

Meeting Minutes
Village Center Condominium Association
Home Owners Special Meeting
Tuesday, January 22nd, 2019 ~ 2:00PM (MST)

Call to Order

Josh Quentzel called the meeting to order at 2:05pm MST.

Proof of Notice

Proof of notice was mailed and emailed out to all owners on January 7th, 2019.

Roll Call/Establish Quorum

Owner	% Ownership	In Attendance	Proxy	Call in
Axtel 314 - Joshua Quentzel	1.46273%			Y
Axtel 316 - Stephan Quentzel	1.46273%		Y	
Axtel 318 - Julia DuBay	1.46273%			Y
Axtel 415 - Colehour & Bond Sohr	1.46273%			Y
Axtel 416 - Larry G. Blackwell	1.46273%	Y		
Axtel 417 - Jive LLC	1.46273%	Y		
Axtel 418 - Cactus Black LLC.	1.46273%			Y
Axtel 419 - J & S Perone LLC	1.46273%			Y
Axtel 421 - Stephan Quentzel	1.46273%		Y	
Emmons 322 - Megan Menagh	1.46273%			Y
Emmons 323 - Toni Axelrod	1.46273%			Y
Emmons 324 - John and Maryellen Burke Fam	1.46273%		Y	
Emmons 325 - Peter Schimpf	1.46273%			Y
Emmons 326 - Candace Coen	1.46273%	Y		
Emmons 327 - Sharon Purdom	1.46273%	Y		
Emmons 328 - Nicole M. Blaser	1.46273%	Y		
Emmons 423 - Michael Adkins	1.46273%			Y
Emmons 424 - Sieck Kronenberger Investments	1.46273%	Y		
Emmons 425 - Jackson Family Trust	1.46273%			Y
Emmons 427 - Rebecca C. Barker/ Jeremy Neuner	1.46273%			Y
Emmons 428 - CB Emmons 428 LLC	1.46273%			Y
Emmons 429 - Carey Richardson	1.46273%			Y
Emmons 430 - Amy & Sean Sexton	1.46273%			Y
Emmons 432 - Joshua E. German	1.46273%			Y
Axtel 200 / Emmons 100, 200 - CBMR	26.73000%			Y

A quorum was established with 61.84% of ownership in attendance. Also in attendance, Wanda Bearth, Lee Friedman, Grant Benton, Sierra Bearth, Crested Butte Lodging and Property Management staff (CBL).

Reports

Management/Board Report and Correspondence

W Bearth explained the provided letter regarding insurance and assessments from CBL. Replacement coverage for the property insurance was obtained just before the cancellation date from the prior carrier.

Insurance Certificate

W Bearth informed owners that the association was able to gain coverage, on Friday January 11th, with an excess market carrier after receiving 15 rejections. She also reminded owners that there had been an insurance non-renewal previously with Farmers Insurance, prior to CBL's management, because of excessive claims. Toad arranged another carrier through Mountain West, and the insurance premium increased approximately \$70,000. She further explained that the new premium went up another \$30,000, so the total insurance premium is around \$135,000 and deductibles are high. She reminded owners that the association is liable for 'all in' insurance per the operating documents. Upon questioning, W Bearth explained that after the structural renovations are completed the association might be able to get out of the excess market, and hopefully bring down the high insurance premium. She stated the entire policy won't be available for the next 20 days and she can't answer specific clause questions at this time. However, she added that the insurer wants the association to carry builders risk insurance during the renovation.

January 2, 2019, Board Meeting Minutes

Board meeting minutes were included in the meeting packet for home owner review.

Balance Sheet

W Bearth explained the balance sheet contains preliminary numbers as of December 31st, 2018, and according to the balance sheet the association had about \$60,000 in available cash. The new insurance carrier required an initial payment of \$32,000 in January, significantly reducing the available cash. The operating (special) assessments are due by February 15th.

Income Statement

W Bearth explained ordinary income for the 2018 fiscal year was \$98,526.04 and expenses for the year were \$143,255.51, leaving the association's net income at negative \$69,874.55. She explained that there has been a pattern of borrowing from capital reserves to cover operating expenses since the 2017 fiscal year. This led to the Board's decision to assess for \$150,000 to cover operating funds and build back the capital reserve fund.

Unfinished Business

Amended Operating Budget Review

W Bearth said that banks want to see that associations are operating on a flush budget and have 3 months' worth of operating expenses in reserves in the bank. The \$150,000 operating assessment will cover that requirement, but before the end of the year the HOA will be dipping into that reserve to cover the increased insurance premium. Also, 10% of the regular dues should be allocated to capital reserves. Village Center is budgeting for that, however, the reserve fund has been drawn down to cover operating and that will be shored up with the capital assessment cycle that begins in March.

Amended Capital Improvement Budget Review

J Quentzel explained there was an engineering report completed on both buildings and that was brought to Ben White, and with his consultation, the Board created the capital improvements list. N Blaser asked if the amended capital budget is much different than the budget presented to owners in August. R Foldetta explained that some more issues have arisen, so more structural repairs are being addressed, but in short, the budget amount is the same, but different items were prioritized for safety and insurance purposes. N Blaser asked if the association is moving towards an esthetic picture. R Foldetta explained they haven't changed the esthetic of the renovations and that 17% of the capital budget is going towards cosmetic renovations.

The assessment for capital work will only carry the association through 2019's work; Funding for 2020's capital work has not been assessed yet. A few homeowners asked about pushing the project out over a few more years. W Bearth reminded the group that the association is on its' second excess market carrier for insurance and might not want to let the structural items go unattended. It was questioned whether an owner could install an electric fireplace and another could install a wood fireplace, or could an owner completely remove the box and flue to possibly gain more floor space. W Bearth cautioned about eliminating a common element and suggested consulting the HOA's attorney. It was explained that the fireplace box is an individual homeowner expense; and the flue is the responsibility of the HOA, but business unit owners would not share in that cost because they are an element that specifically serves only residential owners.

Several owners asked if the HOA could obtain a loan in order to start the capital work and allow owners to make monthly payments. W Bearth reported that a proposal from Community Banks of Colorado was received recently and it is in review by the Board. She recalls that the current proposal would amount to about \$400 monthly payments. The Board is going to review the bank proposal and flue decision and bring findings back to homeowners.

N Blaser made the following:

Motion:	Veto the capital budget
2 nd :	S Purdom
Vote:	The motion did not carry, following a roll call vote

Lykken & Kramer Structural Engineering Report

The engineering report was included in the meeting packet for owner review. This report outlines the structural items that need to be addressed in the renovation.

Adjournment

J Quentzel made the following:

Motion: Adjourn the meeting

2nd: R Foldetta

Vote: Unanimous approval

The meeting was adjourned at 4:16pm MST.