

**FROSTFIRE CONDOMINIUM ASSOCIATION
ANNUAL HOMEOWNER MEETING
JULY 31, 2010**

I. CALL TO ORDER AND INTRODUCTIONS

The meeting was called to order by Mary Parrott at 9:05 a.m. in the Best Western Dillon Conference Room.

Board Members Present Were:

Mary Parrott, President, Unit D39
Marie Keeney, Secretary, Unit C38

Merrel Miller, Treasurer, Unit C37

Owners Present Were:

Thomas Richter, Unit A1
Ted Nelson, Unit B3
David Duncan & Darold Douglas, Unit C5
Lisa Kehaya, Unit C22
Gary & Deborah Howard, Unit E42

Bud and Alice Clifford, Unit A34
Lou and Steve Paddock, Unit B36
George Fornnarino, Unit C6
Julie Hanan, Unit E41

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

II. PROOF OF NOTICE AND DETERMINATION OF QUORUM

Notice of the meeting was provided in accordance with the Bylaws of the Association. A copy was provided in the meeting packet. With twelve units represented in person and eleven by proxy a quorum was reached.

III. REVIEW PREVIOUS MEETING MINUTES

Bud Clifford made a motion to approve the minutes from the July 25, 2009 Annual Meeting as presented. Thomas Richter seconded and the motion carried.

IV. MANAGING AGENT'S REPORT

Kevin Lovett reviewed the Manager's Report. He expressed his thanks to site managers Kevin and Wendy Curry and to the Board.

A. Completed Projects

1. Touch-up painting.
2. Annual inspections including the roof, fireplace and fire alarm system.
3. Repaired entry steps.
4. Installed new internet system. Owners who do not have the password should contact management.
5. Improved signage.

B. Completed Capital Projects

1. Installed new hallway carpet.

2. Painted interior hallways.

C. *Pending Projects*

1. Install gutter and heat tape over A, B and C Building entries.
2. Touch up painting on metal stair treads at entryways.

Kevin Lovett reminded owners to put only recyclable items in the recycling bins, not trash. Owners should also make sure their H06 Homeowner policy is current.

V. **FINANCIAL REPORT**

Merrel Miller presented the Treasurer's Report.

A. *2009 Year-End Status*

The Association ended the year \$7,370 favorable to budget. Utilities were under budget due to lower usage. The hot tub and landscaping line items were over budget.

B. *Review of Budget Changes*

Changes to the budget included:

1. Gas – 35% decrease
2. Electricity – 12% decrease
3. Roof Snow Removal - \$1,100 decrease.
4. Hot Tub Repairs – increased based on actual expenses.

The Board chose to change the operating strategy for 2009 and 2010 and reduced the Reserve contribution to \$25,000/year due to the economic climate. The Reserve contribution will be readjusted in 2011 to the previous level of \$32,000/year. This change will result in a dues increase of \$18/unit/month effective January 1, 2011.

The Board negotiated a favorable contract with Summit Resort Group for the next 3.5 years with no increase through the end of 2011, a 3.2% increase for 2010 and a 1.7% increase through the end of 2013.

C. *2010 Year-to-Date Status*

As of June 30, 2010 the Association was operating over budget. Electricity was the main contributing factor, \$1,641 over budget, due to an un-forecasted rate increase. The Board will continue to manage to budget and make best efforts to end the year close to budget.

D. *Capital Reserve Highlights*

The timeline for some projects was changed. The new carpet/painting was done this year (2010) since the E hot tub is still working. A discussion ensued about the financing of the new tub when it becomes necessary to replace the old one. Merrel Miller said that the Board considered the possibility of a Special Assessment. It will require a 2/3 vote of approval by the membership if the Assessment is more

than \$25,000. David Duncan was concerned about the Reserve balance and suggested increasing the level of contribution.

Marie Keeney said the Board had considered including an agenda item for next year's Annual Meeting for discussion and vote on a Special Assessment to allow the Board to levy the Assessment when it is needed. Julie Hanan noted that owners who sell would have to disclose the future Assessment to potential buyers. David Duncan asked if the Board had considered replacing the two smaller tubs with one larger tub. Mary Parrott said owners liked having two tubs for proximity to the various units.

It was calculated that increasing the annual dues by \$22/unit/month over a two year period would keep the Special Assessment under \$25,000, but several owners felt there would be objections to allowing the Board to levy a Special Assessment without owner input and/or approval.

David Duncan made a motion to raise the Reserve contribution by \$42/unit/month, in addition to the already scheduled \$18/unit/month increase, for one year. Bud Clifford seconded. In discussion, some owners were in favor of spreading the payments over two years but others preferred a Special Assessment. The motion carried with nine votes and eight proxies in favor and two opposed.

David Duncan suggested looking into charging units with multiple owners more dues than single owners. Several other owners were not in favor of this and Peter Schutz noted that this would require a change to the Declarations.

