

**CORRAL AT BRECKENRIDGE ASSOCIATION  
HOMEOWNER MEETING  
AUGUST 7, 2010  
Breckenridge, Colorado**

**I. CALL TO ORDER**

The meeting was called to order by Ada Anderson at 10:12 a.m.

Board members present were:

Ada Anderson, President	Terry Lee, Vice President
Dennis Ziemann, Member	Larry Miller, Member (via teleconf.)
Geoffrey Forman, Member	John Danis, Member

Owners present were:

Brooke Danis, 102W	Sally Worthington, 104S
Chuck Heuck, 105E	Marlene DeBruyn, 105S
Leone Belmonte, 105S	Bill & Ginger Lake, 106S
Shannon Lee, 202E	Christie O'Neil, 206W
Gene Malloy, 302S	Barbara Forman, 304E

Representing management were Larry Nelson, Iris Peterson and Carlo Gambino. Erika Krainz of Summit Management Resources was recording secretary.

**II. STATEMENT OF COMPLIANCE**

Ada Anderson stated that the Association was holding the Annual Meeting in compliance with the Declarations.

**III. DETERMINATION OF QUORUM**

With owners represented in person or by proxy a quorum was reached.

**IV. APPROVE PREVIOUS MEETING MINUTES**

Christie O'Neil made a motion to approve the minutes of the August 15, 2009 Homeowner Meeting as presented. Geoffrey Forman seconded and the motion carried unanimously.

**V. FY 2009/2010 BUSINESS AND FINANCIAL HIGHLIGHTS**

Ada Anderson said there had not been a more eventful year for the Association. Last year at this time there was a fence around the building. In November of last year the Board met to discuss self management of the property. Larry Nelson developed a business plan and the Board decided to hire him effective March 1, 2010. The lounge has been transformed into an office space and a business center for owners and guests has been added.

Larry Nelson thanked Gene Warrington, Geoffrey Forman and Terry Lee for their help with the business plan.

The Corral rental units will go live online on August 22<sup>nd</sup>. So far 24 units have signed up for the rental program; the business plan assumed 12. Geoffrey Forman noted that there have already been some bookings even without the website. Larry Nelson plans to hire another marketing or bookkeeping staff member and he is looking to hire one more staff member to cover the late evening shift.

The marketing budget is \$2,000/month. The website designer is working on optimization with the search engines.

Several owners expressed concern about the lack of a written marketing plan and the fact that their units were not rented over July 4<sup>th</sup>.

Larry Nelson said search engine capability was a primary goal. He went through the process of locating the key vendors of software to develop websites and chose the best one for the long run. The company has implemented the website. Optimization involves notes and comments in the code that search engines use to determine priority during the search. It has to be done after the website is up and running. It will take some time to refine the processes. One step that can be taken is to pay Google to get a top listing. An owner felt the property could not be adequately marked without additional staff. Larry said he planned to have the new staff person hired within the next two weeks.

Christie O'Neil asked Larry if he had considered listing the property on VRBO. Larry said he would encourage owners to list their units on VRBO in addition to being on the rental program. The Corral will keep 30% of the rental fee in return for checking in the guest and processing the credit card. Ada Anderson commented that she had used VRBO for many years. In general, rentals are being booked within a much smaller window for shorter duration and there are fewer inquiries as a result of the state of the economy.

Ada Anderson recommended forming a Committee to work with Larry Nelson on the marketing and internet issues.

## **VI. FY 2010/2011 BUDGET RATIFICATION**

Ada Anderson compared the 2010/2011 Budget to the 2009/2010 Budget. The new budget includes no change to the dues. She explained that the Board did not feel it would be prudent to reduce the dues until there is some history with the new management company.

The Corral has been using a Reserve Study that was created by a previous Property Manager about ten years ago. The Board contracted with a company out of Madison, Wisconsin to provide a new Reserve Study. It was received in April. Ada Anderson and Gene Warrington worked with the company on the Study and reviewed it line by line. They made some changes to dates for major projects based on the work that was done

during the reconstruction. Ada was told by the Reserve specialist that most Associations do not try to fund their Replacement Fund 100%. It is accepted that there might have to be some level of Special Assessment within the next 30 years. The Pella windows have lifetime warranties so a decision was made not to include them in the Reserve Study because they should last at least 30 years.

In order to fully fund the Reserve Study, there would have to be a \$200/owner/month contribution starting immediately, but after the changes were made to the Study that changed to \$100/owner/month. There has been no contribution this year and last year the contribution was \$40/owner/month.

The Board decided to go back to a contribution that was identical to what it was two years ago, around \$47/unit/month. It was possible to budget around that without a dues increase. This past year when there were no Replacement Fund contributions, a number of things occurred that resulted in a sizeable surplus. This surplus will be transferred to the Replacement Fund. There are also excess funds from the refurbishment. If these funds are not transferred to Replacement Fund, the Association will have to pay taxes on the amounts.

In summary, the Board is aware that the Replacement Fund contribution is less than recommended based on the new Reserve Study, but the assumptions are very conservative, high on expenses and low on income.

Last week the Association was able to hit the bottom of the gas market and locked the price for natural gas at \$5.25/decatherm versus \$6.25/decatherm last year.

An owner commented that her window did not close and the sill was cracked. Geoffrey Forman recommended having Carlo Gambino try to fix it and if it cannot be done to call Pella since there is a lifetime warranty.

