

Nautica Soundview Condominium Association in Everett, WA

Budget Ratification Meeting Minutes

October 21, 2021, 6:30 pm

APPROVED 11182021

I. Opening Business

A. Bill Weber called the meeting to order at 6:30 pm.

B. Directors in Attendance: Bill Weber, President Eric Ringstad, Treasurer Mike Borden,
Director Laurie Vandermay Secretary Quorum YES

Officer: Kathy Greenwood, Asst. Treasurer (non-voting) Manager: Tom Gish, Jr.

II. Owners in attendance: A-512, A-203, A-504, A-311, B612, B411, B308 proxy, B-405 proxy, A-307 proxy, B-607, B-312, B406, B-301

III. 2022 Budget

A. No increase in regular monthly assessments is required by the proposed budget that was approved by the board at the meeting on September 16, 2021.

B. Reserve Fund.

1. The monthly Reserve Fund Contribution increases from \$7091 in 2021 to \$7900 in 2022.
2. There will be a Special Assessment contribution to the reserve fund of \$300,000 collected over 6 months. The special assessment for that was ratified on August 19, 2021.
3. The combined totals of the above reserve contributions exceed the amount recommended by the 2022 Reserve Study.
4. The Reserve Fund is deficient by an average of \$5296 per unit. The deficiency was broken down by unit type in the packet that was mailed to each owner dated September 20, 2021. Beginning in 2023, the Association needs to increase the reserve contribution by at least 3 percent per year in order to get on track to being fully funded.

C. Bank Loans

1. The 2019 Bank Loan requires the Association maintain a cash flow of 1.05 times, which is calculated by dividing the total income by the total expenses. For 2022, the amount of cash the Association needs to maintain is calculated at \$3930.58 per month.
2. The Association applied for a \$300,000 bridge loan to ensure the Envelope Project contractual obligations can be met in case of a shortfall on the 2021 Special Assessment. The loan contract requires the 2022 budget account for a loan payment that was estimated at \$1475.

D. In 2020, the Downtown Business Association proposed to the Everett City Council that instead of billing their assessments to individual condo owners, that they would bill the Association. The Association will be responsible for collecting from the owners using the payment schedule provided by the city. For 2021, the amount was \$6532, but according to the city, the amount will change each year. For budget purposes, the same amount was used for 2022.

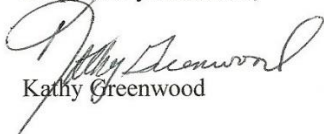
IV. Questions about the budget?

V. Call for a motion to ratify the budget. Kathy Greenwood moved to ratify the 2022 budget as presented.

Bill Weber 2nd. 0# opposed 13# in favor Results: The budget stands as ratified.

Bill Weber adjourned the meeting at 6:54 pm.

Respectfully submitted,



Kathy Greenwood

For Laurie Vandermay, Secretary

Minutes approved on 11/18/2021

	Nautica Soundview Draft Budget	2022 Monthly	2022 Monthly Average per Unit	2022 Annual	2021 Monthly	2021 Monthly average per unit	2021 Annual
INCOME							
	Assessment Income	\$40,380.67	\$315.47	\$484,568.00	\$40,380.67	\$315.47	\$484,568.00
	SA Income #1	\$16,275.00	\$127.14	\$195,300.00	\$18,146.00	\$141.76	\$217,752.00
	SA Income #3	\$25,000.00	\$195.31	\$300,000.00			
	Delinquency	-\$800.00	\$6.25	-\$9,600.00	-\$800.00	\$6.25	-\$9,600.00
	Late Fees	\$83.33	\$0.65	\$1,000.00	\$83.33	\$0.65	\$1,000.00
	Interest Income	\$41.67	\$0.32	\$500.00	\$125.00	\$0.98	\$1,500.00
	Electricity income A101	\$83.33	\$0.65	\$1,000.00	\$83.33	\$0.65	\$1,000.00
	Comcast	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Downtown Bus. District	\$544.33	\$45.36	\$6,532.00			
	Total Income	\$81,608.33	\$645.79	\$979,300.00	\$58,018.33	\$465.76	\$696,220.00
EXPENSES							
Administrative Expense							
	Audit/Tax Preparation	\$177.08	\$1.38	\$2,125.00	\$168.25	\$1.32	\$2,025.00
	S/A #1 Loan Payment	\$14,800.00	\$115.63	\$177,600.00	\$18,146.00	\$141.76	\$217,752.00
	S/A #2 Bridge Loan pmt.	\$1,475.00	\$11.52	\$17,700.00			
	Corporate Filing	\$0.83	\$0.01	\$10.00	\$0.83	\$0.01	\$10.00
	Reserve Study	\$95.58	\$0.75	\$1,147.00	\$95.58	\$0.75	\$1,147.00
	Bank Charges	\$8.33	\$0.07	\$100.00	\$8.33	\$0.07	\$100.00
	Dues/Fees/Subscriptions	\$25.00	\$0.20	\$300.00	\$26.67	\$0.21	\$320.00
	Consulting Fees	\$1,250.00	\$9.77	\$15,000.00	\$1,250.00	\$9.77	\$15,000.00
	Management Fee	\$2,200.00	\$17.19	\$26,400.00	\$2,200.00	\$17.19	\$26,400.00
	Board Expense/Meetings	\$0.00	\$0.00	\$0.00	\$23.50	\$0.18	\$282.00
	Office Supplies	\$33.33	\$0.26	\$400.00	\$45.83	\$0.36	\$550.00
	Postage	\$116.67	\$0.91	\$1,400.00	\$112.50	\$0.88	\$1,350.00
	Printing/Copies	\$191.67	\$1.50	\$2,300.00	\$191.67	\$1.50	\$2,300.00
	Legal	\$500.00	\$3.90	\$6,000.00	\$916.67	\$7.16	\$11,000.00
	RCLE Expense	\$100.00	\$0.78	\$1,200.00	\$100.00	\$0.78	\$1,200.00

