

**Ponderosa Condominiums Association, Inc.**

**Annual Meeting**

June 25, 2022 – 10:00 a.m. MDT

Zoom Meeting

**Call to Order**

President Beverly Ross called the meeting to order at 10:00 a.m.

**Roll Call/Establish Quorum**

**Members Present via Zoom:**

Sylvain Hayoun	1A
Frances Boatright 2000 Trust (Bart Boatright)	1B
Jim Peay	1C
Nicole Wadsworth	1D
Little Hoss LLC (Ann Hanson)	1F
Megan Hiles	2C
Richard T. O'Kell Trust (Beverly Ross)	2E
James Colorado Properties (David & Jeanne James)	2F
Kay Hutchings	3A

**Members Present by Proxy:**

Beverly Ross proxy for:	
Leuszler Joint Revocable Trust	1E
Andrew & Alexandra Holmgren	2A
Stefen & Jennifer Ammon	2D
Waldemar R. Tasch Jr	3B
Diane Brogdon	3C

**Management Company Present:**

William (Billy) Laird  
Annalise Smith

A quorum was established with 14 of 17 (82%) of the members in good standing present in person or by proxy.

**Proof of Notice**

Notice of Annual Meeting was emailed May 27, 2022.

**Reading and Approval of Past Minutes**

Kay Hutchings made the following:

<b>Motion:</b>	To waive the reading of the minutes of the June 26, 2021, annual meeting and accept them as submitted
<b>Second:</b>	James Peay
<b>Vote:</b>	Unanimous approval

**Officers Report**

The President's Report was included in the Annual Meeting Packet. The report addressed numerous items including steps for unit renovations, addressing Spectrum issues by calling

**Ponderosa Condominiums Association, Inc.**

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Mountain Home Management, a revised pet policy, and the current Gunnison County Stage 1 fire restrictions.

Jim Peay reported there is a new bicycle wash station located in the parking lot west of Ponderosa (Rasta lot). It includes a pump, tools and a hose and he encouraged owners and their renters to utilize the station. He suggested placing signs in the garages notifying owners and guests of the new amenity next door.

The Financial Report presented in the packet included 2021-year end and 2022 through May financial statements. A homeowner inquired about the snow removal expense, which was three times more than budgeted. The board and management have been working on the snow removal cost overage and are trying to better prepare for the upcoming winter. It was discovered a significant amount of snow was dumped onto Ponderosa's property from the Rasta lot, resulting in the need to haul off many loads of snow. Management will be looking for other snow removal vendors for the upcoming winter.

**Manager's Report**

There were no questions regarding the management report.

**Financial Report**

Deviations from the budget were discussed.

**Election of Directors**

The terms of Beverly Ross and Jim Peay expire this year.

Kay Hutchings made the following

**Nominations:** Beverly Ross and Jim Peay

**Second:** Megan Hiles

**Vote:** Unanimous Approval

**Unfinished Business**

Stone Veneer- Building 3

The stonemason completed the installation of the cultured stone veneer on the foundation below Unit 3B. He also repaired loose stones on all three buildings.

Crack Sealing and Seal Coating of Asphalt

SealCo will be arriving Monday, June 27 to sealcoat and stripe the lower lots and seal the walkway. Striping in the lower lot should be completed by Tuesday afternoon. At that time, cars from the upper lot should be relocated to the lower lot because SealCo will return Wednesday, June 29 to complete the upper lot.

Inspection & Cleaning of Chimneys and Fireplaces

The Association will no longer coordinate inspections of fireplaces and chimneys for short-term rental units that allow burning of artificial logs. *Owners of these units (1D, 2D, 2F, 3B, 3C, 3D)*

**Ponderosa Condominiums Association, Inc.**

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*should have their rental manager arrange for fireplace/chimney inspections to meet Town of Mt. Crested Butte requirements.* Non-rental units that allow burning of artificial logs (2C and 3E) are required to have fireplace/chimney inspections every other year and will be due in 2023. Units that have electric log sets installed in their fireplace no longer require inspection (10 units).

Window Washing

Any owners interested in having their windows washed should email Mountain Home Management. This work will be billed to individual homeowners.

Hot Tub Replacement

The bid received for the hot tub replacement totaled \$14,627.40. This includes installation of the new unit and removal and disposal of the old hot tub. Billy Laird recommended postponing the replacement of the hot tub since the upper control panel and cover were just replaced. He suggested instead replacing some broken deck boards and the capstones on the patio wall.

**New Business**

Consideration of 2021 budget as required by Colorado law

Colorado Law requires that unit owners be given the opportunity to veto the annual budget approved by the Board of Directors. Beverly explained the Board had to modify the distribution of the July special assessment to help balance the operating budget and Mountain Home Management waived one month of the management fee to help mitigate the snow removal overage. Bart Boatright thanked Billy for his willingness to help the Association. There was no motion to veto the 2022 budget.

Excess Membership Income Resolution

Bart Boatright made the following

- Motion:** To adopt the resolution that any excess membership income over membership expenses as defined in IRS Reg 1.277-1 shall be applied against the subsequent tax year operating expenses and/or reserve fund as provided by IRS Revenue Ruling 70-604.
- Second:** Sylvain Hayoun
- Vote:** Unanimous approval

Establish Next Meeting Date

Sylvain Hayoun made the following

- Motion:** To hold the next Annual Meeting on Saturday, June 24, 2023.
- Second:** Bart Boatright
- Vote:** Unanimous approval

There being no further business, the meeting was adjourned at 10:40 AM



**Annual Meeting Information  
June 25, 2022**

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## NOTICE OF ANNUAL MEETING

Ponderosa Condominiums Association  
Mt. Crested Butte, CO

In accordance with Article III of the Ponderosa Condominiums Association's By-Laws, notice is hereby given that the Annual Meeting will be held on **Saturday, June 25, 2022, at 10:00 a.m. Mountain Daylight Time via Zoom.**

The Board of Directors will meet after the Annual Meeting.

In the event that a bona-fide Ponderosa homeowner in good standing\* is unable to attend the Annual Meeting, he or she may participate if a proxy is received by 5:00 p.m. Mountain Daylight Time on Friday, June 24, 2022.

Dated this 25<sup>th</sup> day of May 2022.

Annalise Smith  
Mountain Home Management CB, LLC, Managing Agent  
Ponderosa Condominiums Association, Inc.

\* All members shall be considered in good standing except those members delinquent in payment of any assessment made by the Corporation.



