

MOUNTAIN COUNTRY CONDOMINIUMS AT LAKE DILLON, INC.
ANNUAL ASSOCIATION MEETING
June 1, 2013

I. CALL TO ORDER AND ROLL CALL

The meeting was called to order by Mark Yeager at 9:17 a.m. in the Dillon Town Hall.

Board members participating were:

Mark Yeager, President, A202	John Reich, A103 (teleconference)
Larry Nelson, A301 (teleconference)	William Crangle, B104
Jean Hammes, B204	

Owners present were:

Mindy McClain, A101	Patricia Francoli, A102
Diana Sunstrum, A104	John & Helga Doucette, A204
David & Donna Lennon, A302	Jill Cox, A303
Phillip Slough, B202	Sue Brown, B204
Georgean Dickson, B302	Jeffrey Taylor, B303
Brad Hill, B304	

Representing Basic Property Management were Gary Nicholds, Eric Nicholds and Giovanna Voge. Erika Krainz of Summit Management Resources was recording secretary.

II. DETERMINATION OF QUORUM

With 15 units represented in person and three by proxy a quorum was confirmed.

III. APPROVE PREVIOUS MEETING MINUTES

David Lennon made a motion to approve the minutes of the June 15, 2012 Annual Association Meeting as presented. Diana Sunstrum seconded and the motion carried.

IV. REPORT OF PRESIDENT

Mark Yeager said the Association hired a management company and a new snow removal contractor and switched to a new insurance agency. The snow removal contract is now a flat rate and is \$3,000 less than Wildercrest was charging. The insurance policy is now with American Family Insurance and the premium is \$1,200 lower than last year. One major benefit of the new policy is that owners who have HO6 coverage through American Family and have a loss that originates in an Association-covered area will have no deductible for their claim.

There are three future projects that will require significant funds:

1. Water Main Replacement – \$50,000 – 60,000 (estimate). The water main has failed three times. The new line will be outside the buildings instead of under the buildings and carports and will only require a couple of hours of water service cutoff. Gary Nicholds has offered to research a loan for the Association to fund this project if necessary.

2. Roofs – Replacement is scheduled to begin in 2016. Two contractors have been asked for an opinion. Turner Morris indicated that they replaced one of the roofs in 2002, so it should not need replacement yet. The roof of the second building may also have been replaced subsequent to the first building.
3. Boiler Replacement - Ambient temperature controls that turn the heat off when the outside temp is over 60 degrees were installed and glycol feeders were added to prolong the lives of both boilers. A major preventative maintenance project will be performed at the end of June.

V. FINANCIAL REPORT

Jean Hammes reviewed the financial highlights.

1. Insurance – There will be savings in this account. The new premium is \$5,000 against a budget of \$6,974.
2. Comcast – The Association received a settlement of \$3,968 after legal fees from Comcast in April. The Board decided to transfer this amount to Reserves.
3. There were some operating savings in insurance and snow removal and the Board decided to use the funds to invest \$5,745 in the boiler infrastructure.

Jean reviewed the Reserve activity:

1. Asphalt Repair - \$5,070.
2. Painting - \$29,000.
3. Special Assessment – There was a Special Assessment of approximately \$25,000 levied in January. Owners were offered a 10% discount for paying before the end of February and 19 owners took advantage of the offer. The other five owners are paying installments of \$440/month through January 2014. This will total \$3,086 for July 2013 – January 2014 and is not reflected in the financial statements.
4. The Comcast settlement of \$3,968 is not reflected in the financial statements. All accounts will be reconciled by the time the books are closed for the fiscal year-end.
5. The Association was budgeted to end the year with a loss, but due to the unbudgeted income from the Special Assessment and settlement, the Association should actually end the year with a slight profit.

VI. REPORT REGARDING PROPERTY SERVICES

Gary Nicholds, the owner of Basic Property Management, introduced himself and the other staff members. He said owners should expect good service, fiscal responsibility and good communication. Gary can be reached on his cell at 970/470-1864 or at the management office at 970/668-0714. Owners who pay dues by check should send them to Mountain Country Condominiums, P.O. Box 4844, Dillon, CO 80435.

