

# YACHT CLUB CONDOMINIUM ASSOCIATION

## Annual Meeting Minutes

Saturday, July 28, 2018

The Annual Meeting of Members of the Yacht Club Condominium Association was called to order on July 28, 2018 at 10:00a.m.

Directors Present: Ann Gassman, Robert Duncan, Ron Harper, Robert Kline, Spencer Comfort and Liesel Twenhafel

Wilderness Management: Grant Parker and Amy Drees, Community Association Managers / Dan Farber, O'Bryan Partnership Architects

**Proof of Notice & Quorum:** The Notice of the meeting was posted on the website, e-mailed to all owners, and mailed to all owners by USPS on June 29, 2018 which exceeded the 10-day minimum requirement. Two subsequent e-mail reminders were sent out as well.

Quorum for this meeting was established as follows:

- 19 Owners present in person
- 6 Proxies were confirmed
- 4 Owners were present by teleconference

Quorum requirement to conduct a legal meeting is (51%) or 25 Owners. 29 Owners were represented, therefore quorum was established.

**Introductions** – Members of the Architectural Concept Committee (ACC) were Introduced by Robert Duncan and thanked for their efforts. The Wilderness management staff and Dan Farber with O'Bryan Architects were introduced, as were members of the elected Board.

**Approval of July 1, 2017 Annual Mtg. Minutes – MOTION:** The Motion was duly made and seconded to approve the 2017 Annual Meeting minutes as submitted. Motion passed unanimously.

**Acceptance of the Revised Design, Elevations & Colors:** On June 22, 2018, the Yacht Club Board of Directors approved the Revised Design, Elevations & Colors for the Yacht Club Renewal Project by written action in lieu of a meeting, as proposed and recommended by the ACC. That acceptance is hereby recorded and made a part of these minutes.

## **President's Report**

**Laundry Room Restoration Project:** President Gassman reported on the recently completed Laundry Room project stating the hot tub has been removed, the plumbing and drain lines have been corrected and an all purpose room is now ready for whatever the membership ultimately decides to do with that space. Multiple building code violations was identified and corrected, which, along with asbestos and mold remediation, drove the cost above \$100,000.00. A third washer was added and a new ventilation/exhaust system was designed for the dryers, so they will now actually dry clothes within the allotted machine time.

**Exterior Renewal Project:** President Gassman reported that, following last year's Annual Meeting, the ACC obtained a rough estimate of the cost of the project as presented, and it came in nearly three times higher than originally anticipated. As a result, the ACC worked with O'Bryan Architects to scale down the project, primarily by deleting the deck expansions and simplifying material selections. Construction drawings and a Request-for-Proposal were prepared and sent to five companies. Three companies met the qualifications to bid and responded with bids by the July 20<sup>th</sup> deadline. Mr. Parker prepared a bid comparison summary for review by the Board. A Contractor's Conference has been scheduled for August 16, 2018 to interview the bidders and ask specific questions. The project is anticipated to begin in April 2019 and will last for five (5) months.

## **Treasurer's Report**

**Fiscal Year: May 1<sup>st</sup> to April 30<sup>th</sup>** Mr. Parker presented the Treasurer's Report, noting current account balances through June 2018, as these numbers are relevant to when the Board talks to the Bank following the Contractors Conference and the selection of a winning bidder. That will provide the "hard number" for the construction loan. Those account balances are as follows;

Operating Account Balance through June, 2018 – \$ 61,076.00

Reserve Account Balance through June, 2018 – \$ 336,260.00

**2018-19 Annual Budget:** The Annual Budget (May 2018-April 2019) was approved by the Board of Directors on March 17, 2018 with no increase in assessments. The Board decided to allow the membership to vote on either a 3.75% increase or a 7.5% increase at the Annual Meeting. That measure is on the Ballot for this meeting.

## **Presentation by O'Bryan Partnership/ Dan Farber**

Dan Farber began his presentation by depicting new designs and elevations that were a scaled-down version of last year's presentation. The following questions were asked by Owners present and answered by Mr. Farber:

Q- Will dripping water from higher decks still be a problem with the new deck surface?

A- The Committee looked at impervious surfaces and drainage systems, both of which were prohibitively expensive.

Q- What can be done about this?

A- Owners need to shovel snow from their decks every time it snows, to prevent melting snow from constantly dripping on the decks below. It should also be easier to push snow through the wire mesh railings. There may be new rules about this when the project is completed.

Q- What will the new deck surface be? What will the stairs be?

A- The new surface will be a color embedded, composite TREX material, designed for deck surfaces in extreme environments. The stair steps will be galvanized "bar tread" which will be easier to shovel and much easier on the feet.

Q- Will all existing doors and windows be replaced?

