

Back Country Cabins Homeowner's Association, Inc.

Board Meeting – January 29, 2017

Minutes of Meeting

A meeting of the Back Country Cabins Homeowner's Association, Inc. ("the HOA") Board of Directors took place on Sunday, January 29, 2017 at the United Professional Management ("UPM") office, located at 524 Galena Street, Suite 100A, in Frisco, Colorado.

Attendees: Joel Pins – President, Back Country Cabins HOA
Pete Campbell* – Vice President, Back Country Cabins HOA
Sean Serell** – Secretary/Treasurer, Back Country Cabins HOA
Arthur Taylor – Owner #E, Back Country Cabins HOA
Bonnie Cole – President, UPM
Consuelo Redhorse – Bookkeeper, UPM
**Arrived to the meeting at 4:55pm*
***Teleconferenced into meeting*

TOPIC A. Roll call – Meeting called to order at 4:40pm

TOPIC B. Quorum – Quorum met with 2 of 3 HOA officers in attendance

TOPIC C. Reading of minutes

- (1) Motion: Sean motioned to waive the readings of the February 26, 2016 and June 25, 2016 Back Country Cabins HOA board meeting minutes. Joel seconded. Sean and Joel approved, Pete not present.
- (2) Motion: Sean motioned to approve the February 26, 2016 and June 25, 2016 Back Country Cabins HOA board meeting minutes. Joel seconded. Sean and Joel approved, Pete not present.

TOPIC D. Reports of officers – Board Member Positions (and future officer reports)

Motion: Sean motioned to keep the same positions as last year. Joel seconded. Sean and Joel approved, Pete not present.

TOPIC E. Reports of committees – No committees, no reports

TOPIC F. Unfinished business

- (1) Unit #D update – Clarification made from prior discussion: Owner of #D will provide hose for exterior water access
- (2) Proof of ownership and insurance update – Requested documents submitted to Manager by all Owners; no further action necessary
- (3) Sundial update (Pete Campbell enters board meeting)
 - a. Keypad door locks
 - i. Sundial offers for approximately \$75/each with a \$1.50/month monitoring fee
 - ii. President will get more information
 - b. Security camera
 - i. Installation cost for six cameras is \$1,000 (formally estimated at \$650), with \$3/month monitoring fee (unclear if this charge is per unit or the total monthly charge)
 - ii. Re-vote may be necessary when all fees are confirmed as approval of this service was contingent upon confirmation of the costs

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TOPIC F. Unfinished business (continued)

- c. Wi-Fi
 - i. Costs confirmed at \$60/unit for the installation fee and \$25/unit monthly service fee
 - ii. Group is still interested in setting up Wi-Fi for each unit and the storage unit
- d. Television – Group would like to know if this can be ordered individually
- e. President will contact Sundial for more information and update group
- (4) Boilers / frozen pipes / hot water filtration system update
 - a. Work completed recently
 - b. Group agrees that Owners affected will pay Steve Lassa directly
- (5) LCE deck account change
 - a. Manager reported that bank account for the deck reserves will be interest-bearing beginning in February 2017
 - b. Account is in the HOA's name
 - c. President and Manager are signers on the account
- (6) 2017 budget approved at the 2016 Annual Meeting
 - a. Bonnie passed out four documents for reference (see attached)
 - i. Proposed 2017 Budget Before Annual Meeting (annual totals only)
 - ii. Proposed 2017 Budget (by month)
 - iii. 2017 Budget – Cash Basis, No Dues Increase
 - iv. BCC 2107 Budget Approved Dues Allocation
 - b. Special assessment
 - i. Approved by majority vote at the 2016 Annual Meeting
 - ii. Annual total of \$1,368 to cover the one-time charges (\$300 for common deck picnic table, \$650 for security camera installation, \$420 Wi-Fi installation)
 - iii. Still undetermined how this will be paid by Owners (as a one-time charge of \$228/unit or payable with monthly dues at \$19/month for twelve months)
 - c. Water bills
 - i. At the 2016 Annual Meeting, members approved by majority vote for unit water bills to be paid by the HOA effective January 1, 2017 (previously paid by individual unit owners)
 - ii. UPM noted that the approved 2017 budget increased water expense based on a monthly increase of \$40/unit, but the water expense will increase by \$40/unit per quarter
 - iii. UPM discovered in January 2017 that #D has an automatic payment and #A and #E receive e-bills; #E noted that his bill is also on automatic payment
 - iv. Although historical costs have been the same for each unit (approximately \$40/quarter), group would like HOA to pay the bill
 - v. Payment will be made on the due date (January 31, 2017)
 - d. HOA dues increase
 - i. At the 2016 Annual Meeting, members approved by majority vote an HOA dues increase of approximately \$50/unit per month to cover the costs of the quarterly water bills and monthly Sundial Wi-Fi
 - ii. Allocation of monthly dues
 - 1. Dues allocation based on the Declaration Amendment
 - a. Manager reminded group that dues structure is based on the Declaration Amendment, therefore all dues increases must follow this structure