**Agenda**  
**Annual Homeowners Meeting**  
**June 25, 2022, 10:00 a.m. MDT**  
**Zoom Meeting**

- 1. Call to Order**
- 2. Proof of Notice**  
 Notice of Ponderosa Annual Meeting emailed May 27, 2022
- 3. Roll Call/Establish Quorum**
- 4. Reading and Approval of Minutes**  
 Annual Homeowners Meeting, June 26, 2021
- 5. Reports**
  - a. President
  - b. Vice President
  - c. Secretary/Treasurer
  - d. Manager
- 6. Election of Directors**  
 (The terms of Beverly Ross and Jim Peay expire this year.)
- 7. Unfinished Business**
  - a. Stone veneer – Building 3
  - b. Crack sealing and seal coating of asphalt
  - c. Inspection and cleaning of chimneys and fireplaces
  - d. Window washing
  - e. Hot tub replacement
- 8. New Business**
  - a. Consideration of 2022 budget as required by Colorado law (see below)
  - b. 2021 Excess Membership Income Resolution
  - c. Establish 2023 Annual Meeting Date
- 9. Adjournment**

**Colorado Common Interest Ownership Act Revised Statute**  
**Effective July 1, 2018**

Paragraph 38-33.3-303 (4) (a) (II) (A):  
 “Unless the declaration requires otherwise, the budget proposed by the executive board does not require approval from the unit owners and it will be deemed approved by the unit owners in the absence of a veto at the noticed meeting by a majority of all unit owners . . . “

**Board of Directors List  
2022**

	Term Expires:
President: Beverly Ross 4303 West 78 <sup>th</sup> Terrace Prairie Village, KS 66208 Home: 913-341-8344 Email: bevross@att.net	2022
Vice-President: Jim Peay 2542 S. Grant Street Denver, CO 80210-5706 Home: 303-715-1522 Email: jrpeay@comcast.net	2022
Secretary/Treasurer: Bart Boatright 11303 S. Harvard Ave. Tulsa, OK 74137-7809 Home: 918-671-8167 Email: bartboatright@gmail.com	2023
Director: Kay Hutchings 528 G. Street Salida, CO 81201 Home: 719-539-7590 Email: kayhutchings@gmail.com	2023
Director: Dan Key 16212 Parkside Drive Parker, CO 80134-3744 Home: 303-549-4177 Email: danielkey2222@gmail.com	2024

**Ponderosa Condominiums Association, Inc.**

**Annual Meeting**

June 26, 2021 – 10:00 a.m. MDT

Zoom Meeting

**Call to Order**

President Beverly Ross called the meeting to order at 10:02 a.m.

**Roll Call/Establish Quorum**

**Members Present via Zoom:**

Sylvain & Pam Hayoun	1A
Frances Boatright 2000 Trust (Bart Boatright)	1B
Jim Peay	1C
Little Hoss LLC (Ann Hanson)	1F
Richard T. O'Kell Trust (Beverly Ross)	2A
Dan Key	2B
Isaac (Ike) Hiles	2C
Richard T. O'Kell Trust (Beverly Ross)	2E
David James & Jeanne	2F
Kay Hutchings	3A

**Members Present by Proxy:**

Beverly Ross proxy for:

Tasch	3B
Brogdon	3C

Bart Boatright proxy for:

Johnston	1D
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**Management Company Present:**

William (Billy) Laird

Annalise Smith

A quorum was established with 13 of 17 (76%) of the members in good standing present in person or by proxy.

**Proof of Notice**

Notice of Annual Meeting was emailed May 25, 2021.

**Reading and Approval of Past Minutes**

Kay Hutchings made the following:

<b>Motion:</b>	To waive the reading of the minutes of the June 27, 2020 annual meeting and approve them as submitted
<b>Second:</b>	David James
<b>Vote:</b>	Unanimous approval



**Ponderosa Condominiums Association, Inc.**  
**Annual Meeting**  
June 26, 2021  
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## **Reports**

### **Officers**

The President's Report was included in the Annual Meeting Packet and was posted on [www.ponderosacondos.org](http://www.ponderosacondos.org). The report addressed the transition to new Association management and the valley opening up following the lifting of COVID-19 restrictions. As of July 1, Gunnison County is “fully open.” Elk Avenue will again be one-way for the summer and Crested Butte Mountain Resort’s lifts will run through September 6, 2021.

Jim Peay reported his findings after reaching out to other associations regarding their dues amounts for two-bedroom units. Evergreen dues are \$490 per month and Mountain Edge units are around \$430 per month. More information will be gathered for comparison.

The Financial Report presented in the packet included 2020-year end and 2021 through May financial statements. The Association had a net loss of \$6,175 at the end of May 2021 and budget deviations were explained. The Board will monitor the Association’s financial position and make an adjustment to monthly assessments if necessary.

### **Manager's Report**

Billy Laird explained there have not been many major issues at Ponderosa since taking over management last December 1. There was a backup in a drain line in building 2 that appeared to be from heavy garbage disposal use that was addressed. A new snowplow contractor was hired. Guidelines in deciding the necessity of roof snow removal were discussed. Billy stated his team would do a better job of mitigating the melt off, seepage and freezing in the garages this upcoming winter. United Companies recommended crack sealing all joints where the asphalt meets the garage concrete.

### **Election of Directors**

The term of Dan Key expires this year.

Kay Hutchings made the following

**Nomination:** Dan Key

Sylvain Hayoun made the following

**Nomination:** Sylvain Hayoun

Dan Key was elected by secret ballot.

### **Unfinished Business**

Reminder- Gas Grills not Permitted

No gas grills are permitted on decks unless they have been adapted to use small propane tanks.

**Ponderosa Condominiums Association, Inc.**  
**Annual Meeting**  
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Stone Veneer- Building 3

Billy is attempting to get firm prices for the cost of the stone veneer on Building 3B deck foundation as well as repairs to stone walls and cap stones on all three buildings and the patio.

Hot Tub Replacement

Bart Boatright presented his findings for the option of replacing Ponderosa's hot tub with a commercial hot tub. The perimeter walls and deck would need to be rebuilt. An equipment room would have to be built which would all be a significant investment. Billy referenced a few commercial hot tub projects he has completed which ranged in price from \$85,000 to \$120,000 and stated he has not had many issues with the current hot tub. The Board will consider buying a spare control panel since that has been the most frequent cause of the hot tub being out of order. A discussion ensued regarding the hot tub hours. The issue will be taken up at the Board meeting.

**Old Business**

None

**New Business**

Consideration of 2021 budget as required by Colorado law

Colorado Law requires that unit owners be given the opportunity to veto the annual budget approved by the Board of Directors. There was no motion to veto the 2021 budget.

