

**FROSTFIRE CONDOMINIUM ASSOCIATION
ANNUAL HOMEOWNER MEETING
July 25, 2015**

I. CALL TO ORDER

The meeting was called to order at 9:06 a.m. in the Keystone Fire Station.

Board members present were:

Mary Parrott, President, D39

Gary Howard, Vice President, E42

Owners present were:

Stacy & Tim Huntoon, A1

Bud Clifford, A34

Ted Nelson, B3

Darold Douglas & John Johnson, C5

Deborah Yoder, C21

John Rosie, representing D24/E26

Diane & Bruce Johnson, E9

Representing Summit Resort Group were Kevin Lovett, Michael Kellett and Mike Webb. Erika Krainz of Summit Management Resources was recording secretary.

II. PROOF OF NOTICE

Notice of the meeting was sent June 25, 2015 in accordance with the Bylaws.

III. DETERMINATION OF QUORUM

With seven properties represented in person and eleven by proxy a quorum was confirmed.

IV. APPROVE PREVIOUS MEETING MINUTES

Bud Clifford made a motion to approve the minutes of the August 2, 2014 Annual Meeting as presented. Stacy Huntoon seconded and the motion carried.

V. TREASURER'S/FINANCIAL REPORT

A. 2014 Year-End Results

The Association ended the year with \$5,965 in Operating and \$62,076 in Reserves. The Association was \$1,305 over budget overall. Areas of major variances were reviewed to include:

1. Miscellaneous - \$1,334 over budget.
2. Snow Removal - \$2,428 over budget.
3. Landscaping - \$2,088 over budget.
4. Insurance - \$4,430 under budget due to switching to Farmer's.

All Reserve contributions were made in 2014. The annual contribution is about \$32,000.

B. Balance Sheet and Income Statement as of June 30, 2015

As of June 30, 2015 the Association balances were \$2,630 in Operating and \$71,493 in Reserves.

The Income Statement reflected a \$756 positive variance (about 1%) in Operating expenses. Areas of major variance included:

1. Internet - \$1,217 over budget due to the new contract, which resulted in paying for service from both providers for few weeks.
2. Repair & Maintenance Buildings - \$1,339 over budget.
3. Repair & Maintenance Hot Tubs - \$1,087 under budget.

All Reserve contributions are current for 2015.

C. Reserve Plan

The Association is projected to end the year with \$70,400 in Reserves. There is \$10,000 budgeted for roof repairs in 2015. Some painting of the back side metal roof of the A Building is planned. There is \$2,000 in the budget and the bids received have been around \$1,200.

There are \$10,000 Special Assessments planned for 2017, 2018 and 2019 to fund the reserve account. The Reserve Plan does not include funding for major exterior siding replacement.

Darold Douglas asked how Reserve balance compared to other Associations. Kevin Lovett responded the Association was in pretty good shape. The Reserve Study balance remains positive in the coming years.

VI. MANAGING AGENT'S REPORT

A. Completed Operating Projects

1. Touched up paint in various areas.
2. Completed annual inspections of the roof, fireplaces and fire alarm system.
3. Washed exterior windows.
4. Cleaned the carpets.
5. Renewed the insurance policy.
6. Installed third floor balcony balusters.
7. Installed plexiglass around the A Building hot tub.
8. Changed television service provider to ResortInternet.
9. Converted to LED lights.
10. Maintained entry tile.
11. Inspected roof and repaired as needed.
12. Installed common area bike storage in the basements of A, B and D Buildings. The code will be sent again to owners by email.

B. Pending Items

1. A Building rear roof painting.

C. Reminders

1. Trash should be placed in the dumpsters and not left outside the enclosure. The recycling bins were removed because the material was frequently contaminated. Owners can drop off recycling at the Dillon Town Hall recycling center.
2. Owners are responsible for their tenants. Owners should review the House Rules with tenants. The biggest issue is renters with dogs. Only owners are allowed to have pets and there is a fine policy in place. A reminder will be included in the post-meeting mailer. Owners were encouraged to report violations to management.

Bud Clifford made a motion to increase the emphasis on warnings to owners who rent. Darold Douglas seconded and the motion carried.

