

Shadow Mountain Townhome Association

Annual Board of Managers' Meeting

Tuesday, February 8, 2011
3:00 p.m., Mountain Standard Time

I. Call to Order, Roll Call

Mr. Michael Mizen called the meeting to order at 4:05 p.m. on Tuesday, February 8, 2011. Present in person were Board members Mr. Alex Biel, and Mr. Don Gilbert. Board member Mr. Bruce Dierking was present via telephone. Also present were Mrs. Susan Spalding of Spalding Management Services, and Mr. John Laverman of Summit Property Management. A quorum was attained as four of the six Board Members were present.

II. Proof of Notice

The meeting notice was sent via e-mail on January 31, 2011.

III. Approval of Minutes

Mr. Biel made a motion to approve the minutes of the Board meetings contained in the meeting packet (2/02/10, 3/30/10, 6/08/10, 7/12/10, 8/09/10, and 11/09/10. Mr. Gilbert seconded the motion; all were in favor.

IV. Management Company's Reports

- A. Year Ended October 31, 2010 Financial Statements – Mrs. Spalding reviewed the financial statements as presented in the meeting packet. She noted that the Association's operating expenses were approximately \$6,000 under budget for the year, and that the Association's tax accountant, Denise Jurgens at Reese Henry & Co., had said that these funds when combined with the savings from 2009 had to be moved to Capital Reserves so as to avoid paying taxes on them. Mrs. Spalding reminded the Board that they had voted via e-mail to reclassify \$42,426 of Operating Assessments to Capital Reserve Assessments and that the cash would be move to the Capital Reserve account when it was available.
- B. Verification of Bank Balances – Mrs. Spalding directed the Board's attention to the letters from Reese Henry & Co. verifying the bank balances. The Board acknowledged the verification.
- C. Year Ending October 31, 2011 Budget – Mrs. Spalding directed the Board's attention to the proposed 2011 budget. She noted that the Operating Assessments totaled \$294,000 and the Capital Reserve Assessments totaled \$36,000, both of which were unchanged from 2010. Mr. Gilbert expressed concern that there was not enough money budgeted for snow removal. It was agreed that \$3,000 would be moved from the operating reserve line item to

the snow removal line item, which did not change the total budget. Mr. Gilbert made a motion to approve the budget with the revision. Mr. Mizen seconded the motion. All were in favor.

- D. Net Member Income for the year ending 10/31/11 – Mrs. Spalding explained that Reese Henry will notify the Association of the need to move any excess monies to Capital Reserves at the end of the year. It was agreed to leave any excess operating income in the operating account if it was possible to do so without taxation. Mr. Biel made a motion to move the excess if it will be taxed to Capital Reserves. Mr. Gilbert seconded the motion. All were in favor.
- E. Capital Reserve Study – Mrs. Spalding directed the Board’s attention to the study which had been prepared by Armstrong Consulting. She noted that it was a broad scope planning document, and not necessarily to be considered as a directive for specific action or actions.
- F. Insurance Renewal – Mrs. Spalding noted that the Association is insured at \$424 per square foot and that Owners are responsible for insuring their units from the drywall in.

V. Property Manager’s Report

- A. Mr. Laverman reviewed the Property Manager’s report as presented in the meeting packet.
- B. The Board directed Mr. Laverman to proceed with installing heat tapes in the gutters near the parking lot.
- C. The Board directed Mr. Laverman to proceed with installing heated mats for the gate areas of the pool.
- D. Mr. Laverman informed the Board that the roof has four areas that need patching. There is not a local vendor who can do warranty work. The Board directed him to investigate whether we can use a local vendor to make the repairs without voiding the warranty.

VI. Old Business

- A. Stair Project for Units 16 to 17 – Mr. Laverman presented the Board with a bid to replace the stairs which totaled \$94,885. The Board directed him to investigate ways to shore up the stairs instead.
- B. Energy Audit Follow up – the work that the Board had asked to be completed based upon the recommendation contained in the Energy Audit had not been addressed. The Board directed Mr. Laverman to make a proposal as to what

could be done both within and outside of the scope of his contractual duties so as to implement some of the recommendations in the audit report.

- C. South Aspen Street Developments – Mr. Dierking reviewed the latest drawings that he had received from the Lift One Lodge developer. He expressed concerns that the street parking would go away, and that Shadow Mountain might lose some parking spaces from the current lot. The Board agreed to continue discussions with the developer.
- D. Unit 20 Deck – the Board directed John to replace the Trex decking on the new deck in front of Unit 20 with a color that matched the rest of the complex.

VII. New Business

- A. Laverman Contract – Mr. Biel made a motion to approve signing a contract with John Laverman’s company, Summit Property Management, for management of the association, subject to Mr. Dierking’s approval of the terms of the contract. Mr. Gilbert seconded the motion. All were in favor. Subsequent to the meeting, Mr. Dierking suggested that the Association’s attorney, Fred Peirce, revise the contract so as to be done properly. Mr. Mizen agreed to work with Mr. Peirce to make the revisions.
- B. Tram Projects – Mr. Mizen reminded Mr. Laverman of the Board’s desire to continue to maintain the tram and asked for his suggestions as to what needed to be done next. Mr. Laverman had three specific suggestions:
 - 1. Raise the concrete pads as requested by the tram inspector. This is a relatively low cost process. The Board directed him to proceed.
 - 2. Investigate replacing the car. The Board directed him to price one.
 - 3. Electrical Issues of the main panel – the Board directed him to price the cost of replacing it.
- C. South Aspen Street Parking Permits – the Board agreed to tell Owners that they could go to the City to apply for on-street parking permits.
- D. Cable/Internet Access – it was agreed that although the access was not perfect it seemed to be the best option available today.
- E. Water Pipes – Mr. Laverman explained the cause of the leak that damaged the exterior wall of Unit 2. He expressed concern that there is the possibility of future leaks due to the corrosion of the galvanized pipes. The Board directed him to investigate the cost of replacing the water supply to the property.
- F. Building Stabilization – it was agreed by the Board to defer investigating the stabilization needs and options until the water pipe issues were resolved.

- G. Storm Door Standard – it was agreed that the new storm door standard was found at http://www.larsondoors.com/storm_doors/products/346_86.
- H. Façade Renovation – Mr. Laverman presented a schematic prepared by Crystal Springs Builders at the request of Mr. Klindworth. The Board agreed to review it. Mr. Biel said that the water pipe, tram, and building stabilization issues were higher priorities than the façade.
- I. Inclinometer Replacement – Mr. Mizen reminded the Board that one of the three inclinometers is no longer working. It was agreed to defer replacing the inclinometer and instead to look at the cost of installing another one on the other side of the property. Mr. Mizen and Mrs. Spalding agreed to look into the proper location and cost.

VIII. Next Meeting

The next annual meeting is scheduled for Tuesday, February 7, 2012 at 3:00 p.m.

IX. Adjournment

Mr. Mizen made a motion to adjourn the meeting at 6:55 p.m. Mr. Gilbert seconded. All were in favor.

X. Secondary Meeting

Subsequent to the annual owner's meeting on February 9, 2011, the Board unanimously voted for the following Board officers:

Michael Mizen, President
Alex Biel, Vice President
Todd Klindworth, Secretary/Treasurer