

**Ponderosa Condominiums Association, Inc.**  
**Annual Meeting**  
July 11, 2015 – 10:00 a.m.  
Mountain Edge Condominiums Conference Room

**Call to Order**

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

**Proof of Notice**

Notice of Annual Meeting was mailed June 16, 2015.

**Roll Call/Establish Quorum**

**Members Present in Person:**

Jim and Terrie Peay	1C
Beverly Ross and Dick O’Kell	2A & 2E
James CO Properties (David and Jeanne James)	2F
Kay and Jim Hutchings	3A
Joan Heinz	3E

**Members Present by Proxy:**

Beverly Ross proxy for:	
Stephen and Roberta Perlman, Frances Boatright Trust	1B
CC Leuszler	1E
Bud Tasch	3B

Jim or Kay Hutchings proxy for:	
ADM Properties (Todd Cadwell and Erik Swanstrom)	3D

Jim Peay proxy for:	
Greg and Andrea Chernushin	2C

Donna Oros proxy for:	
Jay and Susan Johnston	1D

A quorum was established with 12 of 18 (67%) of the members present. Dan and LeAnn Key of 2B arrived at 10:04 a.m.

**Reading and Approval of Past Minutes**

Kay Hutchings made the following:

<b>Motion:</b>	To waive the reading of the minutes of the July 12, 2014 annual meeting and approve them as submitted.
<b>Second:</b>	Dick O’Kell
<b>Vote:</b>	Unanimous approval

## Reports

### Officers

The President's Report was included in the Annual Meeting Packet and was posted on [www.ponderosacondos.com](http://www.ponderosacondos.com).

Jim Peay continues to investigate fireplace options. He has talked to the Town of Mt. Crested Butte and has found out several approved wood burning appliance options. He suggested the association revisit the thought of bringing natural gas to the buildings for gas fireplace inserts. Discussion will take place under Old Business.

The monthly bank statements are reviewed by Joan. She feels comfortable in the financial direction the association is moving.

### Managers

Donna reported that she had completed 24 hours of mandatory online coursework and has passed the Department of Regulatory Exams to become a licensed Community Association Manager in Colorado; she felt the coursework was very education and beneficial. The mandated additional insurance requirements have been fulfilled by Crested Butte Condominium Management, Inc, and the application was approved by the state. Donna will have to complete continuing education on an annual basis to keep the license current. The membership congratulated Donna on successful completion of the new licensing requirement.

The operations of the association have been fairly routine over the past year. There was only one non-routine event, and that was a separated drain pipe in a wall of building 1; the repair was made to the separated coupling, and damage was minimal.

### Financial

As of May 31, 2015 the association had a \$3,061 profit compared to the \$523 budgeted loss, which was a \$3,854 positive variance. Donna said that there were no individual lines items significantly over budget, and there were several line items under budget. The association should have \$52,061 in the capital account at yearend, and the operating account is also healthy.

### Election of Directors

The terms of Joan Heinz expires this year.

Beverly Ross made the following

**Nomination:** Joan Heinz to another term on the Board.

**Vote:** Unanimous approval

Joan was elected to the Board of Directors.

The remainder of the term of Andi Chernushin had to be filled due to her resignation.

Dick O'Kell made the following

**Nomination:** Bart Boatright to fill the vacant term on the Board.

**Vote:** Unanimous approval

Bart was elected to the Board of Directors.

## **Old Business**

### Fireplace Update

Beverly suggested polling the membership on whether they would be interested into replacing their wood burning fireplace or doing a gas conversion. It was asked if mixed fuel burning sources would be allowed. Three separate chimney flues are in each stack, so it is believed that would be acceptable. The installation of gas would be spread among all owners to get gas to the property and the firebox. Each owner would then be responsible to hook-up and install an appliance. Donna has talked to one contractor about wood appliances, and they will not quote a firebox without each owner having a level 2 inspection to determine the condition of the whole fireplace and flue system. A straw poll was taken of owners in attendance, and four supported gas, while one likes wood. Fireplace options will continue to be investigated.

### Individual Hot Water Heater Replacement

According to the association's policy, hot water heaters need to be replaced at 15 years of age. Five units are up for replacement this fall, and the majority of the other heaters are scheduled for next year. When replaced, the hot water heaters will need a pan installed underneath them. Donna will gather information and coordinate with owners.