Excess Membership Income Resolution

David James made the following

- Motion:** To adopt the resolution that any excess membership income over membership expenses as defined in IRS Reg 1.277-1 shall be applied against the subsequent tax year operating expenses and/or reserve fund as provided by IRS Revenue Ruling 70-604.
- Second:** Kay Hutchings
- Vote:** Unanimous approval

Inspection & Cleaning of Chimneys and Fireplaces

Ten units have installed electric log sets in their fireplaces and no longer require chimney inspections. The remaining eight units are due for the biennial inspection (and cleaning if necessary) required by the Association this year. Stove Depot & Duct Doctor of Grand Junction has performed this service for many years and will provide it again this year. However, the Association will no longer absorb the cost of chimney inspections and cleaning, but will instead bill the cost to the units requiring them.

The Town of Mt. Crested Butte requires the chimneys in short-term rental units to have annual inspections. Next year's inspections for those units will be coordinated with other associations served by Stove Depot & Duct Doctor.

**Ponderosa Condominiums Association, Inc.**

**Annual Meeting**

June 26, 2021

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Update of Association Records

Management will be sending an email to confirm they have the most up to date owner and local/emergency contact information.

Electric Vehicle Charging Station

A discussion ensued regarding the charging of electric vehicles at Ponderosa and if that was an expense that needed to be monitored. There are some charging stations in the Town of Crested Butte and there may be a couple of charging stations in the parking garage adjacent to the Grand Lodge. There are plans to install rapid charging stations in the "Rasta" parking lot west of Ponderosa.

Window Washing

Billy was asked if his company does window washing and he replied "yes." An email will be sent to gauge member interest.

Other Business

The members reviewed the rules and regulations regarding parking, pets, unit entry doors locks (they must be keyed to the Ponderosa master), and for remodeling of units. The members discussed additional parking availability in the town of Mt. Crested Butte (there isn't any). A member asked about displaying flags. Laws related to this will be investigated.

Establish Next Meeting Date

David James made the following

**Motion:** To hold the next Annual Meeting on **Saturday, June 25, 2022.**

**Second:** Bart Boatright

**Vote:** Unanimous approval

It was noted that a hybrid Zoom/in-person annual meeting should be considered for next year.

Ike Hiles requested the Board consider purchasing a better grill.

**Adjournment**

James Peay made the following

**Motion:** To adjourn the meeting

**Second:** Bart Boatright

**Vote:** Unanimous approval

The meeting adjourned at 11:07 a.m.

**Ponderosa Condominiums Association**  
**Board of Directors Meeting**  
 June 26, 2021  
 In Person- Unit 2E

**Call to Order**

President Beverly Ross called the meeting to order at 11:44 a.m.

**Roll Call**

Board members present in Person:

Bart Boatright  
 Dan Key  
 Kay Hutchings  
 Beverly Ross  
 Jim Peay

Management present in Person:

William (Billy) Laird  
 Annalise Smith

A quorum was established with 5 of 5 Board members present.

**Proof of Notice**

Official notice was provided via email on May 25, 2021.

**Old Business**

None

**New Business**

Jim Peay made the following:

**Motion:** To waive the reading of the December 11, 2020 minutes and approve them as written  
**Second:** Beverly Ross  
**Vote:** Unanimous approval

Kay Hutchings made the following:

**Motion:** To keep all officers the same with Beverly Ross as President, Jim Peay as Vice President, Bart Boatright as Secretary/Treasurer.  
**Second:** Dan Key  
**Vote:** Unanimous approval

**Unfinished****Building 3 Stone Work**

Billy is waiting on a quote from the stonemason, Fernando, to add stone veneer to the 3B deck foundation and to make repairs to the stonework on the other buildings. Fernando has ordered enough of the matching material to complete the work and it should be here in September. There is \$2,400 in the capital budget for the veneer only. Management will seek approval from the Board for the repairs when the quote is received.

Ponderosa Condominiums Association  
Board of Directors Meeting  
June 26, 2021

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Parking Lot Sealcoat

The Board discussed sealcoating the parking lot and potentially using San Juan for the striping. Billy stated if he can get SealCo to stripe for the same amount as San Juan, he would prefer to use the same company for the sealcoating and striping.

James Peay made the following:

**Motion:** To accept the Sealco proposal of \$8,436 for work to be completed in the Fall of 2021

**Second:** Bart Boatright

**Vote:** Unanimous approval

Replacement of 2 Doors

Bids for this project exceeded the amount budgeted so the project was deferred.

**New Business**

Replacement of Hot Tub

The Board agreed the current hot tub was functioning and not in need of replacement at this time. The Board asked management to caulk around control panel and directed them to order a new control panel to have on site.

Chimney Inspections/ Cleaning

Eight chimneys need to be inspected. The Association would like to schedule these inspections when the Stove Depot of Grand Junction will be in town. The Association will pay for the inspections and bill the homeowners. They would like it done this fall and management will need to put signs on the units to notify when it will be done.

Guidelines for Homeowners & Contractors for Renovations

A draft set of guidelines was presented to management with regard to interior unit remodels and renovations. The Board asked management to review the guidelines and recommend any changes.

Association Records

Beverly stated the Association's records needs to be updated and verified with Gunnison County records.

Parking

The Board discussed the lack of public overnight parking in Mt Crested Butte and the need for management to monitor the Ponderosa parking lots, especially during busy seasons.

Ponderosa Condominiums Association  
Board of Directors Meeting  
June 26, 2021

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Hot Tub Hours

The Board discussed the hot tub hours including the safety, liability, and noise issues that would come with keeping the hot tub open later than 9 PM.

Jim Peay made the following:

**Motion:** To continue to close the hot tub at 9 PM

**Second:** Kay Hutchings

**Vote:** Unanimous approval

Grill

The Board discussed purchasing a new grill. Billy was asked for recommendations as to what grill should be purchased and present them to the Board. Jim mentioned he owns a Weber gas grill and suggested a similar one might be an option.

Management Evaluation

The Board will meet with Management in October to exchange information and suggestions and to discuss renewal of the management agreement.

Management Report Issues

The Board discussed trimming the tree at the northwest corner of Building 1, mitigating the snow melt and drip from the garage roofs, and clearing the drain in the front yard. Beverly advised either using or selling the snow blower that is in the storage shed at Ponderosa.