Gary said trash service will be switched from Waste Management to Timberline and the cost will be about \$25 lower per month. Gary will be reviewing the ResortInternet contract. The current rate may be through Wildercrest's bulk contract and the price may increase slightly. He will send an email to all owners once he has more information.

Owners were asked to be sure to pay their June dues before the end of that month to facilitate closing of the books for the end of the fiscal year. There will be no late fees or

finance charges for the next two months while the accounts are in transition from Wildernest to BPM. The Board will tour the property with Gary sometime in June.

Unit checks are done every other week during the summer months and every week during the winter. Owners should call management for assistance with parking and maintenance issues.

VII. OTHER MATTERS

An owner requested addition of gravel in the carport. The Board will look at this area during the property tour.

Brad Hill asked if the exterior windows were washed. William Crangle responded that the Association would have to hire a contractor due to the height of the building. If there are enough owners interested, it may be possible to get a bulk rate. Gary Nicholds will get a bid.

Georgean Dickson said she would like to see the chimney lights lit again. Jean Hammes said a decision had been made to light only the lower bulbs; the upper bulbs were shorting out frequently due to exposure to rain and snow and they were expensive to replace. Mark Yeager said the Board would be looking at a more economical way to light the parking lot.

There was general agreement that the new paint color scheme was very attractive.

Several owners noted that there was a significant ice buildup on one side of one building. Mark Yeager said the area was being treated with ice melt and the ice was occasionally chipped away. The ice is an ongoing problem due to the exposure and lack of sun.

VIII. BOARD ACTIONS

A. Ratification of 2013/2014 Budget

Jean Hammes reviewed the proposed 2013/2014 Budget. She noted that the Operating and Reserve dues reflect the \$10/unit/month annual dues increase approved at the 2010 Annual Meeting. This increase was approved for 11 years starting in 2010. From the \$139,000 of total revenue collected, \$31,680 will be contributed to Reserves.

Jean proposed two adjustments to the Operating budget:

1. Management Fee – change to \$12,000 in accordance with the new management contract.
2. Legal and Professional – change to \$13,000. This includes \$10,000 for legal fees for updating the Association Declarations and Bylaws, and \$3,000 for the Association website, meeting minutes and some other fees for contracted work.

These revisions would decrease the Operating expenses from \$112,249 to \$104,857 and would result in a bottom line budgeted year-end profit of \$3,537.

Jean suggested revising the budgeted Reserve income to reflect the \$3,968 settlement from Comcast and the \$3,086 of income from the monthly installment payments for the Special Assessment. These two changes would increase the 2014 year-end balance from \$18,182 to \$25,235. The only scheduled Reserve project for 2014 is asphalt replacement for \$10,000.

There was general discussion about how to fund the water main replacement. All owners agreed that there should not be a second Special Assessment with one year.

1:43 – Joe’s idea for funding.

Discussion about asphalt replacement. There was agreement that it was in pretty good condition and did not need replacement at this point. It can be crack sealed as necessary. Suggestions were made to consider postponing the asphalt replacement since it is still in good condition, and to consider postponing the governing documents revision.

Diana Sunstrum made a motion to postpone the document revision and to move the \$10,000 budgeted for that project in Operating to Reserves. Brad Hill seconded and the motion carried.

Mark Yeager made a motion to postpone the asphalt replacement and to fill the cracks as needed in the coming year. Patricia Francoli seconded and the motion carried.

Based on these two adjustments, the projected Reserve balance at end of June 2014 is \$61,966.

David Lennon made a motion to have the Board evaluate the feasibility of the replacement of the water mains for both buildings this year based on recognition of the inevitability of a water main break and to decide how to proceed. Diana Sunstrum seconded and the motion carried.