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TOPIC F. Unfinished business (continued)

- b. Monthly dues for #E and #F would increase by more than \$50 based on the Declaration Amendment
 - i. Secretary/Treasurer does not think this is fair, and each unit should pay the same amount for these bills since these costs are not based on square footage
 - ii. Manager noted that the dues structure in the Declaration Amendment accounts for this in the formula (50% based on even distribution and 50% based on square footage)
 - iii. Group discussed alternative options for dues increase charge
 - 1. Add water bill and Wi-Fi costs to "Special Assessment"
 - a. Manager advises against this as these costs do not fall under the definition of a special assessment and may negatively affect future unit resale
 - b. Vice President agrees that this may negatively affect future unit resale
 - 2. Vice President suggests a separate line item on monthly statement for water and Wi-Fi bills
 - a. Would not change the Declaration Amendment
 - b. Each unit would pay the same amount for these services
 - c. Manager advises against this option
 - i. As stated earlier, structure in the Declaration Amendment accounts for this in the formula (50% based on even distribution and 50% based on square footage)
 - ii. Declaration Amendment addresses these types of "equally distributed" costs (ex. HOA monthly management fee, HOA common area electric)
 - iii. Declaration Amendment took a year to create and was implemented with the future in mind
 - iv. Creates an unhealthy precedent for future charges
 - v. May negatively affect future unit resale
 - 3. **Motion: Sean motioned to keep the operating dues at the 2016 dues amount, and add two separate line items (as "Operating Income") for Sundial services at \$25/month per unit and water at \$40/quarter per unit, and any subsequent increases to those amounts. Pete seconded. Approved unanimously.**
 - iv. Manager suggests a Special Meeting for all Owners is scheduled, per the Bylaws
 - 1. The above motion changes the 2017 budget approved by majority vote at the 2016 Annual Meeting as the dues allocation is line an "appendix" to the budget and is therefore connected to the budget
 - 2. Group agrees to call a Special Meeting for Members
 - 3. Suggestion made to hold Special Meeting on February 15th, 2017 at 5:00pm (UPM Bookkeeper unable to attend)
- (7) Trash enclosure doors
- a. Blew off when they were left open during a very windy evening
 - b. Solutions
 - i. Reinstall
 - 1. A vendor quoted \$150 plus materials to reinstall
 - 2. Would require continued snow removal inside enclosure
 - a. Costly, especially during high snow years
 - b. Add a roof to enclosure to prevent this?

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TOPIC F. Unfinished business (continued)

- ii. Remove entire enclosure, and move trash and recycle bins into storage area
 - 1. Enclosure removal may require Town of Frisco approval, as they required the initial enclosure installation
 - 2. Would result in more snow storage
 - 3. May result in unpleasant odor and increased traffic in the storage area, as well as continued/increased renter issues with trash dumping
 - 4. Bins would need to be rolled outside weekly. Who would do this?
 - 5. Although the Town allows trash bins to be outside overnight, may result in bear activity
 - c. Group decided to table the issue until Spring board meeting. Until then, trash enclosures will not be installed and Manager will “monitor” trash pickup and snow accumulation in enclosure.
- (8) Rules & Regulations for Non-Owners and current issues with non-compliance
- a. Issues
 - i. Parking
 - 1. Continued issues with parking permits and parking in the wrong spot
 - 2. Vice President suggests signs on garage doors of unit #E and #F, and on the common area “garage door” (unit #A and #D parking spots); or a sign with a parking map
 - Secretary/Treasurer agrees parking is confusing and would improve with posted signage
 - ii. Trash & recycling
 - 1. Trash bags placed in recycling bin or outside empty trash bin
 - 2. Recycling contamination (food items found in recycling bin, trash found in glass bin)
 - 3. President has received notice from service provider that continued recycling contamination may result in fines
 - 4. Secretary/Treasurer suggests discontinuing recycling
 - iii. Smoking – Recent issues with short-term renters smoking outside, though it is prohibited in the Non-Owners Rules & Regulations
 - iv. Dogs – Currently no issues
 - v. Other – Short-term renters are knocking on President’s door, asking questions they should know the answers to
 - b. HOA responsibility vs. individual unit Owner/Manager responsibility
 - i. Manager believes HOA should not be responsible for short-term renters’ understanding of HOA rules and short-term managers should be more involved with educating renters
 - ii. Secretary/Treasurer feels it is the duty of the HOA Manager to monitor property and inform appropriate individuals of any issues as they happen
 - c. Possible solutions
 - i. Implement fees for non-compliance
 - 1. Secretary/Treasurer underlines importance of verifiable proof before fine is assessed
 - 2. Non-compliance affects the quiet and peaceful enjoyment of Owners
 - ii. Owners work with their short-term management company on improving rule compliance
 - iii. HOA vote to discontinue allowing short-term rentals
 - iv. Posting signs
 - d. Secretary/Treasurer to sign Rules & Regulations for Non-Owners at a future date

