

ANNUAL MEETING OF
BEAVER VILLAGE CONDOMINIUM ASSOCIATION FILING NO. 2
JULY 14, 2018
9:30 AM
BEAVER VILLAGE REC CENTER
MEETING MINUTES

CALL TO ORDER—INTRODUCTION OF BOARD OF DIRECTORS

The meeting was called to order at 9:38 AM. The board of directors present introduced themselves. All owners in attendance also introduced themselves.

APPROVE THE AGENDA

A motion was made to approve the agenda presented with a change to move the 2019 Budget topic ahead of the Capital Replacement Fund topic. The motion was seconded. The motion passed unanimously.

ROLL CALL AND CERTIFICATION OF PROXIES

Mountain Chalet certified that there were 20 proxies and 15 present for a total of 35 units represented. 29 units are required for a quorum, thus a quorum was declared for an official meeting of the Beaver Village Condominium Association Filing NO. 2.

VERIFY PROOF OF NOTICE OF MEETING

Mountain Chalet stated that all required notices and postings were done per state law.

APPROVAL OF MEETING MINUTES FROM July 22, 2017 ANNUAL MEETING

A motion was made and seconded to approve the meeting minutes as presented from the July 22, 2017 annual meeting. The motion passed unanimously.

ANNUAL PROPERTY MANAGEMENT REPORT

Chad Griffith presented the property management report.

- The rebuild of the three fire damaged units in building 6 is all complete. One was finished prior to the Christmas holiday period. The remaining two were finished in January and March. As part of the project, the board made the decision to proceed with the crawlspace conditioning for building 6 while RMCAT, the contractor, was onsite. The association was able to realize cost savings by having it done now while RMCAT was fully mobilized onsite. That project is finished, and the owners are welcome to view that project after the meeting if they would like.
- Rear deck staining project was completed last fall. Mountain Chalet put that out to bid to multiple vendors. True Exteriors completed the work per their bid and on time with minimal impact to owners. The finished work looked very good.
- As a result of the fire, the insurance company (Farmers Insurance) sent a representative to evaluate the overall property for any potential issues in the future. The insurance representative noted that the space between the balusters in the stairwells was too wide per present code. Mountain Chalet has completed that work and all balusters in stairwells are now current to code.
- Building 7 had some railing issues where they were open and posed a possible danger. Mountain Chalet has fixed these.

- The insurance representative also noted specific trees on the property that were to close to the buildings. Mountain Chalet has trimmed all of these.
- All items noted by the insurance company have been resolved.

A question was asked if a definitive cause for the fire was ever determined. Chad Griffith replied that lithium batteries and electrical issues were ruled out as a cause. There was no official cause of the fire ever determined.

Chad Griffith concluded his report by directing the group to review the detailed property management report that was included in the meeting packet.

A motion was made and seconded to approve the property management report. The motion passed unanimously.

FINANCIAL REPORT

Janet Meinen presented the financial report. She reviewed the balance sheet dated as of May 31, 2018 and explained the overall cash position of the association. Janet Meinen noted that the unearned assessments line item reflects pre-paid HOA dues. She moved to a review of the profit and loss (budget versus actual) for the period of October 2017 through May 2018. Janet Meinen pointed out that the association was slightly over budget for this period, primarily due to an overage on the high-speed internet service. This was caused by a decision of Stay Winter Park to no longer fund a portion of the internet service (\$3300) which they had done in the past. This change happened after our budget was put together. The other area where the association has incurred a cost overrun is in the insurance cost, which is up \$3227 from what was budgeted. Grounds maintenance and common area maintenance were under budget. Mountain Chalet has determined some efficiency areas for the work in these activities. The insurance damage expense line amount of \$2999 represents additional expenses associated with the fire/claim. Janet Meinen noted that some of this may still be covered under insurance. Janet Meinen stated that she felt quite positive that the association would finish up their fiscal year very close to budget. Janet Meinen finished her report by reviewing the Capital Replacement Fund Balance as shown in the meeting packet.

Jim Raebiger led the discussion on the approved budget for the upcoming fiscal year. He started by stating that the board had approved a new 3 year management contract with Mountain Chalet. The board enjoys the working relationship with Mountain Chalet and wants to continue that, Jim Raebiger did note that the labor rates in the new contract are going up but that the management fee was staying the same. He noted that the overall cost of labor has risen dramatically in the valley and the higher labor rates are necessary to attract and retain quality personnel. Chad Griffith stated that Mountain Chalet enjoys working with Beaver Village Filing NO 2 and the board and thanked the board for the vote of confidence. He also reiterated the pressure on labor rates and the fact that Mountain Chalet has a skilled team of folks who can do work at a better cost to the association than if it was farmed out to a third-party vendor.

