

Back Country Cabins Homeowner's Association, Inc.

Board Meeting – March 8, 2017

Minutes of Meeting

A meeting of the Back Country Cabins Homeowner's Association, Inc. ("the HOA") Board of Directors took place on Wednesday, March 8, 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
Elizabeth Flynn** – Owner #A, Back Country Cabins HOA
Bonnie Cole – President, UPM
Consuelo Redhorse – Bookkeeper, UPM
**Left meeting at 3:03pm*
***Teleconferenced into meeting (Ms. Flynn joined meeting at 2:16pm)*

TOPIC A. Roll call – Meeting called to order at 2:06pm

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

TOPIC C. Reading of minutes from January 29, 2017 and February 22, 2017

- (1) Motion: Sean motioned to waive the readings of the January 29, 2017 and February 22, 2017 Back Country Cabins HOA board meeting minutes. Pete seconded. Approved unanimously.
- (2) Motion: Sean motioned to approve the January 29, 2017 and February 22, 2017 Back Country Cabins HOA board meeting minutes. Joel seconded. Approved unanimously.

TOPIC D. Reports of officers – No officer reports

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

TOPIC F. Unfinished business

- (1) 2017 Budget
 - a. Per the BCC Declarations, all changes to the budget (including special assessments) made at the 2016 Annual Meeting or subsequent Board Meetings require distribution to all owners for ratification
 - b. UPM proposes a 2017 budget which includes all the changes made since the Annual Meeting with no increase in dues
 - c. Carryover of operating cash balance
 - i. The BCC operating account's cash balance of approximately \$7,800 as of 1/1/2017 can be used to offset the proposed 2017 Net Operating Loss budgeted at \$3,301
 - ii. (Owner enters the board meeting)
 - iii. Motion: Pete motioned to carryover the 12/31/2016 balance in the BCC operating account to the 2017 Budget. Joel seconded. Approved unanimously.

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TOPIC F. Unfinished business (continued)

- d. Group confirms understanding that Reserve monies are to be used for future needs
 - i. Reserve account is funded monthly, based on the HOA's Reserve Study; the funding amount will not change in 2017
 - ii. The budgeted Reserve expenditures, noted beneath the operating budget, are based on the schedule of major repairs and replacements noted in the HOA's Reserve Study
 - iii. Reserve Account monies are dedicated only to items included in the Reserve Study and are not co-mingled with the operating activity of the HOA
- e. President update regarding recent Sundial meeting
 - i. Security cameras
 - 1. Installation date delayed until at least May, but possibly as late as July
 - 2. One-time security camera installation (including equipment) now \$1,800
 - a. Increase to budget of \$800 due to equipment cost (8 cameras)
 - b. Installation of equipment remains \$1,000
 - c. One-time cost previously budgeted for March, updated to May
 - 3. Clarification of \$3/month monitoring fee
 - a. Fee is a per unit fee resulting in monthly monitoring charge of \$24
 - b. Budgeted annual expense will be \$168 based on possible May installation
 - c. Monitoring fee was not previously budgeted for
 - ii. Wi-Fi
 - 1. Wi-Fi installation date delayed until at least May
 - 2. One-time Wi-Fi installation (including equipment) now \$350
 - a. Decrease in budget of \$70
 - b. One-time cost previously budgeted for March, updated to May
 - 3. Per unit Monthly Wi-Fi service charge
 - a. Will be \$14/month until July (\$98/month for all units)
 - b. Service cost to increase to \$25/month when high gigabyte speed is set to start (\$175/month for all units)
 - c. Budgeted annual expense will be \$1,246 (previously budgeted at \$1,750)
 - d. Per Sundial contract, 6% annual increase in monthly fee, beginning January 2019
 - 4. Additional Sundial services run off the Wi-Fi so this must be done first
 - iii. Television proposal is for a bulk account only
 - 1. All owners must participate and would be individually billed
 - 2. Does not affect the 2017 BCC Budget
 - iv. UPM will make all the above changes to the proposed budget and email to Board Members for vote (including motion to accept the approved budget)
- (2) Meeting of Owners to vote on the Amended BCC 2017 Budget
 - a. Option to schedule a meeting in person or vote by mail/email
 - b. Voting by mail and budget ratification outlined in Declarations
 - c. **Motion: Sean motioned to have Owners vote on the 2017 Budget by email. Joel seconded. Approved unanimously.**

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TOPIC F. Unfinished business (continued)

