

**FROSTFIRE CONDOMINIUM ASSOCIATION  
ANNUAL HOMEOWNER MEETING  
JULY 25, 2009**

**I. CALL TO ORDER AND INTRODUCTIONS**

The meeting was called to order by Mary Parrott at 9:05 a.m. in the Oro Grande Lodge Conference Room.

Board Members Present Were:

Mary Parrott, President, Unit D39  
Merrel Miller, Treasurer, Unit C37  
Marie Keeney, Secretary, Unit C38

Owners Present Were:

Thomas Richter, Unit A1	Laurie Jones, Unit A17
Bernard Amels, Unit A33	Mr. & Mrs. Bud Clifford, Unit A34
Ted Nelson, Unit B3	David Duncan & Darold Douglas, Unit C5
George Formarino, Unit C6	Kathy Miller, Unit C37
James Keeney, Unit C38	Ron & Joanne Fiedler, Unit D8
Stanley Tyms, Unit E10	Julie Hanan, Unit E41
Deborah Howard, Unit E42	

With thirteen units represented in person and seven proxies received a quorum was reached.

Representing Summit Resort Group were Peter Schutz, Kevin Lovett and Kevin Curry. Margot Mayer of Summit Management Resources was recording secretary.

**II. PROOF OF NOTICE**

Notice of the meeting was provided in accordance with the Declarations and Bylaws of the Association. A copy was provided in the meeting packet.

**III. REVIEW PREVIOUS MEETING MINUTES**

Bud Clifford made a motion to approve the minutes from the July 19, 2008 Annual Meeting as presented. Tom Richter seconded and the motion carried.

**IV. FINANCIAL REPORT**

Merrel Miller presented the Treasurer's Report.

*A. 2008 Year-End Status*

The Association ended the year \$1,186 unfavorable to budget. Significant variances to budget included:

1. Electricity/Gas - Overall usage was down due to fewer rentals.
2. Interest - \$500 unfavorable to budget.

3. Repair & Maintenance - Additional money was budgeted for unforeseen repairs but was not needed.
4. Snow Removal - \$1,800 unfavorable due to timing of billing.
5. Landscaping - \$3,496 unfavorable to budget. Additional workers were hired because Mary Parrott did not spend as much time in Keystone this past year.

*B. Review of Budget Changes*

Accounts with increases included:

1. Management Fee - \$984.
2. Landscaping - \$3,000.
3. One-time Increase in Operating Funds - \$3,000. This is not a real expenditure as the money is still in the checking account.

Merrel said the Board chose to make a change in the operating strategy for the year 2009 and beyond. The plan is to hold dues at the current level for the next two years given the current economic climate. They accomplished this by changing the way they manage the Reserve account. The Association is no longer at an accelerated rate to build the balance for a roof replacement. Instead, the roof will be inspected and repaired each year to avoid any big surprises. The increase in the operating expense will be taken out of the monthly contribution for at least through 2010.

*C. 2009 Year-to-Date Status*

Merrel Miller reported that there were no current delinquencies. As of June 30, 2009 the Association was operating \$7,932 under budget. Significant variances to budget included:

1. Gas - \$976 favorable to budget due to lower consumption.
2. Electricity - \$1,708 favorable to budget due to lower consumption.
3. Water - \$552 favorable to budget due to lower consumption.
4. Repair & Maintenance - \$925 favorable to budget.
5. Roof Snow Removal - \$900 favorable to budget due to timing of bills.
6. Increase in Operating Fund - \$3,000 favorable to budget.

*D. Capital Reserve Highlights*

Based on the current strategy for the capital plan and projected income, the Board expects to have a Reserve Fund balance of \$90,000 - \$100,000 by the end of 2019. The projected estimates were based on the Board's best knowledge and input from various contractors. Merrel Miller said the Board believes that the roof inspections will prevent any large unexpected repair costs. If the roof starts to show significant deterioration then the Board will take a different approach.

Upcoming projects include:

1. Interior Painting and Carpeting – scheduled for 2010.
2. Hot Tub E – scheduled for 2010 but may be deferred.

Bud Clifford asked why the annual roof inspection was listed at \$5,350 instead of only \$2,000. Merrel said these costs were for replacing a section on the metal roof and a snow fence.

An owner said the Management Fee is currently 23% of the Association's total expenditures. He asked if the increase in the Management Fee was justified. Merrel said the three year contract specifies incremental increases of 3% each year. The owner asked if the fee was proportional to the Association's budget. Kevin Lovett said that depends on the common area amenities. Breaking the fee out by hour, it comes to \$20.00 per hour. This includes taking care of the grounds, accounting and his and Peter Schutz's time. Merrel said the Board has had a good relationship with Summit Resort Group in the past.

An owner asked what costs are included in the \$40,000 that is listed for the hot tub. He wanted to make sure that competitive bids are obtained. Kevin said a hot tub for commercial use costs about \$16,000. Tom Richter said the Board encountered a number of issues to meet current building requirements. Building codes for the foundation and plumbing were never in existence in the past but are now. Kevin said he will obtain bids. Merrel said the Board is trying to avoid spending money unless necessary.

Bud Clifford said the Reserve balance is projected to be \$90,000 by 2019. The years from 2008 to 2013 are basically flat. Merrel said at this point they were trying to offset operating expenses. Contributions to the Reserve Fund will increase in 2011. Kevin explained that the major projects are the hot tub, roof, siding, and interior carpeting and painting. Merrel said the Board could increase dues to further build up the Reserve Fund. Ron Fiedler said he supported the Board decision to offset operating costs from the Reserve Fund.

