

CEDAR LODGE CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING
November 16, 2013

I. Call to Order

The meeting was called to order at 10:02 am. Board members in attendance were Steve Konecny (via Skype), Mel Walden, Angela Burdick and Shannon Lamkin. Representing SRG were Kevin Lovett and Deb Borel.

II. Roll Call/Quorum- A quorum was present.

III. Owners Forum- Owner, Bruce Rindahl, arrived after the Owners Forum, so it was added to the end of the meeting as well.

IV. Approval of Minutes - The next item of business was the review of the September 14, 2013 Board meeting minutes. **Mel made a motion to approve the meeting minutes as written. Shannon seconded and with all in favor, the motion carried.**

V. Financial Report – Kevin reported on the October 2013 close financials as follows:

- ❑ October 2013 Balance sheet reports \$470.70 in operating, \$49,173.01 in the reserve account and \$4,781.87 in the hot tub account.
- ❑ October 2013 P & L states that Cedar Lodge is \$122 under budget year to date in operating expenses.
- ❑ SRG explained the major areas of variance.
- ❑ The operating account currently owes \$1,655 to the Reserve Account. Contributions to the Hot Tub Reserve Account are current.
- ❑ It was noted that the net over budget year to date is \$1,533, which is 1.4% over budget.
- ❑ The goal is to have the amount owed to Reserves paid by December 1, 2013.

The Board approved the year to date financials as presented.

2014 Operating Budget

- ❑ Summit Resort Group presented the following Budget options to the Board for consideration.
 - Revenues – Line item changes from 2013
 - 401 Dues – Currently dues are \$248 per month for the smaller units and \$289 per month for the larger units.
 - Option 1 – 6% increase to dues, which is \$263 for smaller units and \$306 for larger ones.
 - Option 2 – 5% increase to dues, which is \$261 for smaller units and \$303 for larger ones.
 - Option 3 – 4% increase to dues, which is \$359 for smaller units and \$301 for larger ones.
 - 403 Late Fees – decreased by \$150 annual
 - 420 Interest – decreased by \$72 annual
 - Expenses
 - 501 Common Utilities – increase 4.6%, \$736 annual
 - 502 Internet – increase \$852 Annual
 - 503 Water and Sewer – increase \$84 annual
 - 508 Cable TV – increase \$759 annual based on actuals plus increase in April

- 518 Insurance – decrease \$545 annual based on actuals plus 8%
- 525 Elevator – increase \$196 annual
- 530 Trash Removal – increase \$268 annual
- 533 Reserve Fund – increase \$6,273 annual
- 535 Contingency
 - Option #1 – \$2,292
 - Option #2 – \$1,200
 - Option #3 – \$180

It was noted that with option #1 and the 6% increase, the breakdown of the \$7,528 is as follows:

- \$6,273 of the increase is placed into reserves (84% of the increase)
- \$1,255 of the increase is placed into operating (16% of the increase)

Projected Capital Reserves and Expenditures

- \$18,509 Contribution
- \$30,000 planned “post roof install” reserve balance

Comments:

- Steve’s opinion is that the contingency fund should remain high. He supports option 1.
- Mel is comfortable with all three options, but would prefer option 1.
- Shannon is comfortable with options one or two, but leans toward option 1.
- Angela is in favor of option 1.
- **Angela made a motion to accept option #1 for the 2014 budget. Mel seconded and the motion carried.**

VI. Managing Agents Report – Deb presented the following Manager's Report:

Completed Items

- ❑ Touch up painting in garage and inside of the building.
- ❑ Elevator certificate placed
- ❑ Snowplow contractor was selected.
- ❑ Storage locker price updated and sent to owners with November statements.
- ❑ Additional bike decals were ordered.
- ❑ The front door code was changed.
- ❑ The third floor roof access door lock was repaired.

Report Items

- ❑ Microwave in the kitchenette quit working. Since the Board was considering a remodel, SRG placed a used one of theirs in there temporarily. The cost to replace with a new one ranges from \$65 and up. Shannon will donate one that she has and the one that is on loan from SRG will be returned.
- ❑ Unit 208 and 303 were in negotiations to trade parking spaces, but the owner of the inside parking space has reconsidered.
- ❑ Attorney reports that having exercise equipment in the hot tub room will increase the liability since there would be electrically driven items on top of a tub of water.

