

## **Beaver Village Filing 2 Update**

### **Summer 2018 Report**

Our annual meeting has just concluded and many of you were unable to attend. Several important decisions were made at the last board meeting and were reported at the annual meeting. I would like to report these to you.

#### **Cable Television**

Our current five-year contract with Comcast was set to expire on July 31, 2018. Many of our homeowners have asked for high-definition service (HD), and a number of people are already paying for this service. We have just signed a new 5-year agreement with Comcast to include HD service. The increase in cost for this is \$5 per unit per month. This new service will include a master receiver in the living room and up to two additional secondary receivers in the bedrooms. Comcast will be upgrading all the exterior wiring to service the master receiver. Comcast does not, however, do any interior wiring. We have heard of many cases of the existing interior wiring being sufficient to carry the HD signal to the secondary receivers. If your interior wiring is not sufficient, or if you want to add additional wiring, you will have to contact a local electrician to have this work completed. Comcast is reporting a 3-6 month lead time for the upgrade to HD, so expect this service to start sometime this fall.

#### **Internet Service**

Big news: we are upgrading our internet service to a high-speed service! The board investigated three options and has decided to go with CenturyLink fiber-based internet service. We chose to go with 100 MBps service based on the

usage of other condo associations of our size. The price of the service will be increasing by \$10 per unit per month to \$26 per unit per month for this service. The CenturyLink fiber will be brought into a hub next to Building 9. Dan Madigan of Condo Wireless will be installing fiber between our buildings to connect to the CenturyLink hub. The current wireless access points on the buildings (which we upgraded about 18 months ago) will be used with the CenturyLink service. The board also decided to upgrade the main fiber switch in each building to allow Ethernet ports to be installed in the units at the owners' expense. If you are interested in a direct wired connection to the fiber system, look for an email with details on this coming soon. The cost will be \$225 to have up to two Ethernet ports be installed in your unit by Dan Madigan. The anticipated go-live date for the high-speed internet service is September 2018.

#### **Mountain Chalet Property Management**

Our existing three-year contract with Mountain Chalet Property Management was set to expire on July 31, 2018. The board decided to sign a new 3-year contract with Mountain Chalet since we have been happy with their service to our Filing. In the new contract the base management fee did not change at \$21 per unit per month. However, the labor rates for grounds and common area maintenance have increased significantly as a result of Mountain Chalet Property Management having to pay their employees a living wage in the Fraser Valley.

#### **Insurance**

As a result of the fire claim and increasing our insurance coverage to include bringing the units back to 'original condition' due to a loss, we

experienced a 25% increase in premiums in 2017 which we had not anticipated in our 2018 budget. This year we have directly contacted our insurance agent to budget properly for any increases, and he has instructed us to anticipate a 10% increase this year in premiums due to all the hail and fire claims that have occurred in Colorado this year.

### **Homeowner Dues**

As a result of enhanced services such as HD cable and high-speed internet service, as well as increased labor rates and insurance, our 2019 budget is increasing 11% over last year. Therefore, the base unit dues will be increasing \$125 per quarter from \$1,130 to \$1,255 per quarter. This will take effect at the start of our fiscal year on October 1, 2018.

### **Crawlspace Remediation**

As many of you are aware, in 2014 we identified a moisture problem in our building crawlspaces. An engineer was called in to examine the situation and he suggested a remediation process wherein the floor is covered with a 20 mil vapor barrier that is taped to the walls to eliminate water intrusion, and the walls are sprayed with antimicrobial insulating foam to prevent mold. This process is extensive and costs between \$30-40k per crawlspace. We came up with a long term plan to do a crawlspace every other year over 10 years, and we increased the portion of dues that are allocated to the Capital Replacement Fund (CRF) to cover this.

Building 7 was remediated first in 2015 since it had a significant mold problem that made it unsafe to enter the crawlspace. This work was performed at a cost of \$35k. At this time we encountered another more significant problem

in Building 8 where the sill plate had begun to fail as a result of water damage. This was an immediate problem that needed to be addressed. The total cost to replace the sill plate, eliminate the water entry points, and to rebuild the back decks was \$76k. Fortunately, we had enough money in the CRF to cover this significant cost, but this did not include the crawlspace remediation project on that building.

With the fire in Building 6 in 2017, the construction company was already on site and rebuilding part of the crawlspace. We took the opportunity to remediate the building's crawlspace for \$25k, thus saving \$10k.

At the beginning of 2018, our plan was to increase the portion of dues that are put into the CRF to cover the estimated \$130k for the remediation of Buildings 5, 8, and 9 to be done in 2020, 2022, and finally in 2024.

Recently we had the construction company provide us with a bid to do all three crawlspaces at once; the cost would be roughly \$38k per crawlspace. There are significant advantages to finishing all three crawlspaces sooner rather than later. First, costs are increasing at a rapid rate (both materials and labor are rising higher than inflation). Second, building codes continue to change resulting in potentially increased costs. Third, additional problems in our buildings may crop up as a result of waiting 6 years to finish the project. We have heard of instances where water in the crawlspaces has affected the main plumbing supply lines resulting in significant costs.

As a result of these considerations, the board has decided to implement a special assessment to finish the crawlspace remediation project now. This decision will protect the health of our

buildings and keep long term costs down, but will also ensure that our CRF is adequately funded to cover any future capital expenses, both planned and unanticipated. A special assessment of \$2,000 per unit was approved effective immediately. It will be payable by March 31, 2019 with work to be done on the crawlspaces in the spring of 2019. This assessment will be shown on your owner statements issued in early October with the March 31, 2019 due date.

### **Summary**

I hope you all can understand the importance of all the projects outlined above. Condo prices in Beaver Village have increased 56% over the last two years, and the increase in the dues as well as the special assessment will help protect our investment in Winter Park.

Sincerely,

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Filing 2 Board President

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