

**VILLAS AT PROSPECT POINT CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING
JANUARY 15, 2010**

I. CALL TO ORDER

The meeting was called to order at 5:30 p.m.

Board members present were:

Rob Bullard, President
Joe Woodrow, Treasurer
Tony Peterson, Member

Kevin McClain, Vice President
Scott McLean, Secretary

Representing Summit Resort Group were Peter Schutz and Kevin Lovett. Erika Krainz of Summit Management Resources transcribed the minutes from tape.

II. OWNER FORUM

No owners were present.

III. APPROVAL OF PREVIOUS MEETING MINUTES

Scott McLean made a motion to approve the October 3, 2009 Board Meeting minutes as presented. Tony Peterson seconded and the motion carried.

IV. FINANCIAL REVIEW

A. Balance Sheet as of December 31, 2009

1. Total Checking/Savings - \$325,964. This includes \$69,343 in the Operating account and \$103,921 in the Alpine Bank money market Reserve account, \$100 in Petty Cash, \$101,917 in a 13 month CD and \$50,682 in a 7 month CD.
2. Total Liabilities - \$3,565.
3. Total Liabilities and Equity - \$329,663.

B. Profit and Loss as of December 2009

The Profit and Loss as of December 2009 reflected that the Association was \$12,383 under budget overall. Significant variances included:

1. Insurance - \$2,089 under budget.
2. Snow Removal - \$2,788 under budget.
3. Electricity - \$1,943 under budget.
4. Accounting/Audit - \$1,875 under budget.
5. Landscaping - \$3,818 under budget.

V. MANAGING AGENT'S REPORT

A. Completed Projects

1. Bylin panels were installed on the south side of the 1503 roof extension.
2. Coated concrete with epoxy.

B. *Report/Discussion Items*

1. 1509/104 – The deck gutter system has not yet been installed. The owner will contact SRG in the spring prior to installation and sign all required documents.
2. 1505/203 – The new owner replaced two windows without contacting the Board. Management spoke with the owner and he was unaware of the approval requirement. The windows are the closest match available. Management will paint the trim and bill the owner.
3. 1509/203 – The refrigerator supply line leaked causing a carpet stain and a small drywall fix in the unit below (\$235). The carpet replacement and drywall fix are insurable events but the owner is pursuing replacement through his own policy as he would like more replaced than the policy covers. The unit owner should be assessed for the repairs to the unit below. Kevin Lovett will send a reminder to all owners to inspect all their appliance water lines for leaks.
4. Roof/Heat Tape Repairs – Two sections of heat tape (110') on Building 1509 were replaced at cost of about \$400/section. Rob Bullard said if a major section of heat tape fails inside an atrium, he would like to consider replacing it with a Bylin panel. If heat tape is being replaced anywhere else and it is 110, it should be replaced with 220 if possible.
5. Hot Tub Repairs – The hot tub would not heat above 88 degrees. Kaupas Water replaced the igniter control (\$447), temperature control (\$481) and temp sensor (\$80) with four hours of labor. The total expense was \$1,447.

VI. **OLD BUSINESS**

A. *Comcast, Television and Internet Options and Survey to Owners*

The current contract expires 12/1/10. The Association is paying \$35.49/unit/month. Six months notice is required to cancel the contract.

The new Comcast proposal is:

1. Five year term.
2. Digital service for \$34.49/unit/month (\$3,103/month total). Includes one digital cable box.
3. HD service for \$38.99/unit/month (\$3,419/month total). Includes one HD cable box.
4. Internet for \$21.99/unit/month (\$1,979/month total).
5. One modem per unit.
6. DVR can be added for additional fee.

The ResortInternet proposal is:

1. No upfront installation costs for internet or satellite except for about \$2,000 for electrical hookups.
2. Seven year term for satellite.
3. Bronze cable only package for \$27.50/unit/month (\$2,475/month total) or Silver for \$37.50/unit/month (\$3,375/month total).
4. Internet with a separate six year term for \$17.95/unit/month (\$1,616/month total). The service would be wireless service so no modem would be provided.
5. Combination Bronze satellite/internet package for \$41/unit/month (\$3,690/month total) or Silver for \$50/unit/month (\$4,500/month total).

6. No DVR included.
7. No additional services available (pay per view or on demand movies).

There are a number of channels included with Comcast that are not with the ResortInternet Bronze package but some of them can be added for a net additional cost of \$0.47/unit/month if MSNBC is eliminated.

Rob Bullard commented that cable was a large part of the budget. His goal in having a bulk cable deal was to keep dishes off the property. He said it looked like they were headed in the direction of increasing the price, removing owner choice, forcing owners to have internet, removing the choice of internet provider and removing the choice of additional channels. He had anticipated there would be more competition in the services provided and pricing.

Kevin McClain thought there were probably some owners who would be in favor of one of the upgraded packages, but the information was very complicated and all the benefits and disadvantages of the different offerings could not be clearly communicated through a survey. Tony Peterson thought the Board should select one option and only put that one on the survey. He felt the Comcast option was the simplest.

The Board agreed they would support the Comcast digital package at \$34.49/unit/month in order to prevent dishes and to provide owners with the option to upgrade services individually if desired. They also agreed they should survey the owners to determine the level of interest in adding the bulk internet option at \$21.00/unit/month.