**Adjournment**

Jim Peay made the following:

**Motion:** To adjourn the meeting

**Second:** Bart Boatright

**Vote:** Unanimous approval

The meeting adjourned at 1:02 PM



**Ponderosa Condominiums Association, Inc.  
Board Action  
September 2, 2021**

The Board unanimously approved the following by email vote:

1. The purchase of a Weber E-330 LP Gas Grill from the capital reserve account for \$728.54
2. Modifications to area around Building 3 front stairs to prevent erosion (construction of two small railroad tie walls, one on each side of stairs, fill dirt, seeding, etc.) at a cost not to exceed \$1,500 from capital reserve account
3. Special assessment of \$500 per unit for operating expense deficit to be billed November 1 and due November 30

Respectfully submitted,

Beverly Ross  
President



**Ponderosa Condominiums Association, Inc.  
Board Action  
September 17, 2021**

The following was unanimously approved by email vote.

**Rules & Regulations for Improvements, Remodels, and Renovations of Condominium Units:**

1. Homeowner will provide a description of the work to be performed, including blueprints or design drawings if applicable.
2. The Association Manager will review proposed modifications within condominium units. The Association Manager may require inspection and approval of a structural engineer for removal or modification of interior walls. An appropriate consultant may be required for plumbing and electrical modifications.
3. Homeowner will provide a list of all contractors involved in the project with the following information: contractor name, business name, business physical address, email, phone number.
4. Improvements requiring a permit must meet code requirements of the Town of Mount Crested Butte, the Mount Crested Butte Fire Department, State, and Federal entities.
5. No work shall commence until written approval from Association Manager has been obtained.
6. Contractors and subcontractors must submit proof of liability and workmen's compensation insurance.
7. Demolition and construction debris cannot be disposed of in the Association's dumpster nor can it be stored in common areas, including parking lots. Contractor is responsible for removing debris on a daily basis or obtaining approval from Association Manager for any waste container use and location.
8. Common areas, such as hallways, must be kept clean and free of debris and dust.
9. **Unit entry locks must be keyed to the Association's master.** Contact HVM Security Services, 970-349-7400 for information about compatible locks and to have any new locks re-keyed.
10. The Town of Mount Crested Butte permits noise related to construction during the following hours: Monday through Friday 7 am to 7 pm; Saturday 7 am to 6 pm; Sunday 10 am to 5 pm.
11. No modifications are allowed to the common areas or exterior of the buildings.
12. No more than two vehicles per unit are permitted on the premises. Temporary parking permits for contractors must be obtained from the Association Manager.
13. Contractors and their employees are not to bring dogs to the premises.

A form for submitting the above information is available on the Ponderosa website under the "Documents" tab.

Respectfully submitted,  
Beverly Ross  
President



**Ponderosa Condominiums Association**  
**Board of Directors Meeting**  
 December 8, 2021 10:00 AM MST  
 Zoom Video Conference Call

**Call to Order**

President Beverly Ross called the meeting to order at 10:04 AM.

**Roll Call**

Board members present by Zoom:

Bart Boatright  
 Dan Key  
 Kay Hutchings  
 Jim Peay  
 Beverly Ross

Management present by Zoom:

William (Billy) Laird  
 Annalise Smith

A quorum was established with 5 of 5 Board members present.

**Proof of Notice**

Official notice was provided via email on December 1, 2021.

**Reading and Approval of Minutes**

Jim Peay made the following:

**Motion:** To approve the minutes of the June 26, 2021 board meeting and the September 2, 2021 board action.  
**Second:** Kay Hutchings  
**Vote:** Unanimous approval

**New Business - 2022 Budget**

Operating Expenses & Income

The board thoroughly discussed the line items of the operating expense budget. The conclusion was that there were no line items that could realistically be reduced.

Daniel Key made the following:

**Motion:** To approve the proposed 2022 operating budget.  
**Second:** Beverly Ross  
**Vote:** Unanimous approval

Capital Income & Expenses

Two items from 2021 were carried forward to 2022: seal coating of the parking lots (\$6,264) and walkways, and installation of cultured stone veneer on the Unit 3B deck foundation (\$3,000). Cracks in the parking lots were sealed in November (\$2,900), but the contractor was not able to do seal coating before winter. The stonework contractor has not been available to do the work, and Billy will seek bids from other contractors.

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Board of Directors Meeting  
December 8, 2021

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Two other items, painting of exterior stucco and trim, and replacement of the dumpster were listed on the capital budget because they had exceeded their "life expectancy" on the Reserve Study. The Board concluded that these items could be deferred.

Bart Boatright made the following:

**Motion:** To approve capital expenses for 2022 for seal coating parking lots and walks (\$6,264) and cultured stone veneer (\$3,000).

**Second:** James Peay

**Vote:** Unanimous approval

**Assessments for 2022 are \$575 per month, of which \$535 is for operating expenses and \$40 is designated for the capital reserve fund. An additional \$500 per unit for the capital reserve fund is assessed in July.**

### **Old Business**

#### Stonework

Billy said he has been unable to get Santos Masonry to complete the work and will find another contractor.

#### Parking Crack Sealing and Seal Coating

SealCo sealed the cracks in the parking lots in November. The parking lots and walks will be seal coated next spring. SealCo will honor the price quoted for 2021.

#### Hot Tub

Billy stated that the cracks in the hot tub that were epoxied in 2015 might be getting worse. He also said there may be a very slow leak of unknown origin. The Board asked Billy to obtain pricing for 1) a Dimension One Nautilus spa and 2) cost of installation and any modifications to the structure that may be required.

#### Chimney Inspections

Chimney inspections are the responsibility of owners who allow burning of artificial logs in their fireplaces. (Ten units have electric logs, so inspections of these chimneys are not required.) As a courtesy, Mountain Home Management arranged for Stove Depot of Grand Junction to do inspections and cleaning at a discounted rate for the units needing them.

#### Rules & Regulations for Remodels

The Board and/or the association manager must approve all modifications to units. A form is available on the Ponderosa website (in the "Documents" section) and must be submitted to Mountain Home Management prior to beginning any work within a unit.

#### Association Records of Unit Ownership

In Progress. The "Owner of Record" on file with the Association needs to be confirmed or updated to assure the unit is represented by the legally authorized person(s).

Ponderosa Condominiums Association  
Board of Directors Meeting  
December 8, 2021

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Monitoring of Parking Lots

Billy reported there were no parking issues over the summer and that the lot rarely reaches full capacity.

Snow Blower

Billy reported that his employees had inspected the snow blower and felt that it is not worth repairing. The board instructed management to dispose of the snow blower, preferably by giving it to someone who might want to repair it, rather than taking it to the dump.

Association Management Agreement

The agreement with Mountain Home Management was renewed for three years, 2022 through 2024. The agreement is posted on the Association's website.