Jean reviewed the amended budgets:

1. Operating Revenue – \$108,394
2. Operating Expenses – \$104,857
3. Reserve Revenue - \$46,378
4. Reserve Expenses – \$6,500, excluding the water main replacement.

David Lennon made a motion to approve the 2013/2014 Operating and Reserve Budgets as amended. Diana Sunstrum seconded and the motion carried.

B. Election of Board of Directors

The terms of Larry Nelson and Jean Hammes expire this year and they both indicated they would not be running for a Board seat again. Mark Yeager nominated Mindy

McClain and David Lennon nominated Diana Sunstrum. There were no other nominations from the floor.

Mark Yeager made a motion to elect the two nominees for two-year terms. David Lennon seconded and the motion carried.

David Lennon made a motion to recognize the Board members for their efforts on behalf of the Association this past year. The motion was seconded and carried.

IX. SET NEXT MEETING DATE

The next Annual Meeting was set for Saturday, May 17, 2014 at 9:00 a.m. at the Dillon Town Hall.

X. ADJOURNMENT

With no further business the meeting was adjourned at 11:36 a.m.

Approved By: _____
Board Member Signature

Date: _____

2. Plumbing and Heating – \$22,000 actual vs. \$10,000 budget. Mark Yeager said there were some one-time expenses last year that should not reoccur and the budget did not need to be changed.
3. Asphalt Work - Removed \$1,500 for crack sealing from the Reserve Study and because there is \$2,830 included in the Operating Budget.
4. Comcast Settlement – Mark Yeager confirmed that the Comcast settlement had been paid in full in 2012. She will remove the \$3,967 line item from the Operating Budget.

With the changes discussed above, the net operating income will be \$3,500 and the Reserve income will be \$48,000. At the end of the next fiscal year the Reserve balance should be about \$76,000. Any year-end Operating surplus can be transferred to Reserves.

Giovanna will send the updated spreadsheets to the Board.

IV. PROPERTY MANAGEMENT REPORT

A. Boiler Repair & Glycol

Gary Nicholds said the boiler repair was completed for \$4,100. He was asked to forward all repair invoices to Mark Yeager and Mindy McClain for review, as there have been errors in the past. The plumber indicated there was no glycol leak. Gary will follow up with the plumber. .

B. Window Washing

Gary Nicholds is waiting for a bid. The service will be made available to owners at their own expense.

C. Chimney Sweep

Mark Yeager has a friend who can provide the chimney sweeping and inspection service. He estimated the cost would be \$45 – 50 per chimney. The work should be done in August. Gary Nicholds will check on the status of obtaining all the unit keys. The Association will pay for the chimney work as long as all units are accessible on the same day. If an owner does not provide access and the contractor has to come back there will be a \$200 surcharge to the owner.

D. Timberline Disposal

The Timberline dumpster will be dropped off tomorrow. Gary Nicholds sent a registered letter and an email to Waste Management about picking up their dumpster but has not received a response.

E. Waterline Loan

Gary Nicholds submitted all the paperwork at First Bank but has not yet heard back. Gary was asked to get a bid from RKR, Stan Miller and Tom Hill or another contractor who does that kind of work. He will also speak to the Water District about the fire hydrant on the corner that may not have water pressure.

F. Step Repair

The two steps were repaired. The landscaping ties were also fixed with rebar.

G. Dirt/Gravel Behind Building A

Dirt and gravel will be delivered behind the buildings after Labor Day.

H. Crack Seal Bid

Gary Nicholds will obtain bids for crack sealing only.

I. Resort/Internet Cable and Internet

Mark Yeager recommended tabling any action until it is determined if the rate changed on the July bill. Gary Nicholds noted that Comcast will be switching to all digital signal by the end of the fall. He said there would be another option for high speed internet through Cobianet. They provide service for \$10/unit/month but they would require all units to participate.

J. Bulk Gas

Gary Nicholds was asked to speak to the bulk gas provider to determine if the Association would qualify for a locked gas rate. Gary said he would need 12 months of bills for analysis.

