

**VILLAS AT PROSPECT POINT CONDOMINIUM ASSOCIATION  
BOARD OF DIRECTORS MEETING  
APRIL 9, 2010**

**I. CALL TO ORDER**

The meeting was called to order at 5:45 p.m.

Board members present were:

Rob Bullard, President

Scott McLean, Secretary

Kevin McClain, Vice President

Tony Peterson, Member

Representing Summit Resort Group were Peter Schutz, Kevin Lovett and Deb Borel. Erika Krainz of Summit Management Resources was recording secretary.

**II. OWNER FORUM**

No owners were present.

**III. APPROVAL OF PREVIOUS MEETING MINUTES**

Scott McLean made a motion to approve the March 12, 2010 Board Meeting minutes as presented. With no opposition the motion carried.

**IV. FINANCIAL REVIEW**

*A. Balance Sheet as of March 31, 2010*

1. Total Checking/Savings - \$343,786 . This included \$71,374 in the Operating account and \$118,965 in the Investors Choice Alpine Bank money market Reserve account, \$100 in Petty Cash, \$102,564 in a 13 month CD and \$50,782 in a 9 month CD.
2. Total A/R - \$917. Unit 1503/203 is the only significant delinquency but the owner has been making some payments.

The Association was \$16,109 under budget overall. Kevin Lovett projected the Association would end the fiscal year with a surplus of approximately \$13,000.

Kevin Lovett said right now there are three Reserve accounts with balances of \$118,965, \$102,564 and \$50,782. Rob Bullard had suggested moving all but \$30,000 from The Investors Choice money market to CD #39362 to improve yield. Both CD's just recently renewed. The new 13 month rate is 1.25%, down from 2.5% last year but still .25% higher than the published rate. The 9 month rate is .94%, up .25% from the last one. The current FDIC insured limit is \$250,000. The Operating fund monies are not included in the \$250,000 limit and are insured separately but this may change in June of this year. Thinking ahead, Kevin thought it should be assumed that the Operating balance will be included in the \$250,000 limit. The current balance in Alpine Bank, excluding the Operating funds, is \$272,000 so there is \$22,000 that is uninsured. As of June when the

Operating funds are included, the uninsured balance will be \$100,000. There is a "CDARS" program wherein banks swap CD's to stay within the FDIC insured limit. The first option would be to move \$88,695 from the Investors Choice money market into CDARS, leaving \$30,000 in the account for 2010 projects. The second option would be to move the entire Investor's Choice money market balance (\$118,965) into CDARS and to use Operating funds to pay for the major 2010 projects.

Peter said he would get clarification on the maturity date for the two CD's because they should not be the same. Peter will also get clarification on the changes in regulations that may put one account at risk.

Management was directed to handle the CD's on behalf of the Association with the goal of attaining the highest insured yield.

*B. 2010/2011 Operating Budget*

Kevin Lovett provided a draft of the 2010/2011 Budget with the amendments discussed at the last meeting. There was a total decrease to expenses of \$8,979. The Board reviewed the year-end projected expenses against the proposed 2010/2011 Budget in order to identify a \$4,000 discrepancy:

1. Insurance Claim Deductible – \$1,000.
2. Snow Removal/Plow - \$1,200. Kevin McClain felt this line item could be reduced by \$1,000, assuming there will be no increase to the contract next year. The Board agreed to reduce account 5113 by \$1,500 and account 5112 by \$600.
3. Snow Removal Skidster - \$1,500,
4. Legal/Professional – \$500.

Tony Peterson made a motion to adopt the 2010/2011 Budget as amended. Kevin McClain seconded and the motion carried. Rob Bullard will revise the budget and respective unit dues calculations per changes above.

Kevin McClain requested a budget/actual comparison for the past five years be included when developing the next budget.

*C. Delinquencies*

Unit 1503/203 owes \$600 total in 31 – 60 days and is over 90 days late on a late fee. Maxine has been in frequent contact. He did make a payment but is basically at the same place as the last meeting.

**V. MANAGING AGENT'S REPORT**

*A. Completed Projects*

1. Association insurance renewal was completed with Farmers. One additional bid was obtained but it was not competitive. The \$5 million umbrella policy was not bound.

*B. Report/Discussion Items*

1. 2009/20010 Roof Leaks - 1501/204, 1517/202 and 1515/201 have some minor repairs to be done.
2. Leaks occurred on the south flat roofs of 1501 and 1517, and in the new metal valleys installed in 2009 on 1517/202 and 1515/201. Kevin Lovett contacted Turner Morris and they said the leaks were due to ice dam build up past the new metal valleys on either side. Rob Bullard and Kevin McClain did not believe this was possible. Kevin Lovett was directed to discuss this issue with Tim Morris. Kevin said he had not received a bill for the repairs or ice removal yet. Tony Peterson suggested taking a photo of any valleys that leak. Kevin McClain proposed that the Association not pay Turner Morris for snow removal or repair and to have them inspect this summer to determine if a repair is needed at their expense.
3. There was a leak in the front valley of 1501/204. It is an original valley and it was the first recorded leak. The cost to install a new metal valley would be \$1,500. The Board agreed not to replace the valley at this point since it was the first time it leaked and the damage was under \$500.
4. There was a leak in 1515/202. The copper water supply line to the humidification system on the forced air furnace failed and caused \$4,556 of damage in 1515/202 and 1515/102. The insurance claim will recoup \$3,556. Rob Bullard said current Association policy does not allow owners to be charged the deductible but this will be changed. The \$1,000 deductible will be assigned to the owner after the policy is changed. All owners should be notified that there may be a humidifier line to their furnace.

