



mainly due to an overage in the Boiler Maintenance line item.

**B. 2017 Budget Overview**

The 2017 Budget included a small dues increase for Insurance and to the Reserve contribution. The Reserve contribution is budgeted for \$24,424, equating to 11% of total expenses. The Insurance premium is budgeted for \$27,600. The policy will be renegotiated next year and it should be possible to obtain a more competitive rate through Neil Garing's proprietary program with Fireman's since the property has never filed a claim. It was put out to bid this year with about 25 companies but the quotes received were around \$40,000.

**C. Profit and Loss as of March 31, 2017**

Overall, the Association was \$4,384 unfavorable to budget at the end of the first quarter due to overages in Gas/Electric, Maintenance & Repair and Elevator Maintenance & Repair. This overage will be reduced to \$2,500 after the dues increase, which will be effective as of July 1<sup>st</sup>. The Board has voted to change from monthly to quarterly dues payments.

There were no delinquent owners.

There was \$74,000 in Reserves at the end of the first quarter and the year-end balance should be about \$80,000.

Denis Franks made a motion to approve the 2017 Budget. Kevin Wood seconded and the motion and carried.

**VI. Property Manager's Report**

**A. 2016/2017 Completed Projects**

1. Worked with the Town and the easement next door to remove the back staircase.
2. Summit Services updated the Reserve Fund.
3. Unit 304 had a clogged deck drain. It was cleared at a cost of \$2,200.
4. There has been an ongoing problem with getting heat to the third floor. Tolin Mechanical replaced the heat exchanger at a cost of \$7,000 to provide additional capacity.

**B. 2017 Upcoming Reserve Projects**

1. The driveway will be crack sealed (an annual project) to prolong the useful life. The driveway is scheduled for replacement in three to four years.
2. The isolation valves downstairs will be replaced to allow for isolation of the two hot water tanks.
3. Touch-up painting will be done as needed to the building exterior. Two sides of the building will probably need to be completely repainted next year.

**VII. President's Comments**

Denis Franks thanked the Great Western Lodging staff for their work on behalf of the

Association. It has been a pretty good year with the exception of the unanticipated insurance rate increase in November. There was an issue with the financing for the employee unit, which was purchased from the developer 15 years ago. It has been refinanced three times with five-year balloons and the last mortgage had a 5.25% rate. The bank wanted to increase the rate to 7.5%. Other lenders were approached but after discussion with management, the Board decided the options were a Special Assessment or owner financing of a ten-year note at 5.5%. Seven owners covered the note. The unit is a great asset for the property since it allows a staff member to be on site. Some owners felt the unit should be sold, but it is designated as employee housing so it would have to be occupied by an employee from another local business.

### VIII. Old Business

There was no Old Business.

### IX. New Business

#### *A. Employee Apartment Refinance*

The Deed of Trust and promissory notes have been drafted and signed by three of the seven lenders. The documents will be filed with the County so the promissory note will be listed as a lien on the property.

#### *B. Insurance Premium Increase*

The company that provides insurance for the individual units only raised premiums by a few dollars but was not willing to provide coverage for the entire building based on the high value.

#### *C. Collection of Dues Quarterly*

The timing of the collection of dues has become more of an issue in terms of cash flow. The Board voted to go to quarterly dues collections to provide more consistent cash flow effective July 1<sup>st</sup>. The owners will be billed for the increase going back to the first six months of the year.

#### *D. Reserve Contribution Requirements*

The Reserve contribution was increased to meet the Fannie Mae and Freddie Mac requirement of 10% of total expenses. The Reserve balance needs to be increased to cover the upcoming projects such as driveway replacement.

Denis Franks noted that there has only been one Special Assessment in 17 years. It was for the two holding tanks in the basement. The \$975,000 of settlement funds from a lawsuit against the developer has funded many projects. The net income from the last three years has been used to fund routine maintenance.

#### *E. Association Governing Documents*

Brian Martin said the Bylaws posted are outdated in several areas (referencing assigned parking spots and several blanks where the mailing address should be listed) and should be updated. Denis Franks commented that it might be difficult to get approval from 67% of the membership.

#### *F. Heat Tape*

Brian Martin said there was a small ledge that has to be manually shoveled during the

winter. He was asked to talk to Brian Juchno about adding some heat tape.

*G. Dues*

Robert Johnson reiterated that the owners will be billed for the annual dues increase that will officially take effect July 1<sup>st</sup> but actually goes back to the beginning of the year. He noted that the commercial units will have a small decrease to dues because the commercial owner has been overpaying by \$700/year. The adjustment is forward looking only and the commercial owner has not requested a refund for past overpayments.

X. Election of Directors

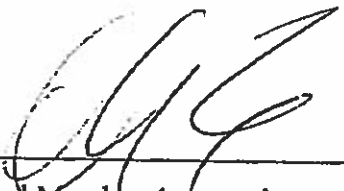
There were no nominations from the floor. Denis Franks made a motion to reelect the current Board members by acclamation. The motion carried.

XI. Set Next Meeting Date

The next Annual Meeting was tentatively set for April 28, 2018 at 10:00 a.m. with breakfast at 9:00 a.m. A wine and cheese reception will be held the night before.

XII. Adjournment

Denis Franks made a motion to adjourn at 10:32 a.m. Robert Johnson seconded and the motion carried.

Approved By:   
Board-Member Approval

Date: 5/16/17