

YACHT CLUB CONDOMINIUM ASSOCIATION
Board of Directors Meeting Minutes
October 23, 2017
[BY TELECONFERENCE]

A meeting of the Yacht Club Condominium Board of Directors was held telephonically on October 23, 2017 at 7:00p.m.

Directors in Attendance by Conference Call: Ann Gassman, Robert Duncan, Spencer Comfort, Liesel Twenhafel, Adam Royval, Ron Harper, Bobby Kline
Wilderness Management Representative: Grant Parker, Community Association Manager

A majority quorum was established.

Call to Order: The meeting was called to order at 7:00p.m.

Approval of Board Minutes

MOTION: The motion was duly made and seconded to approve the minutes of the January 1, 2017 Regular Board Meeting. Motion passed unanimously.

Review of September 2017 YTD Financial Report

The Board tabled review of the September financials as they had just been received that day and had not yet had a chance to review the report.

PENDING BUSINESS

- The Board of Directors discussed the recent mold and asbestos remediation in the Common Area / Laundry Room Area in Bldg 3 and expressed concern about the significant difference in price from the original quote from Edge Environmental dated July 5, 2017 in the amount of \$6,533.00 and the final quote dated October 13, 2017 (and invoice #1115 dated 10/19) in the amount of \$13,427.00.
- Mr. Parker provided the following explanation, which began with his report to the Board dated September 22, 2017, entitled "Yacht Club Common Area Report". In that report Mr. Parker outlined that 4 water damage events had occurred in 2017; 1) Washing Machine pipes froze when someone propped the door open in January. 2) Hot water heater failed and flooded the floors in the common areas. 3) Sewer backup in Unit 42 overflowed from kitchen sink into common areas. 4) Second sewer backup in Unit 42 overflowed from kitchen sink into common areas.
- A subsequent on-site meeting occurred with Spencer Comfort, Ann Gassman, Grant Parker and George from Premier Plumbing, to discuss how best to address the damage, and the best means for developing a Scope of Work to improve the Common Areas. George explained that the entire area needed to "opened up" so that a contractor could see the plumbing and electrical and understand the magnitude of what was needed to create useable space by Yacht Club residents.
- The original quote from Edge Environmental was in response to ONLY ONE of the four (4) water damage events that occurred in 2017. Additionally, it did not include the desire by the Board to "open up" the Common Areas completely.

- With a 5 man crew already onsite, Mr. Parker, called Mitch Hinrich, the original estimator with Edge Environmental and explained that much more needed to be done. Mitch explained that would dramatically alter the original quote, possibly doubling it. After a lengthy discussion and additional measurements, it was decided to move forward with the 5-man crew to construct the containment area and begin tearing out the ceilings and walls in all areas except the laundry room. This was communicated to the Board of Directors, however, a price had not yet been obtained. Once a new price was obtained it was immediately forwarded to the Board.
- The crew was onsite a total of 5 days. All work was performed satisfactorily and a Clearance Certificate was obtained from Stiles Environmental & Industrial Hygiene stating that mold and asbestos are now at acceptable levels.
- Mr. Parker apologized to the Board for making the call to proceed with this project, knowing that it would cost more and that the Board had not had time to review all of this information. However, just the cost to create workforce and safety containment was nearly \$5,000.00 and to come back later would have meant another \$5,000.00 expense.

2016 STATE & FEDERAL TAXES

- The Board discussed the association's tax liability for the fiscal year May 30th, 2016 to June 1st 2017 as it related to the sale of two condominium units that the association owned. As a result of those sales occurring in 2016, the association was obligated to pay income tax on all income that was not related to assessments. Federal tax payments were \$45,051.00 and state tax payments were \$15,864.00
- Because of the fiscal year-end date, taxes were due within 60 days of June 15th. The returns were prepared and sent to Ann Gassman for review in early August. Since management did not know how long it would take to review the returns, WPM automatically filed an extension just in case. The returns were filed and checks were written on August 11, 2017, which was within the 60 day deadline.
- Adam Royval and Ann Gassman committed to review the tax returns and possibly engage another accounting firm to file an amended return. There are real estate matters having to do with the sale of the units by a non-profit corporation, as well as whatever expenses were necessary to prepare the units for sale. Regardless, estimated taxes had to be paid to the IRS when the returns were filed.

STATUS OF ACC DELIBERATIONS

- ACC Committee Reports from August 23 and October 18 had been distributed to the Board of Directors for review.
- Both the ACC and the Board of Directors have now decided to remove the expanded decks and support pillars from the original plan, in an effort to cut costs significantly.
- It was decided to limit the diversity of materials being used in the project and to utilize Hardie Board Siding products, of different styles, orientations and colors, as the predominant material for the project.
- Robert Duncan will develop a final target number, with the assistance of Ken O'Bryan meetings to introduce cost reductions, and then begin formulating financing options.

- Ron Harper will study the actual operating costs of the association
- Ron, Ann and Liesel will review the last 3 months financial statements in an effort to determine a way forward to fund this project.

ASSOCIATION INSURANCE

Mr. Parker advised the Board that he had solicited insurance policy quotes from other agencies and carriers and that the Yacht Club Loss Run History for the last 3 years had been sent to them and should prove to be favorable. At this point the association has been "self insuring" various losses to protect their loss history and hopefully obtain a better rate.

The current policy is set to renew November 5, 2017 and all quotes should be available for review in the coming days. Mr. Parker believes the Board will have all the information they need to make a decision before the renewal date. Three agencies bidding are Farmers, Neil Garing and Cherry Creek.

NEXT MEETING DATES

Teleconference on November 9th was later re-scheduled for November 14th @ 7:00p.m.

ADJOURNMENT

The meeting was adjourned at 8:33p.m.