**Adjournment**

James Peay made the following:

**Motion:** To adjourn the meeting

**Second:** Kay Hutchings.

**Vote:** Unanimous approval

The meeting adjourned at 11:22 a.m.



**Ponderosa Condominiums Association, Inc.**  
**Board Action**  
**April 21, 2022**

On April 14, 2022, Diane Brogdon of Ponderosa 3C, requested the Board of Directors consider waiving the \$25 late fee charged to 3C's account on August 1, 2021.

Diane stated, "I've been an owner for about 30 years and have been late by only a few days 2 times in 30 years. Once by oversight and once probably a mail issue. Given my track record I am hoping you will waive this fee."

The request was presented to the Board and was approved by email vote.



**Ponderosa Condominiums Association, Inc.**  
**Board Action**  
**May 16, 2022**

At the request of an owner, the Board reviewed and revised the section of the Rules and Regulations pertaining to pets occupying a unit.

The Board unanimously approved the following revision to the Rules and Regulations by email vote:

**4. Pet Policy**

- a. **Guests, tenants, and renters are NOT permitted to occupy a unit with a pet.**
- b. Owners may reside in a unit with **one** domesticated pet (limited to a cat or a dog).
- c. Owners may, at their discretion, allow immediate family members to occupy a unit with a pet without the owner being present. "Immediate family" is limited to spouse, parents, adult children (age 21 or older) and adult grandchildren (age 21 or older).
- d. Owner must notify association manager of the name, relationship, and mobile phone number of family members who have permission to occupy a unit with a pet.
- e. The pet must be housebroken, well-behaved, up to date on rabies vaccine, and be flea- and tick-free.
- f. A pet may not be left unattended in common areas or on a deck at any time.
- g. A pet must be on a leash and kept under control at all times while outside the unit.
- h. Pet waste must be picked up immediately and properly disposed of.
- i. Owner is responsible for any damage to common areas caused by pets.

Respectfully submitted,

Beverly Ross  
President



**Ponderosa Condominiums Association, Inc.**  
**Board Action**  
**May 20, 2022**

On May 20, 2022, Jen Ammon of Ponderosa 2D, requested the Board grant an exception to the pet policy for a renter.

Jen stated, "This renter has been coming to Ponderosa for SO long that I'd love to be able to allow him to bring his dog, especially since he says his dog will go to work with him every day. The dog, a 5-year old Golden Retriever, will always be with the renter or his wife and will never be left alone."

The renter is a Clinical Professor of Science Education at the University of Iowa. He has been bringing a group of students to Crested Butte every summer for a geology course for at least ten years.

The request was presented to the Board and was approved by email vote.

Respectfully submitted,

Beverly Ross  
President



## President's Report

June 22, 2022

### **New Owners**

Andrew (Andy) and Alexandra (Alex) Holmgren purchased Unit 2A last September. Jeffrey and Nicole Wadsworth became the new owners of Unit 1D in April. A warm welcome to you!

### **Unit Renovations**

If you would like to remodel or renovate your unit, you must submit your project description to Mountain Home Management for review. The form you'll need to complete is under the "Documents" tab on Ponderosa's website, ponderosacondos.org.

### **December Snow**

A couple of BIG storms deposited 103 inches of snow between December 9 and January 1. Many loads of snow were hauled from our parking lots in January. Needless to say, our snow removal expenses far exceeded our budget!

### **New Spectrum Contract**

We negotiated an early renewal of the our "Community Solutions" contract with Spectrum for cable TV and internet. The new contract, effective February 1, gives us the same TV programming, more modern internet equipment, and internet speed of 300 Mbps. The cost is \$200 per month less than the previous agreement!

*Reminder: Do not report service issues directly to Spectrum!* Please call Mountain Home Management at 970-349-8966 and they will contact Spectrum if necessary. If you rent your unit, you should instruct your local contact to call MHM.

### **Pet Policy**

The Board recently reviewed and revised Ponderosa's pet policy. The updated policy permits an owner to allow members of their immediate family to occupy a unit with a pet without the owner being present. "Immediate family" is limited to spouse, parents, adult children (age 21 and over) and adult grandchildren (age 21 and over). Owners must notify the association manager of the name, relationship and mobile phone number of family members who have permission to have a pet in their unit. The entire pet policy can be found in the Rules & Regulations on our website under the "Documents" tab.

### **Budget**

In order to balance the budget, some discretionary expenses have been eliminated. The July special assessment will be split between operating expenses and capital reserve. Additionally, Mountain Home Management has graciously agreed to waive some of its fees. We hope these actions will prevent the need for an additional assessment this year, assuming there are no other unanticipated expenses.

### **Gunnison County Under Stage 1 Fire Restrictions as of June 15**

Please see the Fact Sheets posted in each building.

### **Electric Vehicle Charging Stations**

There are now four Level 2 charging stations in the "Rasta" lot just west of Ponderosa. Rivian, a manufacturer of "electric adventure vehicles," owns these stations. Charging is free, for now!

---

Welcome to the Ponderosa Condominium Association's Annual Homeowners Meeting.

The following maintenance items have been completed since July of 2021:

- Replaced 3A crawl space fan
- Removed low branches from spruce trees in front of Building 2 and trimmed tree near Building 1A garage
- Touched up paint in common areas
- Purchased Weber E330 LP Gas grill
- Improved area around Building 3 front steps (built tie wall, added fill dirt, seeded)
- Patched holes in drywall in Building 3 hallway, sanded and painted
- Replaced upper control on the hot tub
- Common area carpets were cleaned
- A new hot tub cover was ordered in March and arrived in June

We are on site daily and mowing and weed eating is occurring weekly.

### 2021-2022 Snow Removal

We have been using Pinnacle Inc. since early 2021 for Ponderosa's snow removal. We had a fairly difficult time keeping up with clearing snow after the December and January storm cycles. Things were getting tight in the parking lot, and we think this could have been caused by the snow removal on the Rasta lot. When the lot boundaries were recently re-evaluated, it appeared the Rasta lot plow company had been encroaching and dumping their snow onto Ponderosa's property. After those storm cycles, we had the snow hauled off from the area in preparation for the rest of the winter. An excessive amount of snow was hauled off, causing an overage in the snow removal budget. Since we feel partially responsible for the mishap, we have agreed to help offset some of the overage by reducing our fee. We will also be looking into switching plow companies this upcoming winter.

### Capital Projects

Approved capital projects for this year include sealcoating the asphalt and replacing the cultured stone veneer on building 3's foundation. The stone mason has completed the replacement of the cultured stone veneer on building 3's foundation and repaired loose rocks around the buildings and porches. SealCo is scheduled to complete the sealing, crack sealing, and striping the week of June 27.

