

**CINNAMON RIDGE III CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING
January 9, 2016**

I. CALL TO ORDER

Mike Black called the meeting to order at 9:01 am.

Board members Mike Black, Kevin Donofrio, Fred Davison and Grant Hogarth attended in person. Mike Pedersen via conference call. A quorum was present. Kevin Lovett was present on behalf of Summit Resort Group.

II. OWNERS FORUM

Notice of the meeting was posted on the website. Aside from Board members, there were no owners participating in the meeting.

III. APPROVE PREVIOUS MEETING MINUTES

The minutes from the October 10, 2015 Board meeting were reviewed. Fred Davison made a motion to approve the minutes as presented. Mike Pedersen seconded and with all in favor, the motion carried.

IV. FINANCIAL REVIEW

Kevin Lovett reported on financials as follows:

December 31, 2015 close financials

December 2015 close financials report \$34,744 in operating, \$20,092 in the Money Market reserve account and \$44,347 in the Alpine Bank reserve account.

December 2015 close P &L reports that we close the year \$4,212 under budget in operating expenses.

Areas of major variance were reviewed to include:

Underage

6090 Legal Fees \$1000 under

6230 Common Electric \$1396 under

6240 Gas \$3758 under

6360 Snow removal \$1427 under

6720 Spa Routine Maint \$1000 under

6745/ 6740 Hot Tub Maint \$1243 under (for both accounts combined)

Overage

6330 Grounds Maint \$653 over

6650 Fire Protection \$882 over

6670 R & M \$2426 over

6831 Ins claim expense \$4000 over (it was noted that \$1000 is pending to be paid in 2016)

2015 Fiscal year end operating surplus

December 31, 2015 close financials report a \$4202 operating surplus. Fred Davison moved to transfer the year end operating surplus to the reserve account; Kevin Donofrio seconds and the motion passed.

Tax return 2015

The 2015 fiscal tax return preparation is pending.

Monthly Reserve Contribution / Increase to monthly dues

The Board discussed the monthly contribution to the reserve account. Upon review of necessary and anticipated major reserve projects, the Board agreed that it necessary implement the planned monthly reserve contribution to \$2923. This results in a \$10 increase to monthly unit dues for the regular size units and a \$12 to \$13 per unit per month increase for the larger units. The increase will go into effect with the March 2016 dues billing.

Special Assessment 2016

The Board discussed the planned 2016 special assessment. The 2016 assessment requirement was established a few years ago for the Building B siding and window replacement project which was to occur during the summer of 2016. Unfortunately it has been recently been determined that the Building B heating system boiler needs replacing (see additional discussion below). To best manage the costs and impacts to the Capital Plan, the Board found it necessary to defer the Building B siding and window work to 2017, adjust the 2016 special assessment down to \$1500 (for the regular size units), and budget an additional \$1500 special assessment (for the regular size units) for 2017. The 2016 special assessment of \$1500 will be due April 1, 2016

V. RATIFY BOARD ACTIONS VIA EMAIL

Fred Davison moved to ratify the following actions approved via email:

- 10-12-15 Hot tub cover replacement upper tub; approved
- 12-11-15 2016 Operating Budget; approved

Grant Hogarth seconds and the motion passed.

VI. MANAGING AGENT'S REPORT

Kevin Lovett presented the following manager's report:

Completed Items were reviewed to include the following:

- Roof maintenance
- Hot tub cover replace
- Unit rekey
- Dryer vent cleaning
- Fire systems inspection
- Trash / recycle sign relocated
- Light fixture replace, outside C bldg
- Replaced lower hot tub pump and motor
- D bldg roof snow removal ("lower" roof, far east end, ongoing)

D bldg leak on domestic water recirc line

Report Items were reviewed to include the following:

213/ 113 leak; A pipe froze in unit 213 causing extensive damage and an insurance claim. The HOA insurance policy is “primary” and has stepped in to cover the claim subject to the \$5000 deductible. The Association house rules require unit Owners to maintain a temperature of at least 55 degrees in the unit at all times from October through May. The Association “Insurance claims and Deductible Policy” provides for assignment of the Association deductible to the unit Owner in the event a loss arises from negligence. As water freezes at 32 degrees and the location of the pipe freeze was “within” the unit, it is evident that the unit was not maintained at 55 degrees. Upon discussion, the Board agreed to assign the \$5000 deductible expense to the unit owner in accordance with the provisions of the referenced Rules & Regulations and Deductible Policy.