James Keeney asked how the budget would be affected if 10% of the owners did not pay their dues. Merrel said it would increase the dues. Kevin explained that delinquent owners are charged late fees and after 90 days the account is turned over to an attorney. He explained that the Association has the ability to begin a foreclosure process. George Fornnarino suggested adding a line item for bad debt to the budget. Kevin calculated that if three units did not pay for an entire year it would add up to \$11,000. He felt that the Association had enough cushion and would not have serious financial issues. The Board has the authority to raise dues mid-term. Peter Schutz explained that by Colorado law the Association has foreclosure rights and would recover six months of dues. There are two units for sale in the complex and no dues are in default.

Tom Richter made a motion to accept the Financial Report. James Keeney seconded and the motion carried.

## V. MANAGING AGENT'S REPORT

Kevin Lovett reviewed the Manager's report. He expressed his thanks to Kevin Curry and to the Board.

### A. *Completed Projects*

1. Various touch up painting projects.
2. Annual fireplace inspection and cleaning. There are 10 - 12 wood fireplaces. Peter Schutz said owners who rent their unit and gave a gas fireplace have to install a carbon monoxide detector in order to meet new Colorado law. He recommended detectors that plug in with a battery backup.
3. Complex was re-mulched and extensive work was done to the flower beds.

### B. *Capital Items*

1. New backbone installed for satellite television system. HDTV is available. The contact person is Keith with High Country Electronics at 970/376-6360.
2. Painted north (small) side of building.
3. Painted metal deck railings and all entry doors.
4. Replaced tiles at entries.
5. Brick walkway repairs to back of building.

### C. *Pending Projects*

1. Touch up painting.
2. Replace or spruce up signage.
3. D building entry roof replacement.
4. C building roof diverter addition at entry.

## VI. NEW BUSINESS

### A. *Hot Tub Temperature*

Deborah Howard asked if the temperature can be turned down a notch. Kevin Lovett will look at it.

### B. *Bears in Dumpster Area*

An owner said she called the Department of Wildlife because bears visit the dumpster area. It is important that recycling bins are only used for recycling and not for trash. Kevin Lovett said he had ordered a bear proof dumpster. Every rental unit should have a copy of recycling rules. Boxes should be broken down when recycling. Bud Clifford thought guests from Cinnamon Ridge were using Frostfire's dumpster as well. Kevin does not

recommend locking the dumpster with a key because people would leave the trash outside the dumpster area.

C. *Unleashed Pets*

An owner said there is a gentleman in Building E that lets his golden retriever run loose in the parking lot. He talked to the owner and was told that he lets the dogs run outside all the time. He asked that a letter be sent to this owner. Kevin will post a reminder of the pet rules in Building E.

D. *Bus Service*

Free bus service will start in December. The existing routes will be rerouted.

E. *Smoking in Buildings*

Julie Hanan said the upper hallway reeks of smoke and asked what can be done about it. Kevin said there is no smoking allowed in the common areas. He suggested adding some no smoking signs. He will check all common areas to make sure they have no smoking signs.

F. *Policing the Property*

Bernard Amels said all owners should keep an eye on the property. When they see violations to the leash law, recycling, or damage to the property they should contact management.

G. *Tree Pruning*

Owners were asked to not trim the trees, but to contact the Board if they would like trees trimmed behind their unit or around their deck. It may be harmful to the tree if it is not pruned professionally. Tree trimming has been made part of the Rules and Regulations that were handed out at this meeting.

H. *Trailers*

Laurie Jones asked if it was permitted to park trailers in the parking lot and take up three or four parking spaces. Kevin said trailers should be parked by the utility building, not in front. Owners were encouraged to contact to contact SRG help with enforcement

I. *First Floor Decks*

Mary Parrott said the Board wants to enforce the policy about painting the first floor decks. Some of the decks are in bad shape. The Association is providing the paint to ensure conformity. She explained that owners who do not paint their deck will be billed by the Association to have it painted. All first floor owners requiring painting will be notified.

J. *Deck Furniture*

In order to improve the overall appearance Merrel Miller encouraged owners to upgrade to nice looking deck furniture.

*K. Gas Fireplaces*

Bud Clifford said there was a bad draft in his gas fireplace. He fixed it by hiring Service Monkey and had them block the vent that goes to the outside. The vent is needed for a wood burning fireplace.

*L. Dryer Vents*

Mary Parrott said owners have to get their dryer vents cleaned because it is a fire hazard. The Board will investigate costs. Notice will be sent and owners can sign up to possibly get a group discount.

*M. Front Door Closer*

The front door closer to the C bldg has to be adjusted so the door does not slam so hard.

*N. Windows in Building E*

There are no window cranks in the hallways of Building E. Kevin was asked to install cranks, at least during the summer time.

**VII. ELECTION OF DIRECTORS**

Merrel Miller's term expired this year and he indicated his willingness to run again. There were no nominations from the floor. James Keeney made a motion to reelect Merrel Miller by acclamation. The motion was seconded and carried.

**VIII. NEXT ANNUAL MEETING DATE**

The next Annual Meeting was set for Saturday, July 31, 2010.

**IX. ADJOURNMENT**

With no further business, a motion was motion to adjourn at 10:40 a.m. The motion was seconded and carried.

Approved By: \_\_\_\_\_  
Board Member Approval

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