(3) Renter Violations

- a. Signage
 - i. Do they deter renter noncompliance?
 - ii. Do need parking signs
 - iii. Unattractive when placed all over the property
 - iv. Where would signs be located?
 - v. Signs make rules clear to everyone
 - vi. President will work with UPM on design and location of signs
- b. Parking
 - i. Problems continue
 - ii. Parking tags must be enforced
 - iii. Where can people park? Unit A and B each have two reserved spaces in the back, renters often park in the front
- c. Smoking
 - i. Owners have signs in units
 - ii. Smoking outside one unit affects all the other units
 - iii. Many places allow smoking outside, not “universally” understood
- d. Other
 - i. Trash and Recycling – Renters are still not properly disposing of their trash
 - ii. Dog issues seem to be resolved
- e. Fees and rules enforcement
 - i. Fees per the Governance Policies are \$50, \$75 and \$100
 - ii. Warning(s) issued (possibly on paper) to offender and owner
 - iii. Who will be responsible for identifying rules violations?
 - iv. Will Rules be enforced per the Governance Policies or another way?
 - v. All fees for violations would have back up documentation; signs and security cameras will help provide this documentation
 - vi. (Vice-President leaves meeting)
 - vii. Discussion of what constitutes an individual violation
 - 1. Will fee be for each non-compliance occurrence (for example, a renter smokes outside, is warned, and smokes outside 10 minutes later)?
 - 2. Will fee be if renter violates again after a 24-hour period?
 - 3. Will there be a “cap” for number of violations?
 - viii. UPM will email Warning Letter options and fee procedures to Board

TOPIC G. New business – Spring Board Meeting Date to be determined at a later date

TOPIC H. Adjournment – Motion: Joel motioned to adjourn at 3:28pm. Sean seconded. Unanimous approval.

Back Country Cabins HOA

	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	2017 Proposed to Board (3/2017)	
Operating Income *														
Operating Dues	2,167	2,167	2,167	2,167	2,167	2,167	2,167	2,167	2,167	2,167	2,167	2,167	26,004	Same as 2016 budget
Dues to Reserve	(647)	(647)	(647)	(647)	(647)	(647)	(647)	(647)	(647)	(647)	(647)	(647)	(7,764)	Same as 2016 budget
Total Operating Income	1,520	1,520	1,520	1,520	1,520	1,520	1,520	1,520	1,520	1,520	1,520	1,520	18,240	
Direct Expenses														
Electric Utilities	24	24	24	24	16	16	16	16	16	16	24	24	240	Same as 2016 budget
Grounds and Parking Maintenance					425	425	425	425	425	425			2,550	\$50 less than 2016 budget; 2017 includes tree scale treatment and picnic table (2016 = \$1,483; 2015 = \$1,048; 2014 = \$833)
Management Fees	350	350	350	350	350	350	350	350	350	350	350	350	4,200	Same as 2016 budget
Insurance	220	220	220	220	220	220	242	242	242	242	242	242	2,772	Based on historical premium increase
Internet / WiFi			595	175	175	175	175	175	175	175	175	175	2,170	New line item - \$420 flat installation fee in March and \$175/mo (\$25/unit x 7 units)
Security system			1,000										1,000	New line item - \$1,000 flat installation fee in March
Sewer *	175	175	175	175	175	175	175	175	175	175	175	175	2,100	Based on actual Q1 2017 statement
Snow Plowing	400	400	400	200							200	400	2,000	Same as 2016 budget (2016 = \$2,030; 2015 = \$2,140; 2014 = \$1,780)
Snow Shoveling	400	400	400	400							400	400	2,400	Same as 2016 budget (2016 = \$2,321; 2015 = \$2,324; 2014 = \$1,973)
Trash and Recycling	57	57	57	57	57	57	57	57	57	57	57	57	684	Increased based on billed increase of \$57/mo (but the increase was delayed and HOA is still being billed at \$48/mo)
Water *	80	80	80	80	80	80	80	80	80	80	80	80	960	\$40/qtr per unit x 6 units
Total Direct Expense	1,706	1,706	3,301	1,681	1,498	1,498	1,520	1,520	1,520	1,520	1,703	1,903	21,076	
General & Administrative														
Legal, Accounting & Professional Fees *			315										315	Based on quote for 2017 tax prep service only
Miscellaneous Expense			13			12			13			12	50	Half of 2016 budget (applied other half to Office Expense)
Office Supplies and Expense			12			13			12			13	50	Half of 2016 mubdget for Misc Expense
Taxes and Licensing *		40						10					50	\$40 for DORA renewal, \$10 for SOS annual report
Total General & Administrative	-	40	340	-	-	25	-	10	25	-	-	25	465	
Total Operating Expenses	1,706	1,746	3,641	1,681	1,498	1,523	1,520	1,530	1,545	1,520	1,703	1,928	21,541	
Net Operating Income	(186)	(226)	(2,121)	(161)	22	(3)	-	(10)	(25)	-	(183)	(408)	(3,301)	
Reserve Income														
Reserve Dues	647	647	647	647	647	647	647	647	647	647	647	647	7,764	same
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	
Reserve Activity:														
Beginning Bank Account Balances (1/1/17)													7,836	Beginning Operating Cash Balance, 1/1/17
Reserve Cash	12,542													
Deck Reserve Cash	1,377													
Total Beginning Bank Account Balances (1/1/17)	13,919													
#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)														
Reserve (General)	6,792													
Deck Reserve	972													
Total Reserve Contributions (2017)	7,764													
Projected Ending Balance, General Reserve (12/31/1	8,943													
Projected Ending Balance, Deck Reserve (12/31/17)	2,349													
Total Projected Ending Balances	11,292													