Jim Raebiger shifted the discussion to the topics of Comcast cable service. He noted that the contract with Comcast for BV2 was expiring. The board decided to execute a new 5 year contract. The new service will be a high definition signal with an expanded channel lineup. It will cost approximately an additional \$5 per unit per month for this expanded higher quality service. The new rates will not start until the service is installed by Comcast. This process will take 3 to 6 months. Each unit will receive one main HD box and two additional "slave" boxes. Comcast will provide all the necessary updated wiring at

no charge to the association. Jim Raebiger did note that Comcast is no longer doing any wiring inside the units. Comcast will notify owners who have existing personal upgraded accounts.

Jim Raebiger started the discussion on the internet upgrade planned for BV2. He stated that Tom Cummins, Mountain Chalet, and he did extensive research on the possible options for the association. Comcast options were reviewed. The advantage with using them would have been zero upfront cost for the upgrade. The disadvantages were a possible limit on speed/bandwidth (150 mbps max) and utilizing older coaxial cable technology. The board also reviewed and considered Mountain Broadband for internet upgrade. This is who filings 1 and 3 are presently using. This service utilizes fiber optic technology. The advantages to this platform were high speed/bandwidth (100 mbps) and a lower per unit cost per month. The big disadvantage was the upfront cost associated with having to pull the fiber into filing 2. This cost was estimated to be in the \$12K to \$13K range. The third option considered was Century Link and their fiber optic system. Century Link offered to bring fiber into filing 2 at building 9. The cost associated with bringing fiber into BV2 and distributing among the buildings was estimated to be around \$7K. The advantages with Century Link were high technology fiber with high speed/bandwidth (100 mbps up to 200 mbps) and a lower upfront cost than Mountain Broadband. Dan Madigan with Condo Wireless would provide the work necessary to get to all buildings and wire appropriately. He will correct all connectivity issues. The other advantage with Century Link would be a decrease in monthly costs after year 4. All three options were essentially the same cost after 5 years, the difference being in upfront versus delayed costs and technology. Jim Raebiger stated that the board had decided to go with the Century Link option. Tom Cummins stated that the date for the initial pull by Century Link for fiber will be July 20, 2019. Tom Cummins also pointed out that Dan Madigan will be providing wired access points for the internet at an additional charge for those owners that opt in. The price will be \$225 for two wired access connection points per unit. Mountain Chalet will contact all owners for interest and opt in.

Jim Raebiger reviewed the approved budget, noting that cable television would be going up by approximately \$3500, high speed internet would be significantly increasing (approximately \$8500) due to the upfront costs with pulling in the fiber, and also noted that grounds maintenance along with common area maintenance would be increasing due to the new labor rates. Mountain Chalet is budgeting for fewer hours in these areas. He also noted that insurance premiums are going up and that has added to the budget. Jim Raebiger stated that expenses in the approved budget have gone from \$231,848 to \$259,981, an 11% increase. This has resulted in an 11% increase in dues, which translates to approximately \$125 per unit per quarter for a base unit.

Jim Raebiger shifted the discussion to the Capital Reserve Fund Spreadsheet. He provided a quick review of the spreadsheet and how it works. It was also noted that \$57 per unit goes into the CRF annually. Jim Raebiger noted that the association became aware about three years ago of problems in the crawlspaces. In building 7 a serious mold problem was discovered, and an engineer was brought in to evaluate and make recommendations for remediation. Building 7 crawlspace project was done in 2015 at a cost of \$35,219. Problems were discovered in building 8 that required repairs that year. The sill plate was rotted, and the building needed strengthening along with the back decks being replaced. This was done in 2018 at a cost of \$76,389. The remaining buildings are slated for crawlspace remediations every other year. Because of the fire in building 6, the board decided to move forward with that project earlier than projected in order to realize significant cost savings since RMCAT was onsite working on the fire restoration of the three units in building 6. The association realized approximately \$10,000 savings in having that crawlspace done in 2018.

Jim Raebiger stated that the CRF spreadsheet shows the association is down to a capital reserve balance of only \$2175 by the year 2024, when the last crawlspace project is slated to be completed. He summarized that the board had spent a lot of time considering all the options to make sure the association would be properly funded for upcoming scheduled projects as well as any emergencies and/or enhancements. The board discussed the scenarios of a higher dues increases, special assessment, and a combination of the two. The board asked Mountain Chalet to obtain a revised bid from RMCAT to do all three remaining crawlspace projects now versus postponing them to every other year schedule. The revised bid from RMCAT was approximately \$112,000, which represented a savings of approximately \$28,000. Not only would there be a significant cost savings but also the assurance of getting the projects all done in a timely manner and avoiding any potential additional problems in the crawlspaces. The board decided at last night's board meeting to approve a special assessment of \$112,000 to pay for the remaining crawlspace repair/conditioning projects. This works out to approximately \$2000 per unit. There was discussion as to whether the association could lower their contribution to the CRF in light of the special assessment. The board did not want to do that but did suggest that the association could get to a fiscal point down the road where they could lower dues. Buildings 5,8, and 9 crawlspaces will be completed by summer of 2019. A question was asked if BV2 has ever had a special assessment. Tom Cummins replied no. The question was also asked if the other two filings had ever levied special assessments. Tom Cummins replied yes. The board was thanked for all their efforts on budgeting and proactive planning. The building staining project for buildings 8 and 9, slated for 2018 and 2019 respectively, have both been moved to 2019.

A motion was made to approve the financial report as presented, including the approved budget and special assessment. The motion was seconded. The motion passed unanimously.

BOARD OF DIRECTORS REPORT AND COMMITTEE REPORTS

1. **RECREATION BOARD UPDATE**---Jim Raebiger presented the report. He noted that Tom Cummins and he are the representatives from Filing NO 2 to the rec board.
 - a. Rec center financials look good
 - b. New signage
 - c. Rec building is being kept up very well. Building is and looks well maintained
 - d. New vendor has been found to put in new washers and dryers at the rec center
 - i. Brand new front load machines
 - ii. They take credit cards
 - iii. BVRA will pay a monthly fee but keep 80% of revenue
 - iv. Can send text message when laundry is done
 - v. Machines will be installed fall of 2018
 - e. Tom Cummins stated that an attorney from Denver will be present at the afternoon meeting to discuss the ramifications of annexation by Town of Winter Park
 - f. Wanda (the BV bus) will continue next season

OLD BUSINESS

Covered earlier in the meeting (fire repairs update and crawlspace remediation)

NEW BUSINESS

1. **INTERNET UPGRADE**--- This was covered earlier in the meeting.
2. **COMCAST CABLE RENEWAL**—This was covered earlier in the meeting.
3. **EXTERIOR LIGHT FIXTURES**---Jim Raebiger discussed the present condition of the exterior light fixtures at BV2. He noted that filing 3 had replaced all the exterior light fixtures and, in his

opinion, they look good. The BV2 light fixtures look very dated. He encouraged those in attendance to take a look at what filing 3 has done. Although this is not a budgeted item presently or in the capital reserve plan for the future, he did put together a rough estimate of cost to replace. There are 186 exterior lights. The approximate cost for this project would be in the \$10,000 range.

ELECTION OF BOARD OF DIRECTORS—2 POSITIONS

There were two board positions open since Tom Cummins and Lisa Effler's terms were expiring. Both Tom and Lisa had indicated earlier that they were willing to run again. There were no nominations from the owners 60 days prior to the meeting. **A motion was made and seconded to re-elect both Tom Cummins and Lisa Effler to another term by acclamation. The motion passed unanimously.**

ESTABLISH DATE FOR NEXT YEAR ANNUAL MEETING

July 13, 2019 9:30 AM

RATIFY ACTIONS OF BOARD OF DIRECTORS FOR PRECEDING YEAR INCLUDING FISCAL YEAR 2019 BUDGET

A motion was made to ratify the actions of the board of directors for the preceding year including the fiscal year 2019 budget. The motion was seconded. The motion passed unanimously.

OTHER BUSINESS

- i. Discussion on dogs off leashes, clean up of dog waste, etc. Mountain Chalet asked to be communicated with on issues of dogs and related problems
- ii. Smoking—problem with renters. Complaint should be filed with rental property manager if it is a rental unit.
- iii. Fine structure---the association/Mountain Chalet is presently revisiting the governing documents to be sure the policies and procedures are current and properly enforceable.
- iv. Pet registration---this policy is still in effect but being reviewed by the board for possible changes going forward.
- v. Short term rental units must be registered with Grand County. The permit number must be shown on listings.
- vi. Mountain Chalet will send reminder to all owners as to current rules and regulations.
- vii. Grand County does have a leash law for dogs.

ADJOURNMENT

There being no further business to discuss a motion was made and seconded to adjourn the meeting. The motion passed unanimously. The meeting was adjourned at 11:10 AM.

Approved: July 13, 2019

