

FROSTFIRE CONDOMINIUM ASSOCIATION
Board of Directors Meeting
November 18, 2008
Conference Call

Board members present were:

Mary Parrott, Merrel Miller and Marie Keeney participated via telephone.

Representing Summit Resort Group were Kevin Lovett and Peter Schutz.

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I. Call to Order; 10:00 am

II. Owners Forum – The meeting was advertised on the website; no owners, besides Board members, were present.

III. Approve Minutes from 7-19-08 Board Meeting (post annual) – Minutes were approved as presented.

IV. Financial Review

Kevin Lovett and Merrel Miller presented the financial report as follows:

October 31, 2008 close financials Balance Sheet reports that Frostfire has \$4,400 operating and \$40,384 in Reserves.

October 31, 2008 close Profit and Loss Statement reports that Frostfire is \$33 under budget in Operating expenses. Significant area of overage is landscaping.

Merrel Miller presented the fact that average monthly operating expenses for Frostfire are in the \$10,000 range. The projected 2008 fiscal year end operating account balance should be approximately \$7,000. Merrel Miller proposed a reallocation take place to increase the operating account balance at the beginning of the 2009 fiscal year by \$3000 which would take the 2009 beginning year balance to \$10,000. This would be done with a decrease to the annual reserve contribution.

2009 Budget plans

The overall guiding principal the Board discussed in preparing the 2009 budgeting plans was to avoid an increase to dues.

Operating Plan

The areas of proposed change from 2008 – 2009 include:

- 500 management fee 3% inc \$984 annual
- 504 Gas hot tub – 10% decrease, \$332 annual
- 509 Satellite – 5% decrease, \$264 annual
- 515 Trash Removal – 4% increase, \$132 annual
- 535 Landscaping – 150% increase, \$3000 annual

-550 Legal and Professional – 8% increase, \$25 annual

The above changes equate to a total proposed operating expense increase of \$3545 (2% increase in expenses)

The Board approved the above expense allocations. The plan to cover the \$3545 expense increase is to reduce the annual reserve contribution by the same amount. This decrease of \$3545 to the annual reserve contribution coupled with the above discussed \$3000 reduction to the annual reserve contribution to increase the operating account balance results in a total decrease to the 2009 annual reserve account contribution of \$6545. This allocation was approved.

Capital Plan

The Capital Reserve Plan was reviewed.

Projects to be included in the 2009 plan include:

- \$2000 for annual roof inspection and repairs
- \$750 for additional internet equipment at the E bldg if deemed necessary
- \$3000 for painting of the North side of the bldg exterior
- \$4500 for deck railing painting
- \$12,000 for entry tile replacement

Additional bids will be received for all projects prior to the 2009 construction season.

SRG will revise the operating and capital budgets and send to the board for final review along with a draft letter to be sent to the owners informing them of the 2009 budgeting plan and the fact that dues are to remain the same.

V. **Managing Agents Report** – Kevin Lovett of SRG reported on the following items:

Completed items

- Asphalt repair to “small” landing area between the backside A bldg steps from hot tub to the bike path
- Repair to PVC drainage pipe that runs under the bike path
- Brick work
- HDTV install dish and backbone install
- Sprinkler line added by E bldg
- New sign installed, Frostfire 1653 Oro Grande
- Winter Prep, snow plow contractor, irr blow out, roof snow removal contract in place

Pending / Report Items

- Fireplace inspections and chimney sweeps; scheduled for Friday Nov 21
- Deck railing painting; the initial bid to paint the metal deck railings is \$4500

VI. **Old Business**

A. Unit E -9 Floor

The Board heard a report on the cracked tile in Unit E-9 from Kevin Lovett. He reported that an inspection of the joists and wooden subfloor below the unit in question are in good shape and do not appear to be involved in the problem. He reported that Frostfire construction involves gypcrete flooring on top of the subfloors which are then covered by tile, carpet, or other materials at the owner's discretion. The Board reviewed the condominium declarations document and concluded that the Association is not responsible for either cracked tile or deterioration of the gypcrete flooring material, only for the wooden subfloor. Thus, it is the owner's responsibility to prevent damage to the gypcrete or to repair and maintain it as needed due to normal wear and tear.

After a further inspection by the Board Treasurer in December, if no further information indicating Association responsibility is determined, the owner of Unit E-9 will be informed that repair of the cracked tile and underlying floor are his responsibility.

VII. New Business

It was noted that a few of the ground floor back decks are in need of painting. SRG will take inventory in the spring of 2009 and remind the owners of those units that it is their responsibility to maintain and paint the deck surfaces. If the owners do not paint their decks, then SRG will and rebill the owner.

Marie Keeney stated that her unit is now on the market; she will continue to serve until the unit sells.

VIII. Next Meeting Date

SRG will poll the Board members for the next meeting date.

IX. Adjournment

The meeting adjourned at 11:25 am