Gene Warrington made a motion to approve the 2010/2011 Budget as presented. Geoffrey Forman seconded and the motion carried.

## **VII. ELECTION OF DIRECTORS**

The terms of Ada Anderson and Gary Duffens have expired. Ada noted that Gary had handled all the financial issues during the reconstruction and had done a wonderful job. He is not running for reelection. Candidates for the two vacant Board seats were Terry Matlack, Lorri Heuck and Ada Anderson. There were no additional nominations from the floor. Biographical information was provided for the two new candidates.

Secret ballots were tallied and Ada Anderson and Terry Matlack were elected.

## **VIII. OLD BUSINESS**

### *A. Building Defect Status Report*

Gene Warrington said The Corral received \$5 million about two years ago for the building defects. The actual process started about five years ago. He thanked the owners for their support throughout the project. The Association entered into a contract with R.A. Nelson about 18 months ago to do the work based on the engineering analysis. Fischer & Associates was contracted to do the architectural work. As the project progressed, additional defects that were not evident during the engineering inspection were discovered.

The contract for the construction was \$2.3 million. Additional issues discovered totaled \$1.4. The contractor was asked to provide plans and costs for the additional items and they were added to the contract. All work was scheduled to be completed by April 2010 but there are still a few more projects remaining. Administrative costs were approximately \$880,000 including a six month dues reprieve for owners and architectural fees. Total expenses were about \$4.65 million.

In addition there were some optional projects including redoing of the East building hot tub, adding a hot tub for the south building, replacing some doors and weather stripping, adding heat tape to prevent ice buildup and landscaping, bringing the total cost to \$4.914 million. There are still a few outstanding invoices, leaving a balance of about \$75,000 – 85,000.

Projects still to be completed include:

1. Replace about 35 window screens.
2. Refasten handrail connectors, which should be completed this week.
3. Repaint downspouts.
4. Address the settling problem on the south side of the West building.
5. Address the middle rail between 104 – 105.
6. Sprinkler issues.
7. Clean storm drains.
8. Complete landscaping. Reseeding was recommended instead of sod. There were a number of owner complaints so a bid was obtained to add mulch, bushes and to improve the berm on the east side of the South building. The bid was just over \$8,000 and the work is in progress.

Larry Nelson said irrigation was added along the path, dead trees and bushes were removed, 20 – 30 new bushes were planted, the steps were redone and some areas were seeded and/or mulched. An owner commented that the landscaping in front of her building was bland. Larry said more perennials would be added each year.

Brooke Danis noted that the large boulders near her building had not been moved back to their original location. Ada Anderson said the original plan was to create

a park and walking paths. It will likely be used as a staging area for Phase II of Water House. The property is now owned by the Town.

Gene Warrington was recognized by the Board and membership for his work on the reconstruction project.

Chuck Heuck said he still had a concern about his concrete patio. It is not pitched correctly and drains toward the building. The water accumulation last winter caused stress cracks. There is also a gap under his threshold that was filled with white caulk and looks bad. His snowmelt system was not working last winter. Gene Warrington said the system had been recharged with glycol and should be functional this winter. Larry Nelson added that the contractor had agreed to re-pour the patio to correct the slope.

Ada Anderson said owners might want to check their ovens. The frequent power surges may have caused some of the electronic controls to fail so the oven does not turn off. The repair is \$200 – 300.

*B. Self Management Report*

Iris Peterson provided a demonstration of the new website. Owners were encouraged to provide suggestions for improvements or additional services.

**IX. NEW BUSINESS**

*A. Pet Issues*

Ada Anderson asked the owners for input on the pet problem. One issue is that owners do not clean up after their dogs. There are also some renters with pets, which is prohibited. Owners are allowed to have one pet only. Geoffrey Forman said the Board should issue a reminder of the policy as soon as possible and start enforcing it.

*B. Change Articles of Incorporation*

When the Association switched to self management, the attorney Wayne Brown recommended a few minor changes. He reviewed the Declarations and Bylaws and did not find anything that would prohibit switching to self management but he recommended adding a specific provision to allow for self rental management.

Geoffrey Forman made a motion to engage Wayne Brown to institute the necessary changes to the Declarations specifically addressing the approval of self rental management. Marlene DeBruyn seconded and the motion carried unanimously.

*C. C1 and C2*

Another letter was received from Tim Curran about the Association purchasing C1 and C2 but in all negotiations with him, there has been great disparity between

his asking price and what the Board is willing to offer. He said he was obtaining a new appraisal and the Board will attempt to negotiate if at all possible. Geoffrey Forman said the Board tried to get an independent appraisal but there were no local commercial appraisers and the bids he received from Denver appraisers were around \$3,000.

*D. Real Estate Update*

There are currently seven units on the market and there were no sales in the past year. The Association is in the process of foreclosing on one unit. An owner suggested adding a real estate update to the website and/or newsletter.

**X. SET NEXT MEETING DATE**

The next Homeowner Meeting was set for August 13, 2011.

**XI. ADJOURNMENT**

The Board and Gene Warrington were recognized for doing an excellent job on behalf of the Association.

Gene Warrington made a motion to adjourn the meeting at 1:55 p.m. Geoffrey Forman seconded and the motion carried.

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

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