### Recommendations

We are recommending getting estimates for capstone replacement around the hot tub area. We would like to obtain an estimate for a barrier between Ponderosa's lot and the Rasta lot. A natural tree barrier would be the most cost effective. There is various stucco patching and caulking that needs to be done on Buildings 1 and 2. We recommend the board considers evaluating the need for new garage doors and openers. Removing the rock and mulch from around the spruce trees to allow for native growth would help in cutting costs.



# Financial Report

## Fiscal Year-End Recap – December 31, 2021

### Operating Income & Expenses

The operating section of the Budget Report reflected a \$1,321 profit while a \$6,814 loss was budgeted. A special assessment of \$500 per unit (\$9,000 total) was necessary to bring income in line with expenses.

### Capital Reserve Income & Expenses

The capital section of the Budget Report was below budget, as three capital projects were not completed in 2021. Two were re-budgeted in 2022: completion of the seal coating, and the stone veneer on the southeast corner of Building 3.

Total Net Income for the fiscal year ending December 31, 2021 was \$14,065.

### Balance Sheet

At fiscal year end, the association had \$16,297 in the Operating Fund (Checking Account) and 49,066 in the Capital Reserve Fund (Money Market Savings Account).

The December 31, 2021 fiscal year end audit completed by McNurlin, Hitchcock, & Associates is posted on ponderosacondos.org for your review.

### Balance Sheet – May 31, 2022

As of May 31, 2022 the Association has \$17,928 in the Operating Fund and \$50,017 in the Capital Reserve Fund.

Accounts Receivable was -\$5,075, as two owners were prepaid in assessments, and one owner was more than 30 days delinquent. Accounts Payable was \$12,460.

### Operating Expenses

Operating Expenses as of May 31, 2022 were \$12,980 over budget. Several line items were significantly over budget.

- **Hot Tub Repairs:** over budget by \$317 due to needing to replace the upper control panel.
- **Snow Plowing:** \$7,817 over budget.
- **Roof Snow Removal:** over budget \$1,664 due to the excessive roof shoveling that occurred after the large snowstorm in December.
- **Hot Tub Supplies:** over budget by \$640 due to needing to replace the hot tub cover.
- **Utilities:** electricity is over budget \$169. Trash removal is over budget by \$118.

### Capital Expenses

The two capital projects approved for completion in 2022 are seal coating the asphalt and installing stone veneer on the southeast corner of Building 3. The cultured stone veneer on Building 3 was completed in early June; seal coating will be done the week of June 27.

**Ponderosa Condominiums Association, Inc.**  
**Balance Sheet**  
As of December 31, 2021

Accrual Basis

	Dec 31, 21
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
Basic Business Checking Bank of the West	16,297.12
Money Market Select Business Savings Bank of the West	49,065.78
<b>Total Checking/Savings</b>	65,362.90
<b>Accounts Receivable</b>	
1050 · Accounts Receivable-Owners	-8,575.00
<b>Total Accounts Receivable</b>	-8,575.00
<b>Other Current Assets</b>	
1110 · Prepaid Expense	1,980.00
1499 · Undeposited Funds	9,150.00
<b>Total Other Current Assets</b>	11,130.00
<b>Total Current Assets</b>	67,917.90
<b>Fixed Assets</b>	
1215 · Equipment	1,601.59
1250 · Accumulated Depreciation	-1,601.59
<b>Total Fixed Assets</b>	0.00
<b>TOTAL ASSETS</b>	<b>67,917.90</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2005 · Accounts Payable	6,420.09
<b>Total Accounts Payable</b>	6,420.09
<b>Total Current Liabilities</b>	6,420.09
<b>Total Liabilities</b>	6,420.09
<b>Equity</b>	
Fund Balance	47,432.81
Net Income	14,065.00
<b>Total Equity</b>	61,497.81
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>67,917.90</b>

**Ponderosa Condominiums Association, Inc.**  
**Budget Report**

Accrual Basis

	Jan - Dec 21	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
Regular Operating Assessments	104,760.00	104,760.00	0.00
Special Assessments	9,000.00		
Late Fees	525.00	450.00	75.00
Miscellaneous Income	467.13	300.00	167.13
Total Income	<u>114,752.13</u>	<u>105,510.00</u>	<u>9,242.13</u>
Gross Profit	114,752.13	105,510.00	9,242.13
Expense			
Audit & Tax Preparation	4,100.00	4,100.00	0.00
5025 - Board/HOA Meeting Expense	16.39		
Contract Services			
Alarm System Monitoring & Maintena...	703.76	648.00	55.76
Backflow Preventer Testing	570.00	450.00	120.00
Carpet Cleaning	420.00	450.00	-30.00
Electrical Equipment Maintenance	0.00	210.00	-210.00
Fire Extinguisher Inspections	329.08	250.00	79.08
Hot Tub Repairs	680.26	600.00	80.26
Irrigation System Shut Down	220.00	200.00	20.00
Other Contract Services	522.49	2,190.00	-1,667.51
Plumbing Repairs	171.15		
Snow Plowing	4,692.56	3,500.00	1,192.56
Total Contract Services	<u>8,309.30</u>	<u>8,498.00</u>	<u>-188.70</u>
Insurance	16,550.98	17,514.00	-963.02
Legal Fees	39.00	50.00	-11.00
Maintenance Supplies			
Hot Tub Supplies	586.44	700.00	-113.56
Landscaping Supplies	1,035.24	850.00	185.24
Other Supplies	195.72	360.00	-164.28
Total Maintenance Supplies	<u>1,817.40</u>	<u>1,910.00</u>	<u>-92.60</u>
Management Fees			
Management Fee - Contract	38,400.00	38,400.00	0.00
Other Labor - Hourly	720.00	540.00	180.00
MHM Markup	133.54		
Roof Snow Removal	1,567.50	550.00	1,017.50
Snow Plowing	236.25		
Total Management Fees	<u>41,057.29</u>	<u>39,490.00</u>	<u>1,567.29</u>
Miscellaneous Expenses	64.00	60.00	4.00
Utilities			
Cable Television	6,712.20	6,120.00	592.20
Electricity	3,453.77	3,660.00	-206.23
Internet	6,069.59	6,012.00	57.59
Telephone (Alarm System)	530.38	510.00	20.38
Trash Removal	2,356.47	2,000.00	356.47
Water & Sanitation	22,353.93	22,400.00	-46.07
Total Utilities	<u>41,476.34</u>	<u>40,702.00</u>	<u>774.34</u>
Total Expense	<u>113,430.70</u>	<u>112,324.00</u>	<u>1,106.70</u>
Net Ordinary Income	1,321.43	-6,814.00	8,135.43
Other Income/Expense			
Other Income			
Capital Reserve Assessments	17,640.00	17,640.00	0.00
Capital Reserve Interest Income	4.05	6.00	-1.95
Total Other Income	<u>17,644.05</u>	<u>17,646.00</u>	<u>-1.95</u>
Other Expense			
Capital Expenses			
2021 Building 3 Front Stairway	1,271.94		
2021 Weber E-330 LP Grill	728.54		
Sealcoat	2,900.00	6,850.00	-3,950.00
Stone Veneer Bldg 3 Foundation	0.00	2,400.00	-2,400.00
Unit Entry Door Replacement	0.00	1,000.00	-1,000.00
Total Capital Expenses	<u>4,900.48</u>	<u>10,250.00</u>	<u>-5,349.52</u>
Total Other Expense	<u>4,900.48</u>	<u>10,250.00</u>	<u>-5,349.52</u>
Net Other Income	<u>12,743.57</u>	<u>7,396.00</u>	<u>5,347.57</u>
Net Income	<u><u>14,065.00</u></u>	<u><u>582.00</u></u>	<u><u>13,483.00</u></u>

