

Lake Forest Condominium Association
Board of Directors Meeting
Saturday, November 10, 2012
County Commons

Board Members	Dave Haraway	305F	Marshall Blaney	103C
	Doris McFeeters	204A	Jude Kirk	304A
Others	Bob Polich	Mountain Systems, Inc.		
	Mike Castaldo	Back Country Property Management		

The meeting was called to order at 12:05 PM by President Dave Haraway.

Minutes. *The minutes from the September 15, 2012 meeting were approved as written. (Kirk/Bruyn,4-0).*

Owner Comments. No owners were present.

Property Manager Report. Mike Castaldo of Back Country Property Management provided the property management report. There was a discussion regarding the extent of holiday lighting to do this year. The cost for replacement lights and the lift truck for installation and removal of the lights would be approximately \$2,000 to fully light the complex. Following discussion of the alternatives, spending of approximately \$200 for lighting of only the clubhouse area was approved.

Mike reported the new spa mechanical building was completed. The observation of the drainage from the building roof after the first winter storm indicated gutters and heat tape should be added. The estimated cost for the gutters was \$790 and the heat tape \$840. The cost would increase, but Mike suggested a higher-level heat tape should be used that would be installed by an electrician. *A motion was approved authorizing gutters for \$800 and heat tape for \$1,100. (McFeeters/Blaney,4-0).* The spa bathroom remodel had been completed. The completed work included an upgrade in the tile used. Epoxy grout was not used and the built in bench was not added. All of the spa area work was completed prior to winter weather and the overall cost of the work was a few hundred dollars over budget.

There was a summary of the costs in 2012 for projects including the garage roof, the Association unit improvements and building D excavation. For future consideration, Mike obtained a proposal for the replacement of all of the trim on the buildings. The cost (per building) was \$23,912 for Buildings E&F and \$16,746 for Buildings A to D. There was a discussion of future painting being split over several years. The building facings exposed to more sun and weather would be painted more frequently than northern exposed facings. The reserve fund schedule was reviewed regarding proposed projects from 2014 to 2017. As part of the completion of the Building D excavation work, Mike had a picnic area added. Mike obtained cost estimates for picnic areas in other locations around the complex that ranged from \$1,000 to \$4,300 depending on the specific area requirements. The costs for the picnic areas did not include the tables or grills.

Financial Report. A financial summary for the ten months ending in October was emailed by Bob Polich to the Board. The summary included a projected 2012 year-end, and the 2013 budget. For 2012, operations were expected to end the year approximately \$9,000 better than budgeted. There were additional reserve projects done in 2012 covered by the line of credit. The line of credit would end the year at \$120,000. The 2013 budget projected decreasing the line to

\$75,000 with full retirement of the debt in 2015. There was a discussion of 2012 incurred expenses and the 2013 budget by line item. The 2013 budget allocated 22% of the owner assessments to reserves. The 2013 reserve assessment would remain the same and the 2013 operating assessment would increase by 2%. The discount offered to prepay the annual assessment in advance was reduced from 5% to 4% in 2012 and the same number of owners as in 2011 prepaid. There was a discussion of reducing the discount from 4% to 3% for the annual payment in 2013. A concern was expressed that lowering the discount to 3% would reduce the annual payments received. *A motion was approved to adopt the 2013 budget as presented with a 2% increase in the operating assessments. (McFeeters/Blaney,4-0).* There was an additional discussion regarding reducing the prepayment discount. *A motion was approved to allow a 4% discount for the annual payment of assessments prior to January 31st for 2013. (McFeeters/Baney,4-0).* The lowering of the annual payment discount to 3% would be considered for 2014. The Board approved and signed the resolution prepared by the CPA to transfer excess 2011 operating income to reserves. The unit owned by the Association was leased for another year to the same tenant for \$1,300 per month. The lease allows the tenant to terminate the lease in April should he purchase a Lake Forest unit by paying \$350 more per month from November through April.

Other. By email the Board of Directors approved a request from a proposed purchaser to have two dogs at the property. An existing owner was contacted regarding a rules violation by having four dogs at the property. Two of the dogs were temporary foster pets. The Board authorized the owner to have two pets, but denied the request to temporarily have an additional two foster pets. There was a discussion of the units sold and prices in 2012 in Lake Forest. Comcast offers high speed internet for a cost of \$25 per unit per month if all units participate. The subject would be included in the 2013 annual meeting for owner input. There was a sewer backup in Unit 1600 caused by a cleaning rag in the lift station that only served that unit. There was a brief summary of recent changes in State of Colorado regulations regarding providing owner information to other owners. Only names and mailing addresses are public information.

Management Compensation. Mike Castaldo left the meeting to allow discussion of management compensation. It was noted Mike provided value to the ownership by his work over the years on painting projects, excavation work, roof improvements, the LED lighting replacement, and other items. The Board was working with Mike to reduce the time spent at Lake Forest to maintain a reasonable compensation level. *A motion was approved to give Mike a \$2,000 performance bonus in 2012 and increase the annual compensation in 2013 by \$2,000. (Haraway/Kirk,4-0).*

Meetings. The next meeting of the Board is Saturday, January 26, 2013 at noon in the Frisco Commons meeting room. The wine and beer social would be the same day starting at 3 PM.

The meeting was adjourned at 2:37 PM.