

Ponderosa Condominiums Association, Inc.
Annual Meeting
July 9, 2016 • 10:00 a.m.
Mountain Edge Condominiums Conference Room

Call to Order

The meeting was called to order at 10:00 a.m. by President, Beverly Ross.

Proof of Notice

Notice of Annual Meeting was emailed on June 6, 2016.

Roll Call/Establish Quorum

Members present in person:

- 1A Sylvain & Pam Hayoun
- 1B Frances Boatright 2000 Trust (Bart & Kathy Boatright)
- 1C Jim & Terrie Peay
- 1E Leuzler Joint Revocable Trust (Dick & C.C. Leuzler)
- 2A Richard T. O'Kell Trust (Dick O'Kell & Beverly Ross)
- 2B Dan & LeAnn Key
- 2E Richard T. O'Kell Trust (Dick O'Kell & Beverly Ross)
- 2F James Colorado Properties (David & Jeanne James)
- 3A Jim & Kay Hutchings
- 3E Joan Heinz

Members present by proxy:

- 1D Joan Heinz proxy for Susan K Johnston Revocable Trust (Jay & Susan Johnston)
- 1F Joan Heinz proxy for Little Hoss, LLC (Rob & Ann Hanson)
- 3B Beverly Ross proxy for Bud Tasch
- 3D Kay Hutchings proxy for ADM Properties (Cadwell & Swanstrom)

(Two more proxies were submitted, but the assessments of those units were in arrears, making them ineligible to exercise their voting rights.)

A quorum was established with 14 of 18 (78%) of members represented.

Reading and Approval of Minutes

Motion: David James moved to waive the reading of the minutes of the July 11, 2015 annual meeting and approve them as written.

Second: Kay Hutchings

Vote: Unanimous approval

Reports

The President's Report was included in the handout.

The Vice President had nothing new to report.

Ponderosa Condominiums Association, Inc. Annual Meeting

July 9, 2016

Page 2

The Secretary/Treasurer reported that finances were in good shape and thanked President for her efforts during health break for manager. Thanks also to to Reed Meredith for his assistance.

The Financial Report was included in the handout.

Election of Directors

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

Nomination:	Kay Hutchings nominated Jim Peay and Beverly Ross
Vote:	Unanimous approval

Old Business

Natural Gas

The Association hired an engineer to assist with designing an approach acceptable to the gas company and Town to bring natural gas to the Ponderosa units so gas fireplaces could be installed. This project is moving slowly due to difficulties in contacting gas company. The project will move forward as feasible.

Water Heater Replacement

Water heater replacement went well according to Beverly. Eleven heaters have already been replaced and the heaters for Unit 2C, Unit 2D, and the sauna shower will be replaced in the fall of this year.

Unit 2C Unpaid Assessments

Owners of Unit 2C have filed for Chapter 7 bankruptcy. It is believed that the Ponderosa unit will be sold as part of that process. Our Association has a "Super Lien" as part of the bankruptcy process which assures us of 6 months of back dues.

It is currently unclear whether the Association can collect other receivables that may accrue. The Association has hired an attorney to assist with these issues. Currently the owners are \$4,000 in arrears. It is unclear whether the association can disconnect the water for this unit. We await an attorney response to this question. We will determine whether the electric company has disconnected the power due to failure to pay.

Parking for Building 3 Owners

This building has no garages and therefore cones have been purchased to reserve spots when owners are in residence in order to reserve a spot in the lot during busy times. Those who own units with garages should use the garage and not take a spot in the lot.

New Business

Capital Projects

There are several capital projects on the horizon which include getting gas to the units, installing a retaining wall where old walls are unsafe, and repaving the parking lots. The

Ponderosa Condominiums Association, Inc. Annual Meeting

July 9, 2016

Page 3

natural gas project must come first as it may have an effect on the other projects. Owners should review the Ten-Year Capital Plan to note the major projects.

Proof of Insurance

Each owner must provide the Association with proof of their homeowners insurance. It is likely possible to do this online. Owners will soon receive an email requesting this.

WiFi

The current system needs to be replaced and Beverly has investigated the prospects including an add-on to our current Time Warner service for cable TV. This would include a modem/router for each unit and would add approximately \$25 per unit per month to the Time Warner bill. A show of hands indicated the owners present approved of the move to Time Warner internet service. Sylvain Hayoun volunteered to review the Time Warner contract and determine if a lower price or shorter contract time might be available. The proposed contract for "bulk" cable TV and internet service is for six years with the price stable for two years.

Saunas

The sauna in Building 3 has been nonfunctional for some time due to the heater wearing out. There is a heater available, but the new requirements for ventilation make it difficult to install. We await a report from the ventilation consultant as to whether it is feasible to proceed with a replacement. It appears that the cost would be about \$2,000 to do this work. If other sauna heaters die we would have the same issue with the new ventilation code.

Establish Next Meeting Date

Motion: C.C. Leuzler moved to hold the next annual meeting on Saturday, July 15, 2017
Second: David James
Vote: Unanimous approval

Adjournment

Motion: David James moved to adjourn
Second: C.C. Leuzler
Vote: Unanimous approval

The meeting adjourned at 10:57 a.m.

Respectfully submitted,

Joan Heinz
Secretary/Treasurer

President's Report

July 9, 2016

Reminder: New Mailing Address

Ponderosa Condos' new mailing address is PO Box 4293, Crested Butte, CO 81224-3716.

New Email Address

Our new email address is pca.mtcb.co@gmail.com.

Water Heater Replacement

Of the eleven units whose water heaters were due to be replaced in 2016, all but two have been done. The sauna shower water heaters in Buildings 1 and 3 have also been replaced. Units 2C and 2D, as well as the sauna shower water heater in Building 2, will be done this fall.

Building 3 Parking

According to an attorney, it is permissible to temporarily reserve parking spaces for Building 3 owners. Traffic cones were purchased for this purpose. Traffic cones may be used by Building 3 owners to reserve a parking place *only when they are personally occupying their units*.

Natural Gas

Last fall Donna and I met with Dan Higgins of Atmos Energy. The only locations he recommended for the placement of gas meters were in front of Buildings 1 and 2 on the slope toward the recreation path, and behind Building 3. Donna could not find a plumbing contractor willing to run six gas lines to each building from the proposed locations of the meters (they said that plan was ridiculous). So we were back to trying to find somewhere closