

Annual Meeting of the Members of Bay Club at Frisco Condominiums

Saturday, June 5, 2009, 10:00 am held at the Frisco Town Hall Chambers

Call to Order and Attendance

Mimsi Milton Unit 116	Laurie Helmick Unit 216
Craig Kinney Unit 112	Randy Beeson Unit 115
Gainey Best Unit 215	Virgil Robinson Unit
Janis Taylor & Bill Erdkamp Unit 110	Bob & Lynn Butts Unit 209
Connie & Ken Stark Unit 103	Jana Edwards & Rick Poppe Unit 203
Bobby Hines Unit 210	Ron & Judy Palmer Unit 109
John & Barb Gallivan Unit 104	

Proxies

Unit 201 to Laurie Helmick	Unit 108 to Lynn Butts
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Representing the Management Company

Bob Towne, Bernadette Kromholz, Daniel Vlcek, and Moya Callahan

Call to Order/Quorum

A quorum was established with twelve members present and two proxies. Laurie Helmick chaired the meeting and called the meeting to order at 10:08 am and Moya Callahan recorded the minutes. Laurie Helmick asked everyone to introduce him or herself.

Approval of previous AGM minutes

A motion was made by Lynn Butts to approve the meeting minutes from June 6, 2009, as presented and was seconded by Ron Palmer. As all were in favor and none opposed, the motion passed.

Financials

Randy Beeson presented the financial report for Bay Club's fiscal year ending April 2010, and stated that the Association was positive to the budget for the year. Randy Beeson began with the profit and loss statement and explained a few line items: the late fees relate to one unit and they fall behind then catch up; the transfer to reserves were made throughout the year, however the association is not earning much on investments this year. Randy noted the fire protection system was significantly under budget. The fire inspections must occur once per year and the fire sprinkler system must be recertified annually. The fire inspection was with the internal sprinkler system as well as strobe lights on the buildings. The fire dept is coming back out to re-inspect. The association was under on the hot tub as they shut down the one hot tub and used its parts to repair the working tub. Thankfully, the association has not had trouble with the hot tubs all year. The legal and accounting is over budget as the association hired Richmond on a retainer basis. There were some catch up items on the accounting side with billing from prior years. The meeting expenses were from last year's annual meeting and a hearing regarding violations. The association was able to save some money on snow removal and it was confirmed that snow removal fees are contracted annually. One of the members asked if the

reserve expenses were accrual or actual and Randy reported actual. Another member asked about the asphalt reserve fund expense and Bob Town reported that the walkway in the courtyard was repaired, as it was a serious hazard. The balance sheet stated they are in pretty good shape and the cash on hand is approximately \$132,000. The accounts receivable primarily relates to one unit as they fall behind, and then catch up, then fall behind again. The Board and Management company continue to monitor their activity. Laurie Helmick thanked Randy Beeson for his diligence with the financials.

Bob Butts made a motion to approve the fiscal year end financials from April 2010, as presented and was seconded by Ron Palmer. As all were in favor and none opposed, the motion passed.

The excess income resolution was explained to the membership. As Bay Club HOA is a non-profit organization, they must not earn income. The excess income resolution must come from the membership to allow the excess funds to be moved into the reserve funds.

Virgil Robinson made a motion to accept placement of the excess income into the reserve account and was seconded by Ken Stark. As all were in favor and none opposed the motion passed.

Managers Report

Bob Towne reported that the association did not have any roof leaks or sprinkler head leaks. The snow removal from the roofs was minimal and the plowing was much better this year. There is still an issue with building 110 and Bob will try to improve on the icing problem next season. The hot tub did not experience any issues or repairs. However, he noted there was whitening on the fiberglass of the hot tub. The landscaping was started this week with fertilization, raking and cutting the grass. Bio Balance has treated the weeds for the first time this season. The irrigation was inspected with minimal repairs. The stair railings were getting loose and Bob tightened the railings. The sand barrel will be removed next week; however, it may not be stored in the storage room so the association will store it behind the dumpster along the backside. There was one deck failure this year at unit 205 and it is scheduled for replacement this year. The two other decks with the Trex decking are working well and the association will continue deck repairs with the Trex decking. They will be sealing all the decks on 114 building on the upper floor this summer. Also, repairing the concrete on the walkway up to the hot tub will begin in the next few weeks.

The property is looking good and Bob is trying to work with the county regarding the drainage issue on the north side.

Virgil Robinson suggested turning off the sprinklers on the north side as the trees are established. There is grass along there and if they turn off the sprinklers then they kill the grass. Laurie Helmick reported that Blue grass needs an inch of rain a week. Bob would like to keep the sprinklers on, but he can reduce it some. Bob explained why they wait until June 1st to turn on the sprinklers, due to the back flow preventer as it has plastic parts inside. If it freezes it will break and it would be about \$800 – \$900 to replace if it freezes. Last year, Bob started on one project early and the BFP froze. Bob does not want to take the risk of damaging the property and causing additional expense. He further reported that wrapping the line is not a viable alternative.

Gainey Best asked about the iron posts in the back where a tree was removed and Bob stated that he would work on pulling those out this summer. There is a dead tree there behind the area that should be removed. Laurie said they are grateful Bob made the transition to Wildernest.

Old business

Retention Basin:

Craig Kinney began the discussion regarding the retention basin and explained it has always been an issue. Last year the board presented the option of a deck and hot tub to the membership. The resistance from the membership was toward the hot tub. Again, the board decided that they needed to present another option for the basin. The board obtained a proposal from Neils Lunceford for \$3,000 to landscape the mid-level and landscaping will be at least a \$5,000 – \$6,000 budget item. Craig is personally in favor of the deck and feels it would increase the property values. The board is also presenting the option of just a deck and not hot tub. The contractor rebid the deck at \$37,000 and confirmed that the lower level units would not have an obstructed view. The deck would be build with Trex and eliminate the spending on the maintenance of the “hole in the ground”. Craig offered another thank you to Randy for the financials and for being so conservative and thorough. The association would be looking at a member assessment of about \$500 per unit with the deck this year. If landscaping, then irrigation would need to go down there and expenses would be more every year. A member asked about lighting and Bob reported that lights would be placed along the bottom for pedestrian visibility. There still needs to be a fence around the deck as it would be a 3’ drop. The basin floods a couple times a year and it cannot be built at ground level. The city engineer looked at the plans with a hot tub on top. The membership pointed out that there would be deck maintenance with deck furniture and queried what would they do with it in the winter. It was confirmed that there would be no BBQ or grills on the deck.

Virgil Robinson spent a lot of time cleaning up the mid-level and quite a few of the plants survived. There was some plant death, but it was expected. Bob ran a drip line there and he just needs to tie that into the existing line. Connie Stark asked if there are perennials coming up and Laurie commented that it would take a couple years for them to come up. The willows looked nice, but they had to get a Bobcat to get them out. The landscaping would need to be graded and soil enhanced.

Gainey Best voiced that he is against the decking and wants to know about life cycle costs. They have discussed the life cycle costs to maintain landscaping and mulching. The only landscaping at the second tier is at the bottom of the U with shrubs. Virgil asked if the board planned on using the deck year round as there is concern with snow storage and shoveling. The board reported that they felt the deck would be used mainly in the summer. A question was asked if there are any codes or ordinances to build over the retention basin and it was confirmed that the association could build into the area. Bill Erdkamp offered that the market analysis specific to decks say that people do not use their decks because of the exposure and questioned how much the deck will really be used. Even if no one uses the deck the basin will be covered and the eyesore will not be as visible. It was suggested that it could be a great meeting area. The basin is about 45’ square and it would cover about 90% of the basin. Laurie commented that to move forward with the deck proposal, they would need 67% of the membership to vote for the deck. She asked if she could see from the present attendees how they felt about the deck: 6 in favor, 6 against, 1 I don’t know. The Board feels strongly that they have to make the area more attractive.

Landscaping: The beds need to be remulched. The trimming of bushes needs to be addressed around the courtyard and in front of units. They need to be taken down by about half of what they are now. Laurie reminded that she takes care of the beds every year and she is very excited about the gardens and how they look this year. Virgil Robinson stated that Frisco has a city code regarding control of noxious weeds and the

undeveloped lots on Beaver Lodge Road have only been treated one year in the past ten. He recommended that the HOA Board write a letter to the Frisco Public Works Department requesting that this situation be handled per the city code.

New Business

2010 Budget&Reserve Ratification

Randy noted the slight increase in dues due to the expenses beyond the board's control. Overall, with operating expenses the increase was appropriate and the reserves are in good shape as the association will be in a positive position in 2025. The deck repair noted in the manager's report needs to be completed and the painting bid was significantly lower. Lynn commented that she appreciated the slight increase and thanked everyone. There have been increases over the years as the homes are aging and that is when you see the increases in dues. Bernadette commented that the dues were in alignment with other associations in size and shape of Bay Club.

Gainey Best made a motion to approve the 2010 - 2011 budget as presented and was seconded by Laurie Helmick. As all were in favor and none opposed, the motion passed.

Exterior Painting – Colors: The Board has a plan to paint the exterior of the buildings this year. Laure began that everyone probably has an opinion on color, but she would like to form a committee to help choose the colors. The goal is to get this accomplished as soon as possible with Platte Painting. Bay Club is on a tentative schedule with Platte Painting and will need to make decisions by July. The committee will paint the colors on the side of a shed to determine color and set a goal of July 4th weekend. Each unit could come and vote with a sign up sheet. It was noted that natural colors are important. Volunteers from the membership to join the committee were: Janis Taylor & Bill Erdkamp, Mimsi Milton & Judy Palmer. Laurie reminded everyone that it is the Board's final decision on colors. There are currently four colors on the buildings and the association should stay with 3 or 4 colors. The management company will email to notify the members and then mail in the July statements. Bob will confirm a schedule with Platte Painting to ensure the painting is complete by August.

A member commented about some of the stone falling between the flashing and siding. Bob has a repair that he is working on this summer prior to beginning the painting.

Election of Board:

Currently, there are four Board members; Paul stepped down as he has ALS. There are two board members with terms up this year, Mimsi & Randy. Both said they would stay on the Board; however, they do need one other member to step up to serve on the Board and bring their expertise. The board meets via teleconference and in person. Janis Taylor agreed to serve on the board.

Lynn Butts made a motion to opt to waive the secret ballot and elect Janis Taylor, Mimsi Milton and Randy Beeson by acclamation to the Board of Directors for two-year terms and was seconded by Ron Palmer. As all were in favor and none opposed, the motion passed.

Management Company:

Due to health reasons, Rick Pyle had to move from the county and sold Mount Royal Properties. Bob Towne, Jillian Campbell and Moya Callahan made the transition from Mount Royal Properties to Wildernest Property Management. All parties will work diligently to educate Wildernest Property Management on Bay Club. Laurie Helmick made a personal comment that she attended a seminar last weekend, which was hosted by Wildernest Property Management. She expressed that she was extremely impressed and had an opportunity to speak with some of the people at Wildernest.

Bernadette Kromholz began by expressing she was very happy to be there with Bay Club. She is the General Manager of Wildernest Property Management and has been with the company for seventeen years. She has been with them that long as she felt that the company matched her personal integrity. Wildernest Property Management held its first board seminar and she felt it was very informative. She gave a brief summary of the existence of Wildernest Property Management as they have been in business for twenty-five years and Tony Snyder has been an owner for that length of time. He sold the company to Copper ten years ago and then bought it back as he was not happy with the direction the company was taking. Currently, he is in a partnership with five other individuals. Gary Barr is one of the partners and he is from Carbondale. He is investing in employee education and training. The board seminar was his idea. The management contract will be the same. They are currently looking at outside services to save some money ie: insurance and trash. Wildernest Property Management has negotiated several contracts and can save the association money. A question was asked about the possibility of recycling and it was reported that recycling is an additional cost. The dumpster enclosure can only hold the dumpster right now and the HOA would need to build out an enclosure for recycling. They currently manage 75 HOAs. She expressed that Wildernest Property Management was pleased that Bob and Moya were staying on.

Daniel Vlcek has been with Wildernest Property Management for seven years and expressed that they have several long time employees. He reported that they respect the employees and he likes working for Wildernest Property Management. The HOA will be moved over in the next few months to a new accounting system and website. Craig Kinney is excited about the website and stated that it will be an excellent source for information. The website will be password protected, have a calendar for Board, look at any of your accounts (w/o, dues, etc.). The current website for review is www.wildernesthoa.com. A question was asked if the members would have the capability to carry on an online discussion, however, the website does not have that option at this time. Both Bob and Moya expressed how well they have been received at Wildernest Property Management and they are very excited to be working for them. Bernadette concluded that Wildernest Property Management views managing as a partnership and encourages the membership to contact them with any questions, or concerns.

Bob will continue the security checks and those occur twice a month.

Comcast is cutting off all digital services - is the same thing going on here? Summit County cable services are much different than in the Denver area. We have not received any notifications from Comcast to date.

Bill asked if owners are required to get approval from the people downstairs to install hardwood floors. There is nothing in the Rules and Regulations that says that specifically, however, Bob to get back to Bill.

Sign – Do Not Enter Wetlands – has faded overnight. The HOA would have to replace the sign and Bob said he would talk to a couple sign companies.

Next AGM: June 4th at 10:00 am; the Board will meet at 9:00 am.

Adjournment

As there was no further business to discuss: **Mimsi Milton made a motion to adjourn and was seconded by Laurie Helmick. As all were in favor and none opposed, the meeting was adjourned at roughly 11: 54 am.**

I hereby attest that these minutes are a true and accurate account of the meeting thus held on June 5, 2010.

_____ as _____

Signed

Board Position

Date