



### **III. Proof of Notice**

Mrs. Spalding indicated that notice of the meeting had been both e-mailed and sent via U.S. Mail on January 13, 2009. There was no disagreement.

### **IV. Approval of Minutes**

Mrs. Peggi Mizen made a motion to approve the minutes of the February 6, 2008 meeting; Ms. Chrissy McNamara seconded the motion. All were in favor. Mrs. Mizen made a motion to approve the minutes of the June 19, 2008 meeting; Mr. Bob Peacock seconded the motion. All were in favor.

### **V. Management Company Reports**

#### **A. Financial Report**

Mrs. Spalding gave the financial report for the year ended October 31, 2008 for the Association, which was included in the meeting packet. She noted the operating expenses totaled \$274,736 for the year, which was \$6,336 over budget. Owners were assessed \$266,000 for operating expenses. Capital Reserve interest income of \$17,032 was reclassified to operating income so as to bring the operating equity from a negative position to zero. Mrs. Spalding told the owners that this was done at the recommendation of Denise Jurgens of Reese Henry and had the Board's approval.

Mrs. Spalding noted that Administration Expenses were over budget \$7,845. She stated that \$4,794 of this was due to Condominium Association costs, which included title work. Income taxes on the interest income totaled \$2,616.

Mrs. Spalding noted that snow removal costs of \$29,390 exceeded budget by \$6,890 as the roof had been shoveled at a cost of \$26,754. She then told the owners that the Board had agreed that the roof needs shoveling again this season. Mr. Borkovec said that he was working with Nick Looper at Valley Plowing to get it done for less than \$20,000.

Mrs. Mizen asked about the cost of grounds and gardening, and if the Association could spend less this year in light of having Borkovec Management as the property manager. Mr. Borkovec said that he and Mr. Sullivan are able to do more grounds type work than Patrick was comfortable with, but that they still want Ladybug Landscape Artists to do the purchasing and planting of flowers. It was agreed that Mr. Borkovec will do as much as he can in the grounds area.

Discussion about the cost of energy ensued. Mrs. Spalding informed the owners that the Board had agreed to have an energy audit conducted to

determine what can be done to better control the energy costs of the Association.

Mrs. Spalding reviewed the cost of insurance and told the owners that the building is insured at \$424 per square foot. Mr. Mizen reminded the owners that they are responsible for the interior coverage for their units, including subsidence coverage. He encouraged them to contact their insurance agents to make sure they are adequately insured.

Mrs. Spalding then reviewed the capital expenses for the year, as presented in the meeting packet. Mrs. Mizen asked about the cost of the failed inclinometer installation. Mr. Mizen replied that the Association had paid \$13,700 for the drilling that resulted in a broken bit. He said that the total cost of the inclinometer installation will be less than \$100,000, as per the original contract, which was for \$90,000 plus \$10,000 for the failed installation. Three inclinometers have since been successfully installed.

Mrs. Spalding then referred the owners to the letter from Reese Henry & Co. on page 18 of the meeting packet wherein they had verified the bank balances for the Association, which they prepared in conjunction with completing the Association's tax returns for the year ended October 31, 2008.

Mrs. Spalding reviewed the operating budget as presented in the packet with the owners. She stated that the operating assessments total \$317,000 for the year ending October 31, 2009, which represents an increase of \$51,000 over the prior year. She told the owners that the capital reserve assessment remains at \$36,000 for the fiscal year. She noted that \$29,000 was included in the budget for roof shoveling. Mrs. Spalding said that the Board had set the legal budget at \$30,000 for the year, in order to enable the Association to hire an attorney to help prepare the Association in case the neighborhood construction plan passed the public vote in May.

Mrs. Spalding reviewed the revised capital reserve study as distributed at the meeting. Mr. Mizen told the owners that the Board had approved the installation of wireless internet by Resort Internet, the current service provider, at a cost of \$5,681. Questions arose as to the money budgeted for deck replacements. Mr. Mizen reminded the owners that the Association's attorney, Fred Peirce, had recommended in the new Declaration that the decks be defined as Limited Common Elements, maintained at the expense of the Association. Much discussion ensued around this point. The Board stated that the new Declaration will be filed on or after March 6, 2009. They then intend to ask the owners to vote on amending the Declaration so as to leave the decks defined as Limited Common Elements, but that the expense of maintaining the decks be made the responsibility of the owners that use the decks. Mr. Biel told the owners that the Board felt it was their fiduciary duty to pay to replace Unit 17's deck, as the owner had asked to do so last year,

and the Board had said that the Association would do it. The deck on Unit 17 is integral to the stairs on that side of the building, so it probably needs to be done in conjunction with the stairs. Mr. Prunskis of Unit 1 made a motion to ask the Board to make the deck replacement and repair the responsibility of unit 17's owner. Mrs. Mizen seconded. After discussion, the owners voted against the recommendation. Mr. Prunskis made another motion to ask the Board to keep the cost as low as possible for Unit 17's deck replacement. Mr. Biel seconded the motion. All were in favor.