Thomas Richter made a motion to accept the Financial Report. Mary Parrott seconded and the motion carried.

VI. NEW BUSINESS

A. Unauthorized Parking

Lisa Kehaya said she had seen someone illegally parking a camper in the parking lot at night for a week. The situation was remedied through a call to the Sheriff. She recommended that owners watch for unauthorized use. She said she had also seen some parking of storage trailers. Peter Schutz reminded owners that they can call management regarding such issues.

B. Dogs

Some owners are not picking up after their dogs in the wetlands area. Owners can offer to provide doggie bags if they see this occurring, but it is not Association property.

C. *Projects*

Lisa Kehaya requested that owners be informed about the scheduling of major projects. Marie Keeney said notice could be sent by email and could be posted on the website.

D. *Loading Zone*

David Duncan suggested adding a sign by the striped parking zone so owners know it can be utilized as a 15 minute loading zone.

E. *Irrigation System*

David Duncan asked if there were moisture sensors in the irrigation system. It was often running in the spring when it was raining. Kevin Curry said there was no sensor; he turns it off manually when he knows it will rain. Kevin Lovett said he would look into adding a sensor.

F. *Trash and Recycling*

Bud Clifford said there had been issues with bears getting into the recycling containers because recycling items are not cleaned. He made a motion to consider suspending recycling during the summer months while the bears are active. Marie Keeney seconded. In discussion, Mary Parrott said some people put trash in the recycling. David Duncan said the main cause was trash that is left outside the dumpster because they do not know how to access the receptacle. Mary Parrott said signage would be added on the dumpster so users understand it is a side loading dumpster. Owners could also put some signage in the units. The motion did not carry. Kevin Lovett will research bear-proof recycling bins.

G. *Security Checks*

Julie Hanan asked if there were security checks. Kevin Lovett said checks were done weekly during the winter and twice monthly in the summer.

H. *B Building Entry Repairs*

An owner commented that there was some damaged wood by the entrance to B Building.

I. *Public Improvement District Proposal*

Mary Parrott said there was a proposal to beautify the Highway 6 corridor; it would be funded through a Public Improvement District (PID). The proponents obtained the required 200 signatures on a petition and submitted it to the County. Peter Schutz said a decision was still pending because it was the first PID the County has ever considered. He thought the negative sentiment outweighed the positive, but it was mainly from single family homeowners. If passed, the cost would be \$96 in taxes for a property valued at \$300,000. The project would address the medians and the corners at the Keystone traffic light with a focus on xeriscaping and no net increase in water usage. Many Keystone owners are in favor of improvements but feel it is a tremendous amount of money. The County tabled the issue and has not yet decided if it will be on the ballot. The total

project cost is estimated to be \$5.7 million. Owners of property within the proposed District who are registered to vote anywhere in Colorado will be eligible to vote on the proposal by absentee ballot.

J. Tree Trimming

Thomas Richter commented that some of the aspens were trimmed in the middle. Marie Keeney said the owners had agreed as a group to use a professional trimmer and to allow "view trimming", which entailed some trimming of the center of trees. David Duncan made a motion to disallow view trimming of the trees. Thomas Richter seconded. In discussion, Marie Keeney pointed out that some owners purchased because of the views and it was a key element of the unit value. Mary Parrott said aspens usually live about 15 years and the trees were now almost 30 years old. She agreed that view trimming in the middle of the trees was detrimental. Lisa Kehaya felt there should be some view trimming allowed but the integrity of the tree shape should be maintained. Peter Schutz recommended forming a Tree Committee with representation from the membership by building and floor to provide a recommendation for a tree trimming policy. Marie Keeney proposed an amendment to the motion to add "except where recommended by a Tree Committee appointed by the Board, including representatives from a variety of buildings and floors". David Duncan seconded the amendment. The motion carried. The Board will solicit volunteers from the owners. Gary Howard suggested planting trees in more appropriate places so the offending trees can be removed as needed in the future. The Board will assign the task of replanting to the Committee.

K. Mountain House Development

Peter Schutz said future development at the Mountain House had been tabled based on economic conditions and the amount of unsold inventory in Breckenridge.

VII. ELECTION OF DIRECTORS

Marie Keeney's term expired this year and she indicated her willingness to run again. There were no nominations from the floor. Merrel Miller made a motion to reelect Marie Keeney by acclamation. David Duncan seconded and the motion carried.

VIII. NEXT ANNUAL MEETING DATE

Thomas Richter made a motion to hold the next Annual Meeting on Saturday, July 30, 2011. The motion was seconded and carried.

IX. ADJOURNMENT

Bud Clifford made a motion to adjourn at 10:50 a.m. Thomas Richter seconded and the motion carried.

Approved By: _____

Date: _____

Board Member Approval