## **New Business**

### 10-Year Capital Plan and Annual Reserve Assessment

The members reviewed the 10-Year Capital Plan. Slated for completion in 2016 is the front parking lot retaining wall. Donna has begun to solicit costs using manufactured stone, and she has received an estimate of \$55,800 from one contractor and verbal estimates of \$65,000 to \$75,000 from two other contractors. Due to the height of the wall, the project will need to be professionally engineered. The other projects on the Capital Plan for 2016 include: Staining deck rails and posts, purchase a new dumpster, replace sauna shower water heaters, and carpet and paint the halls. The Board will evaluate costs and projects slated for next year; it is not advised to deplete the reserve bank account.

Completion of these jobs will require a special assessment. Plus there will most probably be future special assessments to complete projects. It was asked whether the membership would rather increase capital assessments at this time or if it would be preferred to levy special assessments at the time of the projects. The consensus among those in attendance was to pay for the projects with a special assessment.

### Establish Next Meeting Date

Joan Heinz made the following

Motion: To hold the next annual meeting on Saturday, July 9, 2016 at 10:00 a.m.  
Second: David James  
Vote: Unanimous approval

## **Unscheduled Business**

### Parking

It has become a problem for the owners in building 3 to obtain a parking spot at busy times of the year, as they have no garage space. Many times renters that have available garage spaces do not use them. It was suggested that Building 3 owners could be provided a cone to reserve a parking space when they are occupying their unit. Donna expressed concern that the parking lots are general common elements, owned by all the owners, and cannot be reserved for one owner. It was also suggested that owners and guests be encouraged to park in their available garages. The

new permanent parking permits seem to have solved the problem of more than two passes being issued for a unit.

**Adjournment**

Kay Hutching made the following

Motion: To adjourn the meeting

Second: David James

Vote: Unanimous approval

The meeting adjourned at 11:15 a.m.



## Ponderosa Condominiums Association President's Report July 2015

**Annual Meeting.** Please note that the annual meeting will be held on July 11th at 10:00 a.m. in the **Mountain Edge Condominiums** conference room. See our website, [ponderosacondos.com](http://ponderosacondos.com) and click on "Annual Meeting" for agendas, reports, and other information. ***If you cannot attend and have not already sent in your proxy, please do so now!*** A board meeting will follow the annual meeting.

**Community Association Manager (CAM) Licensing.** As of July 1, 2015, community association managers must be licensed by the State of Colorado. Licensure requirements include a criminal background check, successful completion of a state-approved 24-hour education course, passing the Colorado community manager examination, and providing proof of errors & omissions and crime fidelity insurance policies. The cost of the license is \$205 per year. The process is arduous and complicated!

Our manager, Donna Oros, passed the exam with flying colors on her first attempt and became officially licensed on June 25. Donna is one of only two association managers in Crested Butte who are licensed thus far. **Kudos and congratulations to Donna!!**

**Wildflowers.** Thanks to a cool wet spring, the valley is green and colorful. I've never seen the wild grasses on the hillsides so high this early in the summer!

**Community News.** Affordable housing is the topic du jour. Shops and restaurants report they are unable to hire enough staff due to a shortage of affordable housing. Some blame the housing shortage on the conversion of

long-term rentals to short-term rentals through Air BnB, VRBO, and other vacation rental websites. The Town of Crested Butte considered (and quickly discarded) the idea of creating a tent community for temporary housing this summer! A 30-unit apartment building, Anthracite Place, will soon be under construction next to the True Value hardware store in Crested Butte, but units won't be available until next year. With the help of state grants and some "WhateverUSA" money, Crested Butte is also putting in infrastructure for affordable housing in an area on the northeast side of town. Those lots will be ready for qualified buyers next summer.

**Tourism Association.** John Norton, former CEO of CBMR, is the new director of the Gunnison Crested Butte Tourism Association (TA). The TA is funded by a 4% Local Marketing Tax levied on lodging sales by hotels, motels, and condominiums. The all-new TA website is [gunnisoncrestedbutte.com](http://gunnisoncrestedbutte.com) and contains a wealth of information for visitors to the valley.

**Happy Hour on the Patio.** Owners are invited to get together at the Ponderosa patio the afternoon of the annual meeting around 4 p.m. (weather permitting). Bring your own refreshments and enjoy visiting with your neighbors!

See you at the meeting!

