

Ponderosa Condominiums Association
Board of Directors Meeting
December 17, 2014 4:30 p.m. MDT
Telephone Conference Call

Call to Order

President Beverly Ross called the meeting to order at 4:31 p.m.

Roll Call

Board members present by telephone:

Joan Heinz
Kay Hutchings
Jim Peay
Beverly Ross

Board members absent:

Andi Chernushin

Management present by telephone:

Donna Oros

A quorum was established with 4 of 5 Board members present.

Proof of Notice

Official notice was provided via email on December 16, 2014.

Reading and Approval of Minutes

Kay Hutchings made the following:

Motion: To waive the reading of the July 12, 2014 Board of Director meeting minutes and to approve them as submitted.

Second: Jim Peay

Vote: Unanimous approval

Old Business

None

New Business

2014 Financial Report

Although the 2014 budget projected a loss of \$2,049 for Ordinary Income/Expenses, Donna anticipates the association will see a \$3,420 profit, which is a \$5,469 positive variance from budget. The variance could be greater if December continues to be low in snowfall.

\$7,617 was budgeted in 2014 for capital repairs. The two projects cost \$5,700, thus coming in under budget and reflecting a positive variance in the capital section of the Profit & Loss Statement.

Donna reported that overall, the financial operations of the association over the past six months have been routine with no unanticipated surprises.

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Common Plumbing in Crawlspaces

Due to kitchen sink backup in unit 3B, all the crawlspace plumbing was examined. Donna presented the Board with an estimate to make minor adjustments to the pipes in the crawlspaces to alleviate bellies and improve pipe slope. The estimate from Alpha Mechanical was for \$1,460, which could be paid through the 2015 Operating Budget. The Board approved the project, and the contractor is tentatively scheduled to do the work January 5, 2015.

2015 Proposed Operating and Capital Budgets

The Operating Budget was prepared with an increase in Cable TV based on the current fee and a \$2 per unit per month increase in Water & Sanitation. Fire Protection includes a \$30 per month charge for a dedicated alarm line since unit 2C's that was being used was deactivated. Contract Labor was budgeted at \$4,000 for the year to complete the crawlspace plumbing repairs and to also have new spring hinges installed and adjusted on the three entry/exterior doors of each building. Insurance was budgeted to increase 10% above the current premium of \$10,556, which is based on Farmers Insurance recommendation.

The budget presented proposed an operating net loss of \$2,497. Donna said that many association's budget a loss, but zero out the budget by using past profit. They include a line item in the income statement called "Excess from Previous Years." This approach was recommended by the association's auditor to balance the budget instead of showing a loss or raising monthly dues. Donna will make the adjustment on the 2015 Operating Budget and will add \$2,497 to the income section.

Jim Peay made the following:

Motion: To approve the 2015 Proposed Operating Budget.

Second: Kay Hutchings

Vote: Unanimous approval

The only project budgeted in the 2015 Capital Budget is to crack seal the parking lot at an estimate of \$2,000. The parking lot will be evaluated after the winter season to see if the project is needed in an attempt to prolong the life of the asphalt.

Joan Heniz made the following:

Motion: To approve the 2015 Proposed Capital Budget as submitted.

Second: Kay Hutchings

Vote: Unanimous approval

Several capital projects slated for 2015 on last year's Capital Plan were deferred, as they are not yet needed. Purchase of a new bear resistant dumpster was moved to 2016, while buying new patio furniture was put in 2017.

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When the front retaining wall needs to be replaced, it will be a major expenditure. Repaving of the parking lot is also slated to occur in the future. The membership will be reminded at the summer meeting that some major projects will need to be addressed when needed. The membership will be asked if they would prefer a capital reserve increase now to build for the future or a special assessment be assessed at the time the projects are done.

Jim Peay made the following:

Motion: To approve the 10-Year Capital Plan.

Second: Joan Heinz

Vote: Unanimous approval

Allocation of Operating Excess to Capital Fund

As of November 30, 2014, the checking account held \$12,979 while the capital savings account had \$35,555. If prepaid assessments and accounts payable were subtracted from the checking account balance, the association would have a operating cash position of \$8,241. The checking account must hold \$2,000 at all times to avoid monthly services fees leaving \$6,241. Donna recommended no allocation of operating funds to the capital account. She suggested the cash position of the association be reviewed in the spring or summer after winter snow removal costs are known. Once excess funds are committed to capital, the IRS does not allow those funds to be used for operating expenses. The Board will evaluate cash in bank after the winter season.

2015 thru 2017 Management Contract Renewal

Crested Butte Condominium Management, Inc. presented a three-year Management Contract to the Board. The management fee will remain the same for 2015, but increases by 3% in 2016. No increase is proposed for 2017.

Jim Peay made the following:

Motion: To renew the management agreement.

Second: Kay Hutchings

Vote: Unanimous approval

Unscheduled Business

Water Heater Replacement

Donna was asked to get quotes and coordinate hot water heater replacement in the units. There are 6 unit appliances that need replacement in 2015, but the majority of the unit and common area hot water heaters will hit the 15-year mark in 2016.

Fireplace Update

Jim continues to investigate fireplace insert and firebox replacement options. Technology continues to change allowing for safe insert options.

Adjournment

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Jim Peay made the following:

Motion: To adjourn the meeting.

Second: Kay Hutchings

Vote: Unanimous approval

The meeting adjourned at 5:11 p.m.