**Ponderosa Condominiums Association, Inc.**  
**2022 Approved Budget**

	Jan - Dec 22
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
Regular Operating Assessments	115,560
Late Fees	500
Miscellaneous Income	450
<b>Total Income</b>	116,510
<b>Gross Profit</b>	116,510
<b>Expense</b>	
Audit & Tax Preparation	4,200
Board/HOA Meeting Expenses	20
<b>Contract Services</b>	
Alarm System Monitoring & Maintenance	900
Backflow Preventer Testing	570
Carpet Cleaning	450
Electrical Equipment Maintenance	210
Fire Extinguisher Inspections	350
Hot Tub Repairs	750
Irrigation System Shut Down	220
Other Contract Services	650
Snow Plowing	5,775
<b>Total Contract Services</b>	9,875
Insurance	17,500
Legal Fees	50
<b>Maintenance Supplies</b>	
Hot Tub Supplies	600
Landscaping Supplies	700
Other Supplies	250
<b>Total Maintenance Supplies</b>	1,550
<b>Management Fees</b>	
Management Fee - Contract	38,400
Other Labor - Hourly	450
MHM Markup	200
Roof Snow Removal	1,100
<b>Total Management Fees</b>	40,150
<b>Miscellaneous Expenses</b>	75
<b>Utilities</b>	
Cable Television	4,000
Electricity	3,572
Internet	7,613
Telephone (Alarm System)	550
Trash Removal	1,900
Water & Sanitation	23,700
<b>Total Utilities</b>	41,335
<b>Total Expense</b>	114,755
<b>Net Ordinary Income</b>	1,755
<b>Other Income/Expense</b>	
<b>Other Income</b>	
Capital Reserve Assessments	8,640
Capital Special Assessments	9,000
Capital Reserve Interest Income	5
<b>Total Other Income</b>	17,645
<b>Other Expense</b>	
<b>Capital Expenses</b>	
Sealcoat Asphalt	6,264
Stone Veneer Bldg 3 Foundation	3,000
<b>Total Capital Expenses</b>	9,264
<b>Total Other Expense</b>	9,264
<b>Net Other Income</b>	8,381
<b>Net Income</b>	10,136

## Ponderosa Condominiums Association Reserve Study

2022-2031

		Last Year Completed	Life (Years)	Life Left	Last Cost	Estimate 2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
1	Bear-Resistant Dumpster	2007	15	0	1,832	2,600				2,926						
2	Seal Coat/ Re-Stripe Parking Lot	2019	3	0	4,500	9,164										
3	Cultured Stone Veneer Bldg 3 Foundation			0		3,000						3,582				
4	Paint Interior Hallways/ Doors/Trim	2008	15	1	3,690	4,855	6,264			5,464			5,971			6,525
5	Carpet Hallways	2008	15	1	6,164	8,110	3,000									
6	Seal Exterior Natural Wood	2020	3	1	11,421	12,128		12,867								
7	Patio Furniture	2004	20	2	732	1,064		1,129								
8	Hot Tub	2004	20	2	Incl in 29	10,300		10,927			11,941			13,048		
9	Alarm System	2001	25	4	3,400	5,322			5,815							
10	Crawl Space Vapor Barrier	2016	10	4	1,320	1,512			1,652							
11	Paint Exterior Stucco & Painted Wood Trim	2002	25	5	16,650	23,966					27,783					
12	Overhead Doors-Bldg 2	2000	30	8	4,600	7,312									9,541	
13	Front Entry Doors (3)	2001	30	9	Incl in 27	2,921										3,926
14	Deck Railings	2001	30	9	Incl in 27	Unknown										Unknown
15	Patio - Level Pavers	2011	20	9	2,993	3,358										
16	Water Heaters-Sauna Showers (2)	2016	15	9	2,079	2,382										
17	Backflow Preventers	2016	15	9	4,588	5,256										7,064
18	Seal Chimney Chases Wood	2016	15	9	5,000	5,728										7,698
19	Overhead Doors-Bldg 1	2002	30	10	4,600	7,033										
20	Rear Entry Doors (4)	2003	30	11	2,064	3,098										
21	Garage Roof Snow Brakes	2008	30	16	7,000	9,210										
22	Rebuild Bldg 3 Front Stairs	2019	20	17	3,771	3,771										
23	Repave Parking Lots/Walks	2019	20	17	75,985	81,785										
24	Garage Man Doors (2)	2019	20	17	1,479	1,592										
25	Unit Entry Doors	1978	>30		Unknown	19,800										
26	Electrical Equipment (per bldg)	1978	>30		Unknown	8,500										
27	Decks/Roof Extension	2001	>30		251,085	393,024										
28	Concrete Floor Bldg 1	2003	>30		18,905	28,372										
29	Hot Tub Renovation, Shed, Stairs	2004	>30		111,164	161,570										
30	Roofs	2006	>30		107,340	147,121										
31	Bldg 3 Porch Supports & Retaining Wall	2007	>30		26,078	34,341										
32	Windows & Patio Doors	2008	>30		154,894	203,788										
33	Attic Insulation	2009	>30		2,565	3,285										
34	Crawl Space & Exterior Drainage Repairs	2009	>30		76,598	98,107										
35	Retaining Walls - North	2011	>30		44,393	54,409										
36	Main Water Shutoff	2011	>30		750	919										
37	Metal Trim - Chimney Chases	2014	>30		1,200	1,414										
38	Retaining Walls - Front Parking Lot	2018	>30		66,250	72,936										
	Annual Totals:				1,025,090	1,443,053	9,264	24,923	7,468	8,391	39,724	3,582	5,971	13,048	9,541	25,212