Pending Items

- ❑ Folding Doors on the kitchenette are pending until it is determined what, if any, improvements are made to the kitchenette.
- ❑ The survey to owners regarding hot tub was included in the meeting packet. The board reviewed the survey. The cost of maintenance and replacement will be added to the letter/survey. The edited letter/survey will be sent to Steve for final approval, then will

be sent to owners with the December statement. The VGBA Act information and cost of compliance will also be included in the survey, making the owners aware of the expense.

VII. Old Business

A. Storage Locker Report - no lockers are currently rented.

B. Crime Free Addendum – the board reviewed the crime free addendum and smoking addendum that the Cedar Lodge attorney drafted. Peter has spoken to the attorney for CREC regarding the smoking situation at Cedar Lodge. The attorney said that he was not in the position to give legal advice on the smoking situation at Cedar Lodge. He said that the Board could restrict smoking in the common areas, but smoking in individual units could only be enforced if there were a nuisance complaint. Smoking Ban will be edited to remove “and 3” out of the Violation section of the document.

Mel made a motion to approve the document with the change mentioned above and final approval of the document. Shannon seconded and the motion carried.

VIII. Ratify Board Actions via Email

Mel made a motion to ratify the approval of Bobby Cat to provide snow removal for the 2013-2014 season. Shannon seconded and the motion carried.

IX. New Business

A. Hot Tub

a. The Hot Tub Company – Kevin discussed the VGBA law.

- i. 1. A SVR safety vacuum release pump and motor are required to become VGBA compliant. The cost of pump and motor is \$1,650 plus the VGBA cover for the suction, which will cost \$55. To install both is \$140. After installing the SVR pump and motor, guests will not have the ability to control the jets with a spa-side control. Total cost is \$1,845
- ii. Unfortunately, the system currently in place to control the jets from the spa-side is not compatible with new VGBA compliant SVR motor. If CL wants the ability to control the speed of the jets from spa-side, then an EZ-Touch Control System and Super Switch will need to be installed. The cost for these two items will be approximately \$1,100 for parts and \$140 for installation labor. Total cost is \$1,240

b. Total cost for both is \$3,085

c. Steve suggested putting in the \$1,845 to become compliant.

d. **Angela made a motion to approve the compliance issue at a cost of \$1,845. Shannon seconded and the motion carried. Angela made a motion that the hot tub be closed until it becomes into compliance. Shannon seconded and the motion carried.**

e. **Mel made a motion that the \$1,845 expense is paid from the Hot Tub Reserves. Angela seconded and the motion carried.**

B. Kitchen Remodel – **Angela made a motion to that SRG get a bid for kitchen improvements. Shannon seconded and the motion carried.** Mel is not in favor of remodeling the kitchenette, but only replacing the microwave and refrigerator. If there is a kitchen remodel, it will be added in the reserve plan in 2014.

C. Exterior paint is holding up well. Mel suggested to plan to stain the front of the building at the end of the summer, so if the painting is not needed, the Board has an opportunity to consider whether or not to skip a year. The opinion of the painter will be obtained next summer.

- D. The drain in parking lot needs to be pumped out occasionally, but was not done this year.
- E. Kick plates will be placed on all doors that push outward in and out of the garage.

X. Owner's Forum

- A. Bruce Rindahl would rather have owners smoke on their balconies instead of their units. The board revisited the topic of smoking on the decks. Mel strongly recommends that smoking not be allowed on the decks. Shannon is of the opinion that owners/tenants should be able to smoke on their decks. Angela is in favor of smoking on the decks. Angela made a motion that the addendum be edited to not define "limited elements". Shannon seconded. Mel was opposed. With a majority in favor, the motion carried.
- B. Bruce reminded the Board that in a survey sent to owners in 2008, they wanted to keep the hot tub.
- C. Bruce recommended adding the explanation of the roof inflation factor in the capital reserve budget into the letter to owners regarding dues increase.

XI. Executive Session

- A. Kevin discussed the Management Agreement renewal Addendum with the proposal.
- B. The Board broke into executive session to discuss the Property Management renewal.
- C. The Executive session ended and Steve said the following:
 - i. The Board approved the three-year proposed contract addendum.
 - ii. The Board is pleased with services that SRG provides.

XII. Next meeting date – The next Cedar Lodge Board of Directors meeting will be held on Saturday, January 18, 2014 at 10:00 am in the Cedar Lodge Owner's Lounge, unless a Board meeting needs to attend via Skype.

XIII. Adjournment – Mel made a motion to adjourn at 12:05 pm. Angela seconded and with all in favor, the motion carried.

Approved By: _____

Board Member Signature

Date: _____