

**VILLAS AT PROSPECT POINT CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING
MARCH 21, 2008**

I. CALL TO ORDER

The meeting was called to order at 5:45 p.m.

Board members present were:

Rob Bullard, President

Tony Peterson, Vice President

Kevin McClain, 2nd Vice President (via teleconference)

Joe Woodrow, Treasurer

Scott McLean, Secretary (via teleconference)

Representing Summit Resort Group was Peter Schutz. Erika Krainz of Summit Management Resources was recording secretary.

II. OWNER FORUM

No owners were present. Peter Schutz mentioned that the owners of Units 1515/201 and 1519/201 called today regarding roof issues.

III. APPROVAL OF PREVIOUS MEETING MINUTES

Joe Woodrow made a motion to approve the February 1, 2008 Board Meeting minutes as presented. Scott McLean seconded and the motion carried.

IV. MANAGING AGENT'S REPORT

A. Roof Leaks

There have been eighteen roof leaks since December 2007. Kevin Lovett has created a spreadsheet with all roof information. There is one more leak that is not on the list; it is an insurable event and the repairs will cost about \$2,600. Another owner has a window that is inoperable due to a leak. Peter Schutz told the owner it would be inspected Monday to determine if it should be submitted as an insurance claim. Peter said there should be more dollars allocated to roof issues in next year's budget. Another owner has been talking to Kevin about putting heat tapes in the roof valleys. Rob Bullard said there were no plans to add more heat tape in those areas and he would talk to the owner if necessary. Kevin McClain asked how much had been spent on roof leak repair this year. Peter estimated about \$3,000 had been spent for ice and snow removal but there were no figures on the spreadsheet reflecting interior unit repairs. Rob Bullard estimated \$16,000 (\$800/unit x 20 units). Kevin McClain wondered when it would be time to replace entire roofs instead of making annual costly repairs. Peter will get cost figures from Kevin Lovett. The oldest building is 1501, which was completed in September 1995.

Tony Peterson asked if there might be a piecemeal fix, such as adding metal flashing in the valleys but leaving the remainder of the shingles. Kevin McClain thought the ultimate fix would entail removing the shingles and adding a sticky membrane to the entire roof area. Rob Bullard asked Peter Schutz to get estimates from a couple of roofing contractors for new membrane, metal valleys and new shingles so the Board can analyze the costs. Scott McLean asked if shoveling the snow from the roofs would be a less expensive solution. Peter said roof shovelers charge \$80 – 100/person/hour so roof shoveling was actually rather expensive. Kevin pointed out that the snow on the roofs did not cause the leaks; the leaks are the result of the ice dams, which have to be removed forcefully with axes and pickaxes. Those tools often cause damage to the roofs. Peter said he would start by getting a bid from Turner Morris. If the Board decides to pursue reroofing, he will contact Arapahoe Roofing and one or two other contractors from Denver for bids. Rob asked if there should be specs provided. Kevin said there would be a cost involved as they would have to hire someone to provide the specs. He thought he could read through the bids and make a valid comparison. Peter was asked to get this information in time for the next Board meeting.

B. New Comcast Internet Options

Comcast is now offering a bulk rate of \$16.95/unit/month for 786 kbps speed with a modem in each unit, but all units must participate. Based on the financial position of the Association, the Board agreed this amenity should not be pursued at this time.

C. Dryer Vent Cleaning

The cost would be \$3,600 (\$40/unit x 90 units). The Board previously discussed this project and agreed to leave it up to the individual owners.

D. Railing Inspections

Summit Resort Group will inspect on a time and materials basis to determine if touch-up painting is possible or if complete repainting is needed. They will also check for railing damage. Kevin McClain said there were a couple of areas of major damage from the snowplow so there should be a hold back on payments to the snowplow contractor. The damage should be photographed for the record.

E. Insurance

The Farmer's policy is up for renewal on 4/1/08. Summit Resort Group has worked with Farmers to provide a package for all managed Associations. The quote for the coming year represents a 17% premium savings at \$12,358, down from \$14,805. The most significant change is the increase in the deductible from \$1,000 to \$5,000, in line with the national trend. Peter Schutz said he had a long standing relationship with Farmer's and the only other potentially competitive bidder would be Traveler's. Peter recommended the Board approve this program for insurance. Rob Bullard noted that the only other time the policy was put out

to bid, one company declined to bid and the other company was not even close to Farmer's. Rob said could make a quick phone call to Scott Morlan, who is a District Vice President for State Farm and could provide some industry advice.

The Board discussed the increased deductible and the concept of passing it through to owners. The Board agreed that if a claim is to the sole benefit of a single unit, it is not fair to pass it through to all the owners. This type of situation could force the Board or management to assign responsibility, which Rob would not want to do. Rob said the Board may need to spend some money for legal counsel to develop a policy to prevent owners from forcing claims onto the Association policy. Kevin McClain thought the Board had a fiduciary responsibility to get additional bids for the insurance. Tony Peterson made a motion to renew the Farmer's policy, to talk to Scott Morlan regarding the need for additional bids, and to solicit additional bids if needed. Kevin McClain noted the policy should be discussed with more lead time to the renewal date in the future. He also felt Scott Morlan's opinion would not eliminate the need for other bids. Tony Peterson amended his motion to simply renew the Farmer's policy. Joe Woodrow seconded and the motion carried with Joe Woodrow, Tony Peterson, Scott McLean and Rob Bullard in favor and Kevin McClain opposed.

Peter Schutz was asked to provide an estimate from another carrier by the end of April. Rob Bullard felt the Association should spend the money to consult the attorney about owner access to the Association policy, if it can be regulated through a policy and for an estimate of the Association's exposure. Kevin McClain pointed out the owners would need to be notified of the deductible change as soon as possible so they can have the opportunity to make adjustments to their personal policies as needed. Peter Schutz said he would talk to Bob Strong and try to get the \$1,000 deductible continued for the coming policy year. He will also contact the attorney regarding what can legally be done about the deductible. Rob will contact Scott with same question. Peter will work on this issue next week to resolve all the questions. If there are still issues, the motion to approve can be rescinded by email.

F. Salt in the Atrium

Kevin McClain said the salt being used in the atriums was causing problems. Peter Schutz will tell Rob Carter not to put any more salt in the atriums and to sweep out the existing salt.

V. OLD BUSINESS

A. Parking Garage Discussion

This item can be removed from future agendas.

VI. NEW BUSINESS

A. *Capital Project Planning 2008*

1. Railing Painting – \$5,000 is budgeted.
2. New Hot Tub Shells – \$18,000 is budgeted (can be moved out one year).
3. Hot Tub Covers – \$1,200 is budgeted (replace as needed).

B. *Drainage Remediation Fund 2008*

1. New Flat Roofs – \$14,000 is budgeted for two roofs. There are five remaining flat roofs (North 1503 and 1511 and South 1507, 1519 and 1521) but they have not leaked thus far. Some work could be done to the valley over 1501 where there have been ice dams and leakage into units. Rob Bullard suggested tabling further flat roof replacement until they have costs for complete roof replacement. Turner Morris should be asked to provide bids for complete roof replacement for both a six and a twelve unit building. Kevin Lovett will be asked to create a spreadsheet detailing all leaks and related expenses. Total roof replacement would be funded out of the general Reserve rather than the DRF.
2. Garage Water - Tony Peterson said he had about 6" of water in his garage. He has some ideas for remedying the problem. He would like to try his solution at a cost of under \$1,000. This amount should be added to the budget.

The Board agreed that in light of the recent roof leaks, the DRF should be continued for another year.

C. *Landscaping Budget Plan 2008*

1. Bed Cleaning – \$3,400.
2. Utility Shrub Boxes - \$1,000
3. Routine Expenses – \$700
4. Adopt a Flower Bed – \$700
5. Pine Beetle Spraying – \$450
6. Irrigation – \$1,000
7. 1503 Slash Removal - \$500. The Board noted the slash was not on Villas property so this project can be removed from the list.
8. Total - \$8,400

Tony Peterson would like to get bids for a landscape maintenance company to do the spring cleanup and to maintain the beds. Peter Schutz will solicit bids.

Several Board members agreed they would not support the construction of the utility boxes this coming summer, given the roof leak situation and potential costs associated with the repairs. Tony Peterson made a motion to reduce the Landscaping Budget by \$1,000 by eliminating the boxes. Kevin McClain seconded and the motion carried with Rob Bullard opposed.

D. Annual Meeting

The Annual Meeting will be May 24, 2008. The Master will meet at 9:00 a.m. and the Villas will meet at 10:00 a.m. Tony Peterson, Kevin McClain and Scott McLean will be up for re-election.

VII. FINANCIAL REVIEW

A. 2007/2008 Year-to-Date

As of February 29, 2008 the Operating balance was \$47,399, the Reserve balance was \$159,113 and the DRF balance was \$19,298.

B. Profit & Loss as of January 2008

As of February 29, 2008 the Association was operating \$4,074 under budget. Significant variances to budget included:

1. Repairs and Maintenance – \$1,056 over budget due to gutter repair on Building 1501 and completion of 1509 crawl space water remediation.
2. Landscaping – \$2,559 over budget as discussed at the October Board Meeting.
3. Snow Removal – \$141 over budget.
4. Accounting Audit – \$1,470 under budget due to timing.
5. Hot Tub Supplies – \$1,016 under budget.
6. Hot Tub Repairs – \$871 over budget.

The flat roof repair expense from summer 2007 still has not been moved from the Reserve account to the DRF. The clearing of the Due to/Due From the DRF in summer 2007 resulted in a significant decrease in the balance of the DRF. Rob will talk to the accountant about this issue.

C. Snow Removal Expense Summary 2007/2008

Peter Schutz reviewed the spreadsheet with Snow Removal expenses for November through March. The account was \$141 over budget year-to-date.

1. Supplies – \$992 actual/projected vs. \$550 budget.
2. Plow – \$5,440 actual/projected vs. \$7,600 budget.
3. Skidster – \$1,626 actual/projected vs. \$2,000 budget.
4. Ice Roof – \$3,762 actual/projected vs. \$2,000 budget.
5. Ice Labor – \$1,950 actual/projected vs. \$1,600 budget

There was dissatisfaction with the snow removal contractor back in January. Rob Bullard asked if the situation had improved. Peter Schutz did not know. Joe Woodrow said he spoke to the contractor and he feels they need additional direction from Rob Carter. Rob Bullard wondered if a pickup plow truck was the right solution for the complex.

D. 2008/2009 Operating, Reserve and DRF Budgets

A preliminary 2008/2009 Operating Budget was included in the meeting packet. The Board reviewed the changes as compared to 2007/2008.

1. Insurance – The Board felt the budgeted amount should be kept the same as the previous year, not decreased.
2. Rodent and Pest Control, Board Expense and Hot Tub R&M – Rob Bullard will speak to Kevin Lovett about the need for increases. He would anticipate a 10% inflation increase in each line item unless there are significant savings in the current year.

VIII. SET NEXT MEETING DATE

The next Board Meeting was set for Friday, April 11, 2008 at 5:30 p.m.

IX. ADJOURNMENT

Tony Peterson made a motion to adjourn at 8:00 p.m.

Approved By: _____ Date: _____
Board Member Signature