

**VILLAS AT PROSPECT POINT CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING
FEBRUARY 13, 2009**

I. CALL TO ORDER

The meeting was called to order at 5:37 p.m.

Board members present were:

Rob Bullard, President

Kevin McClain, Member

Joe Woodrow, Treasurer

Scott McLean, Member

Representing Summit Resort Group were Peter Schutz and Kevin Lovett. Erika Krainz of Summit Management Resources was recording secretary.

II. INSURANCE DISCUSSION

Bob Strong of Farmer's Insurance was a guest at the meeting. He provided an analysis of the insurance policy for the property. The policy was started as a blanket policy in 1990 for Columbine Management. When it renews, he reviews the loss history of the entire Columbine account and negotiates the rate. Highlights of the policy included:

1. \$173/sq.ft. reconstruction value, with a total \$16 million building value but access to a blanket limit of \$124 million in the event of a catastrophic loss.
2. \$1,000 deductible.
3. The building definition includes the building, units and improvements. Farmer's does not defer to the condominium Declarations for definitions.
4. CCIOA requires that trust accounts are insured for employee dishonesty. There are shared limits to \$1 million for theft by the management company staff.
5. The D&O Liability coverage is very comprehensive.

Rob Bullard said there was probably overlap with the individual owner policies and the Association was likely over insured because Senate Bills 100/89 assign the responsibility as it is defined in the Declarations. He inquired as to the changing cost if the policy was rolled back to a bare walls policy. Bob Strong said as long as it is permitted in the Declarations, he can write a bare walls policy and lower the building value to \$13 million. The Board would need to make sure owners understand their responsibility for coverage. Bob said the Board can control the responsibility by increasing the deductible to \$5,000, which owners can cover through their H06 policy.

The current insurance philosophy is "deep"; a bare walls policy would be "shallow". The Board needs to evaluate the level of savings that would be achieved by switching to a bare walls policy.

Bob did not anticipate that there would be any change in the premium for the coming year. Increasing the deductible from \$1,000 to \$5,000 would decrease the policy premium by about 5%, and a bare walls policy would reduce the premium by approximately 20 - 25% (\$3,250 in a \$13,000 policy).

III. OWNER FORUM

No owners were present.

IV. APPROVAL OF PREVIOUS MEETING MINUTES

Kevin McClain made a motion to approve the November 14, 2008 Board Meeting minutes as presented. The motion was seconded and carried.

V. FINANCIAL REVIEW

Balance Sheet as of December 31, 2008:

1. Total Current Assets - \$244,637. This includes \$41,952 in the Operating Account and \$202,586 in the Reserve Account. Peter Schutz is looking at a program to buy CD's in smaller increments through a broker to keep the balances below the \$250,000 FDIC insured limit.
2. Total Liabilities - \$2,814.
3. Total Liabilities and Equity - \$246,888.

Profit and Loss as of December 31, 2008:

1. Total Income - \$240,456 actual vs. \$237,364 budget.
2. Total Expenses - \$223,440 actual vs. \$190,533 budget. The Association was under budget in most accounts except Insurance Contingency, which was \$14,898 over budget due to roof leaks in the previous fiscal year.
3. Net Income - \$17,015 actual vs. \$46,831 budget.

VI. MANAGING AGENT'S REPORT

A. Roof Leaks

1. 1505-207 – carpet stain removal complete.
 2. 1511 – flat roof leaked into common area but there was no unit damage.
 3. 1509 – 205 – flat roof leaked and need to repair drywall in unit.
 4. 1501-203 – flat roof leaked into common area but there was no unit damage.
- Chris has been pulling snow off the roofs with the roof rake and knocking down icicles.

B. Snow Removal

Scott McLean said the contractor had been doing a good job. Owners should be reminded in the next dues notice about moving their cars so the spots can be cleared.

C. Hot Tubs

1. The hot tub covers were replaced.
2. Per the November Board Meeting, an owner survey was sent out; sixteen units are owner occupied, five are rented short term, eight are rented long term and twenty-two are second homes.

D. Street Number Signs

The cost would be \$100/each to refinish the signs or \$150/each to replace the four signs. The Board directed Kevin Lovett to refinish them.

VII. OLD BUSINESS

- A. *House Rules – Wind Chime Vote*
Discussion was tabled until the next meeting.

VIII. NEW BUSINESS

- A. *2009 Annual Meeting*
The Annual Meeting will be Saturday, May 23 at 10:00 a.m. The Board agreed not to have a presentation by the town. The Master Board will meet at 9:00 a.m. An insurance presentation by Bob Strong and Scott Morlan should be scheduled at 11:30 a.m. The meeting notice will be sent April 23, 2009.
- B. *2009/2010 Budget Preparation*
Kevin Lovett will start budget preparation after the close of February financials. He will prepare a sample budget and email it to the Board for review.
- C. *Heat Tape*
Two sections of heat tape in the atriums of 1505 and 1509 are not functioning. Rob Bullard said the tapes were no more than five years old. They were installed by Turner Morris; the section on 1505 is a Byelin panel and the other is regular heat tape. There is also some regular heat tape on 1505 that is not working. Kevin Lovett received an estimate of \$2,600 per section to replace the heat tape. He will first call Mark Hubbard from Turner Morris and have him look at the situation. Rob said he was struggling with a five year lifespan. He would like to pursue repairing the Byelin panel instead of replacing it. There may be a failure in the line somewhere as all the tape and panels appear to be on one circuit. Rob determined that the 1505 Byelin panel was installed in 2003 by Turner Morris and the 1509 heat tape was installed in 2002 by Ma Greene.

Joe Woodrow said the heat tape on Building 1513 should be checked because the electric bill was only \$25 last month.

Kevin Lovett was directed to have Encore check the heat tape on 1509 and to have Turner Morris check 1505.

IX. SET NEXT MEETING DATE

The next Board Meeting was set for Friday, March 13, 2009 at 5:30 p.m.

X. ADJOURNMENT

A motion was made to adjourn at 7:26 p.m.

Approved By: _____

Board Member Signature

Date: _____