VII. OLD BUSINESS

A. Major Exterior Remodel

The Board has continued investigation on the potential exterior remodel. The south side is repainted every five or so years but the siding is over 30 years old and does not hold the stain well. Options are to replace the bad sections with new cedar siding or to undertake complete replacement with a lower maintenance product. Some siding was removed to determine what is behind it and a report was generated. The main problem areas are the areas around the chimney stacks, particularly on the south sides, due to snow and ice accumulation. An architect prepared a number of renderings. One option would be to replace the cedar siding with cementitious siding, which requires less maintenance and painting, and to add corrugated metal to certain sections such as the chimney stacks. The cementitious siding would be about the same cost as cedar siding. Stone wainscoting was also presented.

Two out of the three preliminary cost estimates were about \$400,000 for the south sides only and \$600,000 for the building in full. Full construction drawings will need to be drafted to get more accurate bids. The bids included removal of the existing siding and installation of new wrap and new siding. The estimates did not include the ground unit decks nor the decking around the A hot tub. A summary of the bids was distributed.

Tim Huntoon recommended stacked stone veneer rather than river rock. He also pointed out that window replacement should be considered when the siding is replaced since the windows are original and hardware is starting to fail. The entry door on the pond side of A Building is starting to rust. A metal kick plate can be installed to prolong the life. Kevin Lovett will follow up. Kevin said Truth Hardware could provide replacement window hardware.

The Major Exterior Remodel project could be funded with a loan or a Special Assessment and Kevin Lovett provided individual cost estimates for \$400,000 and \$600,000 for both loans and special assessments.

The Board is hoping for a decision during this meeting about whether or not to proceed with this project since postponing the project will result in the need to stain again next year at a cost of approximately \$15,000 plus siding repairs.

There was discussion about other upcoming project expenses. The A Building hot tub will eventually need replacement at a cost of approximately \$50,000. There has also been an issue with water in the A and E Building crawlspaces during spring runoff over the past two years. Sump pumps were installed and the water dried up after the runoff ended. HP Geotech did not find any signs of settling or mold. HP Geotech provided a proposal for core sampling and additional investigation at a cost of \$2,500; Kevin Lovett recommended proceeding. Michael Kellett is working with the County and Keystone to determine who is responsible for maintaining and repairing the bike path that runs behind the building and a plan to mitigate the drainage issue along the bike path is underway.

Tim Huntoon made a motion to authorize the Board to incur the expense to proceed with finalized construction drawings for re-siding the entire building. Diane Johnson seconded and the motion carried.

Darold Duncan made a motion not to include windows/doors as part of this project, to have the Board develop a policy to include preapproved specs for window/door replacement at individual owner expense and to have the Board work on organizing a bulk replacement project on an annual basis. Ted Nelson seconded and the motion carried.

Once the finalized re-siding plan is received, it will be sent to the membership with the cost estimates and financing options for a vote. John Rosie suggested scheduling a Special Meeting to hold the vote.

Darold Duncan made a motion to obtain hard bids per the construction drawings, to prepare a survey mailer to send to owners presenting the project and bids, to ask the owners if they are interested in this project based on the costs and to ask the owners if they would prefer to pay through a Special Assessment or an Association loan. The Board will review the results of survey, send another mailer announcing a Special Meeting with the agenda items to be discussed and conduct a vote at the Special Meeting. Owners will be strongly encouraged to attend. The first mailer should be sent to owners around November 1st with a response due around December 15th. The Special Meeting will be scheduled sometime in February. Ted Nelson seconded and the motion carried.

VIII. NEW BUSINESS

A. *Ski Rack*

Ted Nelson asked if it would be possible to install a ski rack in the B Building crawlspace. Mary Parrott did not think there was enough space.

B. *Glass at Hot Tub*

Bud Clifford said there were two instances in March of glass and bottle caps in the hot tubs. Gary Howard said there are "No Glass" signs at the hot tub but it is difficult to control renters. Owners should be sure to provide plastic cups in the units. The only solution is stronger enforcement with rental unit owners.

IX. ELECTION OF DIRECTOR

The term of Bruce Blank expired and he indicated he would be willing to run again. Bud Clifford made a motion to elect Bruce Blank for another three-year term. Darold Douglas seconded and the motion carried.

X. SET NEXT MEETING DATE

The next Annual Meeting will be held July 23, 2016.

XI. ADJOURNMENT

Bud Clifford made a motion to adjourn at 10:58 a.m. Darold Douglas seconded and the motion carried.

Approved By: _____ Date: _____
Board Member Signature