**VI. OLD BUSINESS**

*A. Comcast TV Contract*

Comcast replied and addressed all concerns. The contract will be signed tonight. Comcast will be asked to set a Thursday/Friday/Saturday installation schedule. Owners will be informed of the schedule in the President's letter.

*B. Landscaping of West Wild Area*

Kevin Lovett obtained revised bids. Changes include rototilling the entire area, laying 1.5' of topsoil and providing a warranty guarantee bond. Greenscapes went up to \$12,135 from \$10,870. Bobby Cat did not change from \$9,905 but did not address the performance bond request. The Neils Lunceford bid was \$19,984. Greenscapes took a soil sample and sent it to CSU but the report has not yet been received. The Board determined that the bid from Neils Lunceford was not comparable to the Greenscapes bid. It includes more sprinkler heads and coverage but not tilling. Kevin Lovett will follow up with the contractors.

C. *Windows*

Accent Windows will extend a 10 – 15% discount with a 30 unit minimum. Rob Bullard asked Kevin Lovett to find out how many units would be required for the next discount bracket with Accent Windows. Kevin McClain will get a bid from another provider. In the meantime, Owners wishing to replace windows are to be given the option of presenting to the Board their replacement window proposal for review (replacement window frames and reveals should match the existing windows as closely as possible) or, wait for additional information and proceedings on the group window replacement option.

D. *Discussion of Damage to Common Elements from Window Failure*

Rob Bullard said he would like to draft language informing owners that if their windows leak and cause damage to common elements, they will be responsible for the repair and damage and the window will have to be replaced. Tony Peterson thought it would be difficult to determine when a window will leak. He felt the policy would be very controversial because the majority of owners do not want to replace their windows. He recommended removing the requirement for window replacement but keeping the repair responsibility. Rob will draft a letter with this educational information.

E. *Insurance Claim Deductible Policy Modification*

Kevin Lovett provided a draft of the proposed revised policy. Tony Peterson drafted some additional modifications. Rob Bullard was not in favor of incorporating Tony's revisions because the original draft was already reviewed by the attorney and accomplishes the intended goal. In the new policy the Association only has to deal with negligence on common elements, not inside units.

Kevin McClain suggested sending the policy to Bob Strong and asking if an H06 policy would cover the assignment of the deductible as specified in the policy.

Kevin McClain made a motion to approve the attorney-approved policy contingent upon Bob Strong's approval. Scott McLean seconded and the motion carried with Tony Peterson opposed.

## VII. NEW BUSINESS

A. *2010 Annual Owner Meeting Planning, Board of Directors Positions*

The Annual Meeting will be May 29, 2010 at 10:00 a.m. and the Master Meeting will be at 9:00 a.m. Agenda items will include the 2010/2011 Budget, windows, cable television and internet.

Tony Peterson, Kevin McClain and Scott McLean are up for reelection. Kevin McClain proposed appointing one of the three existing members to Joe Woodrow's seat, reelecting the two incumbents and electing one new member.

Rob Bullard will check the Association documents to determine if this is permitted.

*B. President's Letter*

Rob Bullard will draft the President's Letter.

*C. Units Not on Master Key System*

Kevin Lovett provided a list of units that are not on the master key system. He was directed to rekey the units and the owners' expense and fine the owners for the rules violation. Kevin McClain said some key issues may be due to lock wear, not rekeying. Kevin Lovett said he asked the locksmith to come to the property on a certain day to make sure all keys are on the system. He drafted a letter to the owners on the list. The cost to rekey one lock with one key is \$20.50, or \$38.50 for two locks and one key. Rob Bullard said if the problem is a worn lock, the owner should only be charged for the rekeying but no fined. Peter Schutz said owners should be given an opportunity to correct the problem before being fined. In addition, all exterior doors should be on the same system. Rob Bullard agreed to waive the fine. Kevin McClain said it may be possible to repair the worn locks instead of rekeying then. Tony Peterson requested that notice be left whenever a unit is entered by a staff member.

**VIII. SET NEXT MEETING DATE**

The next Annual Meeting was set for Saturday, May 29, 2010 at 10:00 a.m.

**IX. ADJOURNMENT**

A motion was made to adjourn at 7:53 p.m.

Approved By: \_\_\_\_\_  
Board Member Signature

Date: \_\_\_\_\_