Kevin McClain made a motion to rework the survey. It should state that the existing cable contract expires in December 2010 and requires six months advance notice of termination. The Board has done a competitive analysis and has determined that it is in the best interest of the Association to renew the basic cable subscription. There is also a proposal to add internet for all units for a dues increase of "x" amount (based on square footage). Owners should be asked to vote yes or no. The motion was seconded and carried. Kevin Lovett was asked to send the survey as soon as possible.

B. Electric Bills

Joe Woodrow commented that the electric bills for Buildings 1513 and 1503 were much lower (\$33 and \$19 per month total respectively) than other buildings of the same size. Kevin Lovett thought it must be related to heat tape. Rob Bullard said they could buy line meters to measure individual use. Kevin Lovett will get a price for the meters.

C. Landscaping

Kevin Lovett checked with the Town of Frisco and found that they only allow native grasses. Rob Bullard thought that restriction only applied to irrigated areas, which the wild areas are not. Kevin reviewed the revised plan:

1. Keep existing grasses.
2. Install irrigation system in both "wild" areas - \$11,000.
3. Lay 1.5" topsoil over existing grasses - \$3,000.
4. Hydroseed with native grasses - \$3,439.
5. Total estimated cost - \$17,439.

Scott McLean felt \$14,000 was a lot to spend for the project and suggested just mowing the area. Another option would be to hand seed with native grasses and wildflowers. Rob Bullard said the areas had never looked decent in 13 years and he felt it was time to improve the appearance. The Board discussed other options such as mowing or using other types of grasses. Kevin McClain made a motion to apply the revised plan to the two "wild" areas behind 1509 and 1519. Joe Woodrow seconded and the motion carried. Kevin Lovett will get additional bids and warranty information. Rob Bullard questioned if laying topsoil on top of the existing vegetation was appropriate. He felt the existing soil should be turned and mixed with the topsoil. Kevin Lovett will check with the contractors.

D. Windows

Kevin Lovett reviewed the Association documents and determined that there was a requirement for Board approval for window replacement. Window replacement is an individual owner responsibility but owner must obtain Board approval prior to replacement. Bids were obtained for window replacement for the different sized units. There are a number of different options for window quality and price. Kevin created a detailed spreadsheet with various options. The range of cost to replace the windows throughout the entire complex was \$292,725 – 448,505.

Rob Bullard commented that the windows are not a common or limited common element. He questioned if the Association could replace the windows since they are part of the unit. Tony Peterson said the discussion had been about getting the owners to agree as a group to replace their windows in order to benefit from bulk pricing.

Kevin McClain said most of the windows throughout the complex had broken seals and many had warped frames. Kevin Lovett said the Association documents also specified that owners were responsible for maintaining the unit, so it may be possible to require window replacement if the window is leaking or causing other damage to the building structure. Some of the windows would also qualify for energy tax credits. Rob Bullard raised a number of questions regarding how the process would be managed and where variance should be allowed.

Scott McLean made a motion to add the information for the window replacement and the potential 10 – 20% discount along with the range of prices to the owner survey on the cable service. Rob Bullard said he would draft it but it would need to be a separate survey. Peter Schutz said it would probably be possible to arrange for financing. The Board agreed the attorney should be consulted to ensure there are no legal issues.

E. Insurance

Rob Bullard said the Association policy governing the administration of insurance claims indicates when a deductible will be assessed:

1. If damage is caused by an element in a unit for which the owner has maintenance responsibility and the damage is limited to the unit, the owner will be assessed.
2. If damage originates from an element for which there is common responsibility, the Association will pay the deductible.

3. If damage originates in one unit but extends onto or across a common element, the Association will pay the deductible unless there is negligence assigned, in which case the owner will be assessed.

Rob would like to change this last statement to eliminate the negligence reference. He will send the attorney an email and copy all Board members.

VII. NEW BUSINESS

A. *Capital Reserve Planning*

Projects planned for 2010 include:

1. Asphalt Seal Coat and Striping - \$10,100. Kevin Lovett had one bid and several pending and thought it could be done for \$6,000 –7,000.
2. Railing Painting - \$5,600. The Board agreed this could be done with in-house labor as a cost savings.
3. Signage - \$2,200. This project was already completed.
4. Hot Tub Covers - \$1,300.
5. Landscaping.

Kevin Lovett asked Rob Bullard to email him the Reserve Study so he can make some updates.

B. *House Bill 1359*

New Colorado law states that every Association must have a Reserve Policy. Kevin Lovett provided a draft for Board review. The Board agreed they wanted to change that the Reserve Study will be updated “every year” to “from time to time as necessary”. A motion was made and seconded to approve the Policy as amended. The motion carried.

C. *Insurance*

Kevin Lovett said the Declarations call for an appraisal of each building to establish the insurable value every three years. Ebert Appraisal provided a bid of \$2,400 with a \$1,000 update every three years. A motion was made and seconded to authorize the appraisal. The motion carried with three in favor and one opposed.

VIII. SET NEXT MEETING DATE

The next Board Meeting was set for Friday, March 12, 2010.

IX. ADJOURNMENT

A motion was made to adjourn at 8:00 p.m.

Approved By: _____
Board Member Signature

Date: _____