State Boiler inspection, repairs; the annual State Boiler inspection has been completed. The repair expenses was \$2662 and consisted of the following:

B bldg

Replace gas shut off valve

Install discharge pipe

C bldg

Flow sensor, replace

D bldg

Flow sensor replace

Safety relief valve replace

Feed water pressure regulator (check)

B Building Boiler; the B Building Boiler heat exchanger is reported to be clogging and replacement of the boiler is eminent. Two proposals have been received for replacement. The Board agreed that replacement of the Boiler must occur; SRG will obtain an additional proposal and then work with the contractors to line up the project for Summer 2016 as replacement will take approximately 5 days and during this time, there will be no heat to the building. The replacement of the boiler is occurring sooner than anticipated in the Capital Plan and at a higher cost than was being carried.

Fire sprinkler inspection; the annual fire sprinkler system inspection has been completed by Western States Fire Protection (WSFP). Glycol protection levels are reported as follows:

Glycol protection levels

B bldg 45.6% (-10)

C bldg 38.8% (0)

D bldg 35% / 43% (0 to -10)

WSFP to provide additional information on the B building fire sprinkler heads as some corrosion was reported on the heads.

Window seal repairs; there are two units that have reported “fogged” windows due to failed hermetic seals. Repairs of the seals have been ordered.

C Building heat tape; approximately 240 feet of heat tape has failed on the roof and in the gutters at the “east side entry” to the C building; replacement is pending.

Hot tub fence, top “spikes”; there are a few missing “spikes” on the top of the hot tub fence that will be replaced.

VII. OLD BUSINESS

The following Old Business item was discussed:

A. Trash/ recycle

Owners are reminded to properly dispose of trash and recycling. Large items and electronics (such as televisions) should be taken to the Summit County Landfill. Additional trash pickups were scheduled over the recent busy holiday periods. SRG will include additional information with regard to trash/ recycling in the January 2016 mailer to Owners.

VIII. NEW BUSINESS

The following new business items were discussed:

A. Capital plan/ major projects 2016; the Capital plan was reviewed to include the following highlights on “major projects”:

- B Building siding /window replacement project – The Board reviewed a number of proposals submitted; upon review, the Board agreed to continue discussions with contractors and to move the scheduling of the project to 2017.
- Carpet – C and D building carpet replacement has been moved to 2018
- C and D Building “mountain side” complete painting – was moved to 2017, to be completed in conjunction with the B building siding project.
- C and D Building “mountain side” touch up painting – will be completed in 2016 in efforts to “protect the wood”.
- Asphalt crack sealing – to be completed in 2016
- B Building Boiler Replacement – to be completed 2016

B. House Rules; the House Rules were discussed. SRG will review the existing house rules and suggest updates and modifications for review at the April 2016 Board meeting.

C. Mailer to Owners; SRG will draft a mailer to the Owners to be sent in January 2016.

Items will include:

- Approved budget 2016
- Dues increase for reserve contribution effective March 1, 2016
- Special assessment update and reminder
- Trash / Recycle reminder (dump notice on items, what can be recycled)
- House Rules and Regulation reminder (Owner are responsible for their tenants and guests)

IX. SET NEXT MEETING DATE

The next Board of Directors meeting will be held on Saturday April 16th at 9:00 am.

X. ADJOURNMENT

With no further business, Fred made a motion to adjourn at 11:10 am. Grant seconded and the motion carried.

Approved By: _____ Date: _____
Board Member Signature