Insurance Prop/Liab/EQ	\$5,416.67	\$42.32	\$65,000.00	\$5,416.67	\$42.32	\$65,000.00
Downtown Bus. District	\$544.33	\$45.36	\$6,532.00			
Total Admin Expense	\$26,934.50	\$206.19	\$323,214.00	\$28,702.50	\$224.26	\$344,436.00
REPAIR & MAINTENANCE						
General R&M (5130)	\$3,000.00	\$23.43	\$36,000.00	\$4,166.67	\$32.55	\$50,000.00
Carpet Clean& Repair (5304)	\$583.33	\$4.55	\$7,000.00	\$583.33	\$4.55	\$7,000.00
Dryer Vent (5160)	\$333.33	\$0.26	\$4,000.00	\$0.00	\$0.00	\$0.00
Elevator R&M (5180)	\$1,250.00	\$9.76	\$15,000.00	\$2,150.00	\$16.79	\$25,800.00
Pest Control (5190)	\$292.00	\$2.28	\$3,504.00	\$292.00	\$2.28	\$3,504.00
Fire - Extinguisher (5200)	\$500.00	\$3.90	\$6,000.00	\$475.00	\$3.71	\$5,700.00
Fire - Sprinkler Test (5225)	\$411.25	\$2.92	\$4,935.00	\$303.33	\$2.37	\$3,640.00
Alarm Monitoring (5230)	\$58.33	\$0.45	\$700.00	\$100.00	\$0.78	\$1,200.00
Security Patrol (5234)	\$40.00	\$0.31	\$480.00	\$40.00	\$0.31	\$480.00
Door Lock & Key (5235)	\$166.67	\$1.30	\$2,000.00	\$425.00	\$3.32	\$5,100.00
Garage Door R & M (5187)	\$291.67	\$2.28	\$3,500.00			
Roof Cleaning/Repairs	\$166.67	\$1.30	\$2,000.00	\$166.67	\$1.30	\$2,000.00
Parking Lot (5145)	\$0.00	\$0.00	\$0.00	\$300.00	\$2.34	\$3,600.00
Janitorial (5270)	\$1,750.00	\$13.67	\$21,000.00	\$1,750.00	\$13.67	\$21,000.00
Grounds Maint (5280)	\$230.00	\$1.80	\$2,760.00	\$230.00	\$1.80	\$2,760.00
Grounds Other (5290)	\$50.00	\$0.39	\$600.00	\$50.00	\$0.39	\$600.00
Irrigation (5295)	\$50.00	\$0.39	\$600.00	\$50.00	\$0.39	\$600.00
Snow/Ice Removal (5301)	\$20.00	\$0.16	\$240.00	\$20.00	\$0.16	\$240.00
Window Cleaning (5350)	\$333.33	\$2.60	\$4,000.00	\$0.00	\$0.00	\$0.00
Irrigation Backflow Test	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total R & M	\$9,526.58	\$71.75	\$114,319.00	\$11,102.00	\$86.71	\$133,224.00
UTILITIES						
Water & Sewer	\$5,083.33	\$39.71	\$61,000.00	\$4,750.00	\$37.11	\$57,000.00
Electricity	\$1,625.00	\$12.70	\$19,500.00	\$1,983.33	\$15.49	\$23,800.00
Garbage	\$1,125.00	\$8.79	\$13,500.00	\$1,115.00	\$8.71	\$13,380.00
Telephone	\$483.33	\$3.78	\$5,800.00	\$465.00	\$3.63	\$5,580.00
Cable	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Utilities Expense	\$8,316.67	\$64.97	\$99,800.00	\$8,313.33	\$64.95	\$99,760.00

Total Operating Expense	\$44,777.75	\$349.83	\$537,333.00	\$48,117.83	\$375.92	\$577,420.00
Total Operating Income	\$36,830.58	\$287.74	\$441,967.00	\$9,900.50	\$77.35	\$118,800.00
Reserve Contribution Expense 25,000 +7900	\$32,900.00	\$257.03	\$394,800.00	\$7,091.66	\$55.40	\$85,100.00
Net Cash Flow at 1.05 (income/expense=1.05)	\$3,930.58	\$30.71	\$47,167.00	\$2,808.33	\$21.94	\$33,700.00