Beverly

# Managers Report

---

Welcome to the Ponderosa Condominium Associations Annual Homeowners Meeting. Overall, the property is in good condition with few problems since the last Annual Meeting.

I personally spent a lot of time during the spring studying for the new State of Colorado licensing requirement for Community Association Managers. I went through 24 hours of course material three times. The education requirement was very beneficial to a HOA manager. I plan to review the material again when time permits, take notes, and refer to the information when needed

The course addressed Operations and Risks in Owners Associations, Governance and Documents of Owners Associations, and Colorado Laws and Rules: CCIOA, CRNA, and Fair Housing. Once the coursework was complete, fingerprints were sent to the CBI for a background check, and a three-hour timed test was taken in Grand Junction that included both a General and a State portion. The General section is what I do every day with accounting, insurance, contractor bids, etc. Ironically, I scored better on the State portion of the test! After passing the exam, additional insurance requirements had to be put in place. CBCM is now carrying Errors and Omissions insurance and a Fidelity Bond to cover all its association's reserves and two months of each association's dues assessments as required by the Department of Regulatory Agency (DORA.) CBCM's and my Designated Manager application were received by DORA on June 15th for the July 1st licensing deadline, and notification of approval of the applications was received on June 26th.

We saw rain, rain, rain this spring. Because of all the rain, we did not get Weed B Gone applied but did get a weed and feed fertilizer put down. Water is limited by Mt. Crested Butte Water and Sanitation this year to Tuesday, Thursday, and Saturday between the hours of 5:00 and 10:00. The start up of the sprinkler system was smooth again, but we did not even turn it on until June 20th. JDotBarry is scheduled to spray the noxious weeds on the property during mid-July.

The day-to-day operations at the complex went smooth with the exception of parking. I am trying a new system to address the parking situation. We have been changing out the hallway fixture bulbs as lights burn out with LED bulbs to save on electricity and maintenance. Besides for routine maintenance like carpet cleaning, touch-up painting, and extinguisher inspections, a few additional projects were completed: The building identification signs on the front of the buildings were refurbished by The Sign Guys, Deryl's Home Improvements added some entry door spring hinges and adjusted doors as weather permit in March, and crawlspace plumbing was evaluated and modified for appropriate slope and flow. In March, we did have an unanticipated plumbing problem. Unit 1E's vertical kitchen sink pipe separated in the common stairwell wall between units 1A and 1C. The problem was discovered because of the sewage smell coming from the crawlspace. The biggest challenge was to locate the point of separation before cutting into drywall. We were lucky the problem was discovered early, and costs were contained to locating the separation, repair of the pipe, and several drywall repairs.

The hot tub has had a few problems. Due to the settling ground, Diamond Blue shimmed the tub and sealed a crack in the shell last fall. Right before the Christmas

holiday, the hot tub lost its heater. It was a real bummer, but the Nordic Inn returned your previous favor and let Ponderosa guests occupy their tub if needed. And in February, the upper control panel was replaced again.

The only two capital projects over the past year were to install metal on the corners of the upper chimney chases and to crack seal the parking lot asphalt.

I have contacted and meet with two contractors this summer to try to get an updated cost on the front retaining wall. As you may recall that in 2011, Lacy Construction provided a rough budget number of \$70,000 for the project. Hal Hearne of Gunnison has visited the property, and his "off the top of the head" guess is \$65,000 to \$75,000; he hopes to measure the area and provide a firmer number soon. I am waiting for a number from Beckwith Builders. The more I look at the wall and the 10-Year Capital Plan, the more I think it should be addressed sooner than later. It seems to decline more each year and should definitely be addressed before any asphalt maintenance or before it fails. When the time does come to complete the job, it should be noted that several trees will most probably be lost.

I look forward to a productive meeting on July 11, 2015 and to seeing you then.

# Financial Report

---

## **Fiscal Year-End Recap – December 31, 2014**

Total Net Income for the fiscal year ending December 31, 2014 was \$16,485 while a \$7,974 profit was budgeted. The operating section of the Profit and Loss Statement reflected a \$4,537 profit while a \$2,049 loss was budgeted. The following line items were significantly under budget at yearend: Contract Labor, Insurance, Snow Removal, and Trash Removal. No line items were significantly over budget. The December 31, 2014 fiscal yearend audited financial statements are included in the meeting packet for your review.