## Ponderosa Condominiums Association, Inc.

## Balance Sheet

As of May 31, 2022

Accrual Basis

	<u>May 31, 22</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
Basic Business Checking Bank of the West	17,927.88
Money Market Select Business Savings Bank of the West	50,017.05
<b>Total Checking/Savings</b>	67,944.93
<b>Accounts Receivable</b>	
1050 · Accounts Receivable-Owners	-5,075.00
<b>Total Accounts Receivable</b>	-5,075.00
<b>Other Current Assets</b>	
1110 · Prepaid Expense	1,710.00
<b>Total Other Current Assets</b>	1,710.00
<b>Total Current Assets</b>	64,579.93
<b>Fixed Assets</b>	
1215 · Equipment	1,601.59
1250 · Accumulated Depreciation	-1,601.59
<b>Total Fixed Assets</b>	0.00
<b>TOTAL ASSETS</b>	<b><u>64,579.93</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
2005 · Accounts Payable	12,460.10
<b>Total Accounts Payable</b>	12,460.10
<b>Total Current Liabilities</b>	12,460.10
<b>Total Liabilities</b>	12,460.10
<b>Equity</b>	
Fund Balance	61,497.81
Net Income	-9,377.98
<b>Total Equity</b>	52,119.83
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>64,579.93</u></b>

## Ponderosa Condominiums Association, Inc. Budget Report

Accrual Basis

	Jan - May 22	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
Regular Operating Assessments	48,150.00	48,150.00	0.00
Late Fees	175.00	200.00	-25.00
Miscellaneous Income	0.00	450.00	-450.00
Total Income	48,325.00	48,800.00	-475.00
Gross Profit	48,325.00	48,800.00	-475.00
Expense			
Audit & Tax Preparation	4,200.00	4,200.00	0.00
Contract Services			
Alarm System Monitoring & Maintena...	270.00	375.00	-105.00
Carpet Cleaning	0.00	450.00	-450.00
Hot Tub Repairs	567.29	250.00	317.29
Other Contract Services	0.00	250.00	-250.00
Snow Plowing	11,591.50	3,775.00	7,816.50
Total Contract Services	12,428.79	5,100.00	7,328.79
Insurance	7,311.09	7,291.69	19.40
Legal Fees	10.00	50.00	-40.00
Maintenance Supplies			
Hot Tub Supplies	864.66	225.00	639.66
Landscaping Supplies	0.00	200.00	-200.00
Other Supplies	102.49	150.00	-47.51
Total Maintenance Supplies	967.15	575.00	392.15
Management Fees			
Management Fee - Contract	16,000.00	16,000.00	0.00
Other Labor - Hourly	0.00	450.00	-450.00
MHM Markup	64.03	200.00	-135.97
Roof Snow Removal	2,763.75	1,100.00	1,663.75
Total Management Fees	18,827.78	17,750.00	1,077.78
Miscellaneous Expenses	70.00	50.00	20.00
Utilities			
Cable TV & Internet	4,761.26	4,942.00	-180.74
Electricity	1,868.52	1,700.00	168.52
Telephone (Alarm System)	225.28	229.19	-3.91
Trash Removal	829.66	712.00	117.66
Water & Sanitation	9,805.50	9,875.00	-69.50
Total Utilities	17,490.22	17,458.19	32.03
Total Expense	61,305.03	52,474.88	8,830.15
Net Ordinary Income	-12,980.03	-3,674.88	-9,305.15
Other Income/Expense			
Other Income			
Capital Reserve Assessments	3,600.00	3,600.00	0.00
Capital Reserve Interest Income	2.05	2.50	-0.45
Total Other Income	3,602.05	3,602.50	-0.45
Other Expense			
Capital Expenses			
Sealcoat	0.00	5,564.00	-5,564.00
Stone Veneer Bldg 3 Foundation	0.00	2,400.00	-2,400.00
Total Capital Expenses	0.00	7,964.00	-7,964.00
Total Other Expense	0.00	7,964.00	-7,964.00
Net Other Income	3,602.05	-4,361.50	7,963.55
Net Income	-9,377.98	-8,036.38	-1,341.60

**RESOLUTION OF PONDEROSA CONDOMINIUMS ASSOCIATION**

June 25, 2022

**RE: EXCESS MEMBERSHIP INCOME APPLIED TO THE FOLLOWING YEARS' OPERATING EXPENSES AND/OR RESERVE FUND**

WHEREAS, Ponderosa Condominiums Association is a Colorado condominium association duly organized and existing under the laws of the State of Colorado; and

WHEREAS, the members desire that the Association shall act in full accordance with the rulings and regulations of the Internal Revenue Service;

NOW, THEREFORE, the members hereby adopt the following resolution by and on behalf of Ponderosa Condominiums Association:

RESOLVED, that any excess of membership income over membership expenses as defined in IRS Reg. 1.277-1 shall be applied against the subsequent tax year operating expenses and/or reserve fund as provided by IRS Revenue Ruling 70-604.

This resolution is adopted and made a part of the minutes of the meeting of Ponderosa Condominiums Association.

BY: \_\_\_\_\_  
President

ATTESTED: \_\_\_\_\_  
Secretary



## **Explanation of Resolution**

Revenue Ruling 70-604 is a tax ruling only. The purpose of this ruling is to allow a homeowners association to avoid taxation on any excess member income (as defined in the Internal Revenue Code) that may inadvertently arise in a given tax year. The ruling states that the members of the Association meet to make the election. The ruling applies to any excess member income. The ruling allows two options only; (1) refund the excess member income to the members or (2) apply the excess to the following year's assessments.

The Board of Directors has determined that it is impractical to attempt to refund the excess member income because of the administrative issues involved and the fact that the excess member income may be needed as working capital to pay for continuing Association operating expenses. Therefore the Board of Directors requests that you approve an election under Revenue Ruling 70-604 to apply any excess member income to the following year's assessments. This does not mean that the assessments for next year will be reduced. Since expenses typically rise year-to-year, it is probable that any excess member income will be absorbed by an increase in expenditures.

Failure to approve this election may mean that the Association will be subject to additional federal income taxes, which will cause a rise in assessments for all members.