## **B. Property Management Report**

Mr. Borkovec introduced himself and Mr. Lee Sullivan as the new property managers. He referred the owners to his written report on page 35 of the meeting packet. He said that the State of Colorado has now ordered that the tram brakes be tested monthly instead of annually. Historically they have loaded the tram with sandbags to do this testing, which is four man-hours of work and puts wear and tear on the tram. He said that he had shared a proposal with the Board wherein they purchase a tram torque test at a one-time cost of \$2200, which will save time and wear and tear on the tram. He noted that he is proceeding with purchasing the torque test and spending an additional \$600 to turn the motor from one phase to three phases so that the tram gradually turns on instead of jerking.

He restated that he is getting bids to have the roof shoveled in the immediate future.

Ms. McNamara complemented Lee and Rick on a job well done since they came to work for the Association.

## **VI. President's Report**

Mr. Mizen told the owners that the Board had held nine formal meetings during the prior year due to the adoption of CCIOA, the hiring of a new property manager, and the neighborhood development issues among other items. He said that there are now three inclinometers installed so as to enable the Association to monitor any structural movement that might occur given the neighborhood development. He said that CCIOA and the new legal documents will be filed in early March, after which the Board will propose adopting an amendment to the Declaration declaring that the Limited Common Element decks are the financial responsibility of the owners that use them.

## **VII. Old Business**

### **A. Revision of Declaration; Adoption of CCIOA**

Mrs. Spalding said that legal notices had been published in the paper, and that she still needed three owners to sign releases for their bank to review the revised documents. She said that she intends to send the releases to the bank as soon as she receives them. Then, on or after March 6, 2009, the Association will be able to record the new documents.

## **B. Neighborhood Development**

Ms. McNamara reviewed the COWOP process that she participated in on behalf of the Association. She said they met weekly from April 11 until October 20, 2008. She passed out the overview of what the development will look like, which is subject to a public vote in May 2009. She said that she appreciated the owners that showed up on behalf of the Association, and she was especially thankful for Bruce Dierking, who helped with developer negotiations. She said that she thinks the plan developed by the COWOP process is a good one, and has many benefits for the Association. Mr. Dierking stated that if the plan is implemented, it contains \$100 million of public benefit. Mr. Mizen said that protection is needed for Shadow Mountain from damages caused by construction. Mr. Dierking said that a legally binding agreement is needed with Lodge at Aspen Mountain, and that he will be working to help put it together before the May election. Mr. Prunskis requested that if possible he would like the LAM building moved 30 feet to the back of Unit 1. Mrs. Mizen thanked Ms. McNamara and Mr. Dierking for all of their hard work. Mr. Mizen said that the Board's first order of business is to obtain an agreement with LAM; the second order of business is to look at stabilization issues.

## **VIII. New Business**

### **A. Clarification of rules**

Mrs. Spalding noted that the final piece of the legal document revision was to revamp the Association's Rules and Regulations. She told the owners that she will work with the Board and the Association's attorney to revise the Rules and Regulations, and that Mr. Klindworth had offered to draft a checklist for construction by owners to include in the new Rules.

### **B. Fire Alarm System**

Mr. Tucker asked if the Association would consider hardwiring a fire alarm system to a central monitoring location so as to reduce response time to a fire. The Board agreed to look at it. Mr. Mizen noted that the Board has asked Mr. Borkovec to have all furnaces checked annually by a licensed HVAC vendor, and that the cost of any repairs is the responsibility of the unit owner.

Mr. Mizen also reminded the owners that carbon monoxide detectors had been installed in every unit and that the property manager will check them twice a year and replace the batteries annually.

## **IX. Approval of the Actions of the Board of Managers**

Mrs. Mizen made a motion to approve the actions of the Board of Managers. Mr. Dierking seconded the motion. All were in favor.

## **X. Election of Board Members**

Mr. Biel noted that last year the owners approved expanding the Board to six members. He said that Ms. Morgan had sold her unit and resigned from the Board, reducing it to five members. He nominated Bruce Dierking to the slate of Board of Managers. Mrs. Mizen made a motion to elect the slate. Ms. McNamara seconded the motion. The slate included Michael Mizen, Alex Biel, Don Gilbert, Todd Klindworth, Chrissy McNamara, and Bruce Dierking. All owners were in favor of the nominated slate.

## **XI. Set Time and Date of Next Meeting**

Mr. Mizen stated that the next Annual Owners' Meeting will be held on Wednesday, February 3, 2010 at 3:00 p.m., with the Board Meeting taking place two days before.

## **XII. Adjournment**

Mr. Mizen adjourned the meeting at 6:00 p.m. All were in favor.