V. OLD BUSINESS

A. Windows

Diana Sunstrum said there was a problem with one window in her unit that was installed in 2008. Gary Nicholds recommended she contact the installer because it may still be under warranty. She said she could provide the material needed to make the repair and asked if Eric Nicholds could do the work. Gary said he would look at what needs to be done.

VI. SET NEXT MEETING DATE

The Board will try to schedule a meeting sometime in August.

VII. ADJOURNMENT

With no further business the meeting was adjourned at 5:11 p.m.

Approved By: _____

Board Member Signature

Date: _____

MOUNTAIN COUNTRY CONDOMINIUMS AT LAKE DILLON, INC.
BOARD OF DIRECTORS MEETING
June 1, 2013

I. CALL TO ORDER AND ROLL CALL

The meeting was called to order at 11:52 a.m. in the Dillon Town Hall.

Board members participating were:

Mark Yeager, A202	John Reich, A103 (teleconference)
William Crangle, B104	Mindy McClain, A101
Diana Sunstrum, A104	

Representing Basic Property Management were Gary Nicholds and Giovanna Voge. Erika Krainz of Summit Management Resources was recording secretary.

II. APPROVE PREVIOUS MEETING MINUTES

Diana Sunstrum made a motion to approve the minutes of the June 16, 2012 Board Meeting as presented. Mindy McClain seconded and the motion carried.

III. ELECTION OF OFFICERS

Officers were elected as follows:

President – Mark Yeager
Vice President – William Crangle
Secretary/Treasurer – Mindy McClain
Assistant Treasurer – Giovanna Voge
Members - John Reich and Diane Sunstrum
Alternate – Robert Stevens

IV. BUSINESS

A. *Fiscal Closeout 2012/2013 Financials*

Giovanna Voge will meet with Jean Hammes once all the books have been closed.

B. *Adoption of Association's 2013/2014 Budget*

Mark Yeager made a motion to adopt the 2013/2014 as presented at the Annual Meeting and to make revisions as appropriate as more information is gathered. Diane Sunstrum seconded and the motion carried.

V. BOARD WORKING STRUCTURE

A. *Communication Process Among Board of Directors*

Gary Nicholds said the Board is allowed to communicate outside of meetings but all decisions must be documented, saved in the Association files and formally approved at the next regular meeting. Diane Sunstrum suggested that the Board meet informally on a monthly basis.

- B. Review and Approval Process for Work Bids and Contracts*
Mark Yeager made a motion to require management to obtain three bids for any project over \$5,000. Diane Sunstrum seconded and the motion carried.
- C. Review and Approval Process for Bill Payments*
Management was directed to send bills from Mac to Mark Yeager for review. Giovanna Voge was authorized to pay the ongoing monthly bills. She will forward any unusual expenses to the Board for review.
- D. Communication Process Between Board, Service Contractors & Management Company*
Gary Nicholds will be introduced to the service contractors.
- E. Scheduling Regular Board Meetings*
The next Board Meeting was set for Tuesday, July 9, 2013 at 4:00 p.m. at the Basic Property Management Office. Topics for discussion will include the water main replacement and loan options.
- The Board scheduled the property tour for Tuesday, June 4, 2013 at 4:00 p.m.
- F. Unit Access*
Mark Yeager said the unit access issue had to be resolved before scheduling the chimney sweeping. Gary Nicholds was asked to call John Reich to get the code to enter his unit. Gary will check with the new owners of B102 to ensure he has a new key to the unit.
- G. Chimney Sweeping*
Mark Yeager made a motion to get bids from Clarence Medina and Chim Chiminee for inspecting and sweeping the chimneys.
- H. Building Repairs*
1. William Crangle will call Mac about the pipe that freezes in his unit.
 2. The Board will look for a leak in a bulging pipe by Unit 104 during the property tour.

VI. ADJOURNMENT

With no further business Mark Yeager made a motion to adjourn at 12:27 a.m.

Approved By: _____
Board Member Signature

Date: _____