At fiscal yearend, the association had a \$8,267 Operating Fund Balance and a \$36,277 Capital Fund Balance totaling \$44,544 in Equity.

---

## **Balance Sheet – June 30, 2015**

The Balance Sheet for the Ponderosa Condominiums is in good condition with the association holding \$49,630 in cash as of June 30, 2015. Accounts Receivable-Owners totaled \$2,419, with four owners 30 days past due in payment of assessments or late fees, one owner 60+ days delinquent, and two owners are prepaid. As of the writing of this report, the two 30 day dues delinquent accounts are current in payment. Two owners have also paid assessments in advance, and that is reflected under Prepaid Dues Assessments. Accounts Payable reflected a balance of \$2,619. As of June 30, 2015, the association has fund balance of \$44,545 with a current year profit of \$3,061 totaling equity of \$47,606.

The Operating Fund Balance is \$8,864 while the Capital Fund Balance is \$38,741. The Board will visit the current fund balances during Board of Directors meetings following the Annual Meeting.

---

## **Profit and Loss Statement**

The Operating Portion of the Profit and Loss Statement after six months of the fiscal year has a net profit of \$596. The net loss budgeted for January-June is \$2,849 thus reflecting a positive variance of \$3,445. The following will identify significant variances within the first five months of the fiscal year:

- **Miscellaneous Income**

This account is \$1,613/100% over budget. The association received a refund check from Farmers Insurance for a previous year premium increase. They had not given proper notice of the increase as required and were obligated to return the money.

- **Chimney Cleaning**

This account is \$1,000/100% under budget, as the chimney inspections and sweeps have not been performed. This will be scheduled for the fall.



- **Maintenance Supplies**

Maintenance Supplies is \$145/80.4% over budget. The overage is due to the purchase of permanent parking passes and vinyl lettering. These cost \$255.

- **Snow Plowing**

Snow Plowing is under budget by \$2,034/58.1% due to the lack of snowfall for the first four months of 2015.

---

## **Capital Expenses**

One capital project was approved for 2015, and that was to crack seal the parking lot asphalt. The project cost \$1,860 while \$2,000 was budgeted.

Unit	Description	Date Installed	Location
1A	Reliance 606 S/N 0927J001247	8/2009	1A Unit Closet
1B	Reliance 501 S/N J97751829	1999	1A Unit Closet
1C	Vanguard S/N VG 0900CO8984	2001	Middle Floor Common Hall Closet
1D	Vanguard S/N VG 0500CO9784	2001	Middle Floor Common Hall Closet
1E	Lower Level: S/N WD9359743	12/8/2015	1E Downstairs Owner Closet
	Upper Level: Bradford White MI40 S/N WC8974375	12/8/2015	1E Upstairs Bedroom Closet
1F	Lower Level: S/N	12/2015	1E Downstairs Owner Closet
	Upper Level: Reliance S/N	05/2014	1F Upstairs Owner Closet
1-Sauna		2001	Middle Floor Common Hall Closet
2A	Vanguard S/N VG 0701607672	10/26/2001	2A Unit Closet
2B	Vanguard S/N VG 0501242047	10/24/2001	2A Unit Closet
2C	Vanguard S/N VG 0701CO8125	10/25/2001	Middle Floor Common Hall Closet
2D	Vanguard S/N VG 0201256927	10/25/2001	Middle Floor Common Hall Closet
2E	Rheem PRO+ E50 T2 RH95 EC1 S/N M331507630	9/16/2015	Top Floor Common Hall Closet
2F	Rheem PRO E65 2 RH 89 S/N M411400481	12/8/2015	Top Floor Common Hall Closet
	AO Smith S/N 1239A003249	2013	2F Upstairs Owner Closet
2-Sauna		2001	Middle Floor Common Hall Closet
3A	Bradford White S/N KD18195252	9/2013	3A Unit Closet
3B	Reliance S/N 1331J003967	9/2013	3A Unit Closet
3C	Vanguard S/N VG 0300402593	2001	Middle Floor Common Hall Closet
3D	Select State S/N C00112264	2000	Middle Floor Common Hall Closet
3E	Reliance 501 S/N L98134115	6/25/2001	Top Floor Common Hall Closet
3F	Reliance 606 S/N H01315929	10/2001	Top Floor Common Hall Closet
3-Sauna		2001	Middle Floor Common Hall Closet