Back Country Cabins HOA

	2016 Budget	2017 Annual Meeting Updates	Difference (Annual Mtg vs. 3/2017 Proposed)	2017 Proposed to Board (3/2017)	
Operating Income					
Operating Dues	26,004	28,236	(2,232)	26,004	Same as 2016
Special Assessment	-	1,368	(1,368)	-	
Dues to Reserve	(7,764)	(7,764)	-	(7,764)	revert to 2016 budgeted dues
Total Operating Income	18,240	21,840	(3,600)	18,240	
Direct Expenses					
Electric Utilities	240	240	-	240	same
Grounds and Parking Maintenance	2,840	2,550	-	2,550	assume 2017 expense will be lower than 2016 budgeted expense
Management Fees	4,200	4,200	-	4,200	same
Insurance	2,520	2,772	-	2,772	assume 2017 premium will be higher than 2016 actual/budget
Internet / WiFi	-	2,170	-	2,170	brand new expense expected for 2017
Security system	-	650	350	1,000	brand new expense expected for 2017
Sewer	1,920	1,920	180	2,100	increased based on Q1 2017 statement received
Snow Plowing	2,000	2,000	-	2,000	same
Snow Shoveling	2,400	2,400	-	2,400	same
Trash and Recycling	600	684	-	684	this might be overbudget, but there hasn't been an increase (still \$48/mo)
Water	-	2,880	(1,920)	960	\$40/qtr per unit x 6 units
Total Direct Expense	16,720	22,466	(1,390)	21,076	
General & Administrative					
Legal, Accounting & Professional Fees	300	300	15	315	increased based on quote for 2017 tax prep service only
Miscellaneous Expense	100	50	-	50	ok - distributed differently (half of misc & half to office)
Office Supplies and Expense	-	50	-	50	ok - distributed differently (half of misc & half to office)
Taxes and Licensing	38	38	12	50	\$40 for DORA renewal, \$10 for SOS annual report
Total General & Administrative	438	438	27	465	
Total Operating Expenses	17,158	22,904	(1,363)	21,541	
Net Operating Income	1,082	(1,064)	(2,237)	(3,301)	
Reserve Income					
Reserve Dues	7,764	7,764	-	7,764	same
Total Reserve Income	7,764	7,764	-	7,764	
Net Reserve Income	7,764	7,764	-	7,764	
Reserve Activity:					
Beginning Bank Account Balances (1/1/17)				7,836	Beginning Operating Cash Balance, 1/1/17
Reserve Cash	12,542				
Deck Reserve Cash	1,377				
Total Beginning Bank Account Balances (1/1/17)	13,919				
#204 Bldg Ext Surfaces - Repaint	(12,777)				
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Less: Projected Expenditures per Reserve Study	(10,391)				
Reserve Contributions (2017)					
Reserve (General)	6,792				
Deck Reserve	972				
Total Reserve Contributions (2017)	7,764				
Projected Ending Balance, General Reserve (12/31/17)	8,943				
Projected Ending Balance, Deck Reserve (12/31/17)	2,349				
Total Projected Ending Balances	11,292				