A- Yes. The only way to seal all windows and door openings, when the new "skin" is applied to the buildings, is to integrate new windows and doors into the exterior of the building during construction. Otherwise, the building might leak and void the warranty. All window and door replacements will be the same size as original. The dimensions of existing openings will not be changed. However, there will be an option for sliders vs. french doors.

Q- What is the next step?

A- A Contractors Conference has been scheduled for August 16, 2018, at which time members from the Board, as well as O'Bryan Partnership Architects, will interview the three contractors bidding on this project. It is hoped that by digging into specific details, the winning bid can be "value engineered" and possibly reduced in price.

Q- Is this project "set in stone"?

A- (Ann Gassman answered this question). Yes. We've reached that point. The association was involved with the Town of Dillon lawsuit, which depleted association reserves. We are now faced with 10 years of deferred maintenance which can't be put off any longer. The Reserve Study that was commissioned by the Board supports this conclusion. Additionally, building codes in Summit County have changed dramatically in the last 50 years. At this point, everything that needs to be addressed cannot be done without triggering a building code violation. The staircases are a prime example of this.

Ann also talked about everything the Board has done to put the association in a position to qualify for a bank loan. Two rental units were sold and those funds were deposited into the Reserve Fund. For many years, insurance costs were very high due to roof leaks. This caused the association to be "rated" for insurance coverage, which was very expensive. It also meant the association had to "self insure" by not submitting claims, so that their claims history could improve. Finally, the Board passed a Special Assessment for a new roof, completed two years ago, which dramatically reduced leaks and improved their claims history. Now we are back on track with a new policy that is competitive and affordable. We have not filed an insurance claim in four (4) years.

**Funding Options:** Director Bobby Kline took the lead on this discussion.

The three bids received were very competitive, within less than 2% of each other, so we are looking at 2.5 to 2.7M depending on the contingency amount. At 2.5M with a 25% down payment, using funds collected by a Special Assessment only, the amounts would be as follows:

- 1 bedroom @ 41,000.00
- 2 bedroom @ 55,000.00
- 3 bedroom @ 65,000.00

Spreadsheets were developed that calculate different down payments, augmented by different Special Assessment amounts, as well as different interest loan rates and different loan terms (15 or 20 years). The Board has spent a significant amount of time studying these options and will make a decision on the best and fairest path forward, hopefully with the least amount of "pain" for each owner. This decision will be made following the selection of the winning bidder on August 16<sup>th</sup>, and after additional discussions with the banks. That information will then be communicated to the ownership, likely by mid-September. The project is tentatively scheduled to begin no later than April 2019 and will be completed in 5 months.

## **Election of Directors**

Mr. Parker reviewed the Ballot with those present and noted there were three (3) vacancies on the Board this year. The terms of Robert Duncan and Ron Harper expire at this meeting, however both have agreed to run for re-election. A thirds vacancy was created when Director Royval sold his unit.

Additionally, the membership was asked to vote on a dues increase of either Zero, 3.75% or 7.5%. The Board approved a budget with no increase at the end of the last fiscal year (April 30<sup>th</sup>) but wanted the Owners to have the final say on the 2018-19 budget. A schedule of the impact of each dues increase, per square footage ownership, was distributed with the Ballot and explained to the members.

Mr. Parker explained that the association had not increased operating assessments in four budget cycles and that any increased amount would go to Reserves to help fund a larger down payment for a bank loan.

The Motion was then duly made and seconded to open nominations from the floor to fill the third vacancy. Heidi Kim, a member of the ACC Committee, placed her name in nomination. The names of Pam Parks and Jennifer Rosely were also placed in nomination. The Motion was then duly made and seconded to close nominations from the floor.

Grant Parker and Ed Gassman were assigned as Tellers to count the ballots. While ballots were counted the Board held a Homeowner Forum on general topics of discussion. The results of the count were then announced by Ann Gassman as follows:

- Robert Duncan and Ron Harper were re-elected for three year terms.
- Heidi Kim was elected to fill the unexpired one year term of Adam Royval.
- An increase in operating dues of 3.75% was passed

The increase in operating assessments will take effect September 1, 2018. New payment books with the new amounts will be mailed out to the membership in August. This means that dues for the first four (4) months of this fiscal year will be at no increase and the last eight (8) months will be at a 3.75% increase.

**ADJOURNMENT:** The motion was made to adjourn the Annual Meeting at 12:41 p.m. Motion passed unanimously.

Respectfully Submitted,

Grant Parker, Community Association Manager  
Wilderness Management

## **ORGANIZATIONAL MEETING**

The following Board Officers were appointed for the 2018-19 fiscal year.

Ann Gassman – President  
Ron Harper – Vice President  
Liesel Twenhafel – Secretary  
Spencer Comfort – Treasurer