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TOPIC G. New business

- (1) Taxes – Group agrees to continue using All Money Matters for tax preparation (approximately \$300) and that no cost analysis is needed right now
- (2) Next Board Meeting – Will be after the ski season ends (April or May)
- (3) Annual Meeting clarification – Exterior doors of each unit will be refinished by Jim Walsh in Spring 2017; this will be an HOA reserve expense.
- (4) Online payments
 - a. UPM will email Owners soon with registration information
 - b. Several payment options (e-check, flat amount, etc.)
 - c. UPM available to answer any questions

TOPIC H. Adjournment – Motion: Joel motioned to adjourn at 6:53pm. Pete seconded. Unanimous approval.

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Proposed 2017 Budget

Before Annual Meeting

	Total	Notes
Operating Income		
Operating Dues	26,004	same as 2016
Dues to Reserve	(7,764)	same as 2016
Total Operating Income	18,240	
Direct Expenses		
Electric Utilities	240	same as 2016 budget \$100 less per month than 2016 budget - tree scale treatment (YTD
Grounds and Parking Maintenance	2,250	2016=\$1,828; 2015=\$1,048; 2014=\$833)
Management Fees	4,200	same as 2016 budget
Insurance	2,772	based on historical premium increases
Sewer	1,920	same as 2016 budget (on increases for 2017)
Trash and Recycling	684	increased based on billed increase (but rolled back to original amount) of \$57/mo
Snow Plowing	2,000	same as 2015-2016 contract terms
Snow Shoveling	2,400	same as 2016 budget
Total Direct Expense	16,466	
General & Administrative		
Legal, Accounting & Professional Fees	300	tax prep same as 2016 actual; no other services
Miscellaneous Expense	50	half of 2016 budget (applied other half to Office Expense)
Office Supplies and Expense	50	half of 2016 Misc Expense budget
Taxes and Licensing	38	same as 2016 budget
Total General & Administrative	438	
Total Operating Expenses	16,904	
Net Operating Income	1,336	
Reserve Income		
Reserve Dues	7,764	same as 2016
Total Reserve Income	7,764	
Net Reserve Income	7,764	
Reserve Activity:		
Projected Beginning Balance (1/1/17)	12,540	
#204 Bldg Ext Surfaces - Repaint	(12,777)	
#204 Bldg Ext Surfaces - Repaint (Done in 2015)	6,454	
#303 Wood Siding - Major Repair	(1,201)	
#403 Concrete Repair/Replace	(2,867)	
Less: Projected Expenditures per Reserve Study	(10,391)	
Reserve Contributions (2017)	7,764	
Projected Ending Balance (12/31/17)	9,913	

