubs around her unit have not been properly maintained.

Jess Salazar mentioned that there needs to be a 6" separation between any bush or shrub and the building. Vegetation too close to the building can cause issues, including termites.

Hank Lazzar (B21U3) expressed concern about the overgrown vegetation on the north side of his unit (by the area where the CF truck is parked). The Board took the action to discuss at the next Board meeting.

Water, sewer and cable are all billed to the Association and funded via everyone's dues. In the case of the water, since the Association is billed every two months, sometimes there are six payments per year and sometimes seven per year.

The budget for HOA insurance increased around \$11K because we changed insurance companies.

There was a slight increase of \$3K to assist in increasing reserve funds. Jess Salazar, who has many years of experience in real estate, mentioned that he is amazed at how little reserves other condo associations have. Some are under \$30K. Colonial Forest's reserves are healthy.

Val pointed out that in 2018 we had a few repairs associated with cracked foundations, etc.

In 2020, two buildings will be re-sided. Kimberle Roisum (B24U2) expressed concerns about the crew that installed new siding on her building. Colonial Forest hires Michael Daniels Construction to do the re-siding and Michael Daniels generally sub-contracts the project. Thus, the crews are seldom the same from year to year. Residents are always asked to provide a check list of incomplete items, and normally Targa and at least one Board member walk around the building looking for issues. Michael Daniels' quote per building was much less than the competition so financially it is in our best interest to hire Michael Daniels. Jess Salazar mentioned that he knows of a complex where every owner was assessed \$25K for new siding.

Catherine Allis (B10U2) inquired as to why Michael Daniels is frequently used. Mark Pierovich stated that Michael Daniels knows the complex extremely well and has performed worked for Colonial Forest for +/- 20 years.

Regarding new siding, Val explained that several years ago Colonial Forest hired a company to perform a reserve study. That study suggested that we should have a plan to replace the aging vinyl siding. The Board developed a plan to re-side three buildings per year, which resulted in a 9-year project that started with one building in the fall of 2015. The bid from one company was \$100K - \$200K per building for a total cost of at least \$3M. That large of an expenditure would result in a special assessment to all homeowners.

Michael Daniels quoted a price of \$30K - \$45K per building, which is a huge savings. The Board will make every effort to work with Michael Daniels regarding personnel or workmanship issues.

Catherine Allis (B10U2) expressed concern about possible mold underneath the old siding. Of the eight buildings re-sided to date, there have only been a few instances of mold and those areas were removed and repaired prior to new siding installation.

Mark Pierovich explained that large projects are usually painful. If we hired a large company with many employees, the prices would be much higher. Michael Daniels has smaller crews but we have recourse working with him. As mentioned above, we create check lists of unfinished items. Jess Salazar volunteered to talk with owners if there are issues. Val mentioned that if there are no structural issues this year, there could be additional budget available to re-side three buildings instead of two.

The gutters continue to be an issue. Unfortunately, the company is now out of business but the Board will continue to look at performance improvement options.

There is \$40K in the 2019 budget for roads and curbs. One curb estimate came in at over \$100K to re-curb the entire campus. Around 20-25% of the curbs need to be replaced

immediately so the plan is to repair various sections. If curbs are generally okay, they will not be replaced at this time. Roads will possibly be sealed to prevent further deterioration.

### **BOARD OPENINGS**

Mark Pierovich announced that there are three open Board positions and that anyone interested in running for the Board needs to be nominated. The nominations were as follow:

1. Kevin Goering (B17U4) nominated Val Krzyzaniak (B19U5); Peggy Mattson (B5U1) seconded.
2. Val Krzyzaniak (B19U5) nominated Josh Dreyer (B7U5); Jess Salazar (B7U1) seconded.
3. Peggy Jeffcoat (B11U6) nominated Wanda Michael (B1U6); Mia Pratt (B22U4) seconded.
4. Cynthia Vice (B22U2) nominated Patricia Ward (B2U3); Marie Alba (B1U3) seconded.
5. Marj Hause (B1U1) nominated Catherine Allis (B10U2); Kevin Goering (B17U4) seconded.

Each of the above nominees spoke briefly as to their background and reasons why there are interested in serving on the Board.

### **DISCUSSION DURING BALLOT COUNTING**

During the break associated with counting ballots, there was discussion regarding project notification. One recommendation was to use the sandwich boards at each entrance to announce projects at least 1-3 days in advance.

Joni McKee (B8U5) complimented the new CF web site and suggested updating the site with the new insurance information.

Hank Lazzar (B21U3) mentioned that the French drain on the south side of Building 21 did not fully resolve the drainage issue. There are still ongoing irrigation issues.

Jess Salazar (B7U1) commented on the pet rules and large dogs. Catherine Allis (B10U2) pointed out that ESA (Emotional Support Animals) are exempt from the rules. Val Krzyzaniak (B19U5) asked that the dog discussion be put on hold until Marie Alba (B1U1) returned from counting ballots.

A question was asked regarding new siding and how the buildings for re-siding are chosen. Val responded that Michael Daniels generally determines the worst buildings. Marie Alba pointed out that there is a risk of color availability in the future. For example, the only two green buildings are complete, but there are six yellow buildings and only one is complete. The yellow color may not be available in the future.

### **NEW BOARD MEMBERS**

Mark Pierovich announced that the new Board members are: Patricia Ward, Josh Dreyer, and Val Krzyzaniak.

## **DOG DISCUSSION**

Marie Alba (B1U1) gave a little history about dogs in Colonial Forest. In the original rules (1978), the weight limit was 15 pounds, which extremely limits breed choices. Sometime in the 1990's, the weight limit was increased to 25 pounds but that is still a very small dog.

In 2015, there were 29 dogs. Six of them were emotional support animals (ESA) and three were over the 25-pound weight limit.

Later in 2015, the Board created a committee of five Board members to revise all Rules & Regulations (R&R's). The committee discussed the dog rule at length. Fear of dogs, especially large dogs, is very real. The committee realized there needed to be a limit of some kind so based on the height and weight of the top 108 dog breeds, they decided to make the size rule 20" to the withers (top of the dog's shoulders). That height limit excluded the top 10 aggressive breeds like Mastiffs, Rottweilers and German Shepherds, while allowing a choice of 62 breeds. The dog rule was revised in October 2015.

In 2019, there are 34 dogs, the same three ESA dogs and one Board-authorized large dog, so three are over the 20" height limit. Currently the main issue is residents not picking up after their dog. The Board will explore the possibility of a separate fine schedule for not picking up, which needs to be incorporated into the R&R's and followed by a letter notifying all homeowners of the change.

Ken Pratt (B22U4) moved to adjourn and Hank Lazzar (B21U3) seconded. The meeting was adjourned at 12:40 p.m.

Respectfully submitted,

Marie Alba  
Colonial Forest Board Secretary