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2017 Budget - Cash Basis

No Dues Increase

	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Total	Notes
Operating Income														
Operating Dues *	1,741	2,595	2,167	2,167	2,167	2,167	2,167	2,167	2,167	2,167	2,167	2,167	26,006	same as accrual
Special Assessment														same as accrual
Dues to Reserve	(647)	(647)	(647)	(647)	(647)	(647)	(647)	(647)	(647)	(647)	(647)	(647)	(7,764)	same as 2016
Total Operating Income	1,094	1,948	1,520	1,520	1,520	1,520	1,520	1,520	1,520	1,520	1,520	1,520	18,242	
Direct Expenses														
Electric Utilities	24	24	24	24	16	16	16	16	16	16	24	24	240	same as accrual
Grounds and Parking Maintenance *					425	425	425	425	425	425			2,550	same as accrual
Management Fees	350	350	350	350	350	350	350	350	350	350	350	350	4,200	same as accrual
Insurance	220	220	220	220	220	242	242	242	242	242	242	242	2,794	new premium payment start in June (moved "up" by one month - prepaid by one month)
Internet / WiFi *			595	175	175	175	175	175	175	175	175	175	2,170	same as accrual
Security system *			650										650	same as accrual
Trash and Recycling	47	57	57	57	57	57	57	57	57	57	57	57	674	same as accrual
Snow Plowing	490	400	400	400	200							200	2,090	moved "back" one month (i.e. payment after service)
Snow Shovelling	1,250	400	400	400	400							400	3,250	moved "back" one month (i.e. payment after service)
Water and Sewer *	765			246	523		246	523		246	523		3,072	Quarterly billing (TOP = \$41/atr x 6 units, FSD = \$522/atr)
Total Direct Expense	3,147	1,451	2,696	1,872	2,366	1,265	1,511	1,788	1,265	1,511	1,371	1,448	21,691	
General & Administrative														
Legal, Accounting & Professional Fees			300										300	same as accrual
Miscellaneous Expense			13			12			13			12	50	same as accrual
Office Supplies and Expense			12			13			12			13	50	same as accrual
Taxes and Licensing		28						10					38	same as accrual
Total General & Administrative	-	28	325	-	-	25	-	10	25	-	-	25	438	
Total Operating Expenses	3,147	1,479	3,021	1,872	2,366	1,290	1,511	1,798	1,290	1,511	1,371	1,473	22,129	
Net Operating Income	(2,053)	469	(1,501)	(352)	(846)	230	9	(278)	230	9	149	47	(3,887)	
Reserve Income														
Reserve Dues	647	647	647	647	647	647	647	647	647	647	647	647	7,764	same as accrual
Total Reserve Income	647	647	647	647	647	647	647	647	647	647	647	647	7,764	
Net Reserve Income	647	647	647	647	647	647	647	647	647	647	647	647	7,764	
Beginning cash	7,844.01	5,791.29	6,260.29	4,759.29	4,407.29	3,561.29	3,791.29	3,800.29	3,522.29	3,752.29	3,761.29	3,910.29		
Ending cash	5,791.29	6,260.29	4,759.29	4,407.29	3,561.29	3,791.29	3,800.29	3,522.29	3,752.29	3,761.29	3,910.29	3,957.29		
	updated 1/27													
Reserve Activity:														
Projected Beginning Balance (1/1/17)	12,540													
#204 Bldg Ext Surfaces - Repaint	(12,777)													
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* Updated amounts were approved at the 2016 Annual Meeting

BCC 2017 Budget Approved Dues Allocation

Sq Ft Allocation - Living Area plus Garage					
Unit	Sq Ft Living Area	Sq Ft Garage	Total	Unit % of Total Sq Ft	Half of Unit % of Total Sq Ft
A	1012	0	1012	17.77%	8.88%
B	876	0	876	15.38%	7.69%
C	596	0	596	10.46%	5.23%
D	687	0	687	12.06%	6.03%
E	1056	209	1265	22.21%	11.10%
F	998	262	1260	22.12%	11.06%
TOTAL	5225	471	5696	100.00%	50.00%

Common Expense Allocation per Unit			
Unit	Half of Unit % of Total Sq Ft	Half Equally Allocated	% Allocation per Unit
A	8.88%	8.33%	17.22%
B	7.69%	8.33%	16.02%
C	5.23%	8.33%	13.57%
D	6.03%	8.33%	14.36%
E	11.10%	8.33%	19.44%
F	11.06%	8.33%	19.39%
TOTAL	50.00%	50.00%	100.00%

* 2017 Monthly Dues per Unit *							
Unit	% Allocation per Unit	Total Per Unit	Monthly Periodic Dues Based on % Allocation	Add'l Reserve Funding for LCE Deck Replacement	Total Periodic Monthly Dues	Special Assessment	TOTAL MONTHLY DUES
A	17.22%	\$ 391.16	\$ 391.25	\$ 16.50	\$ 407.75	\$ 19.00	\$ 426.75
B	16.02%	\$ 364.04	\$ 364.00	\$ 20.50	\$ 384.50	\$ 19.00	\$ 403.50
C	13.57%	\$ 308.20	\$ 308.25	\$ -	\$ 308.25	\$ 19.00	\$ 327.25
D	14.36%	\$ 326.35	\$ 326.25	\$ -	\$ 326.25	\$ 19.00	\$ 345.25
E	19.44%	\$ 441.62	\$ 441.50	\$ 23.00	\$ 464.50	\$ 19.00	\$ 483.50
F	19.39%	\$ 440.63	\$ 440.75	\$ 21.00	\$ 461.75	\$ 19.00	\$ 480.75
TOTAL	100.00%	\$ 2,272.00	\$ 2,272.00	\$ 81.00	\$ 2,353.00	\$ 114.00	\$ 2,467.00

Current Dues	Increase
\$ 375.50	\$ 51.25
\$ 354.50	\$ 49.00
\$ 283.00	\$ 44.25
\$ 300.00	\$ 45.25
\$ 428.00	\$ 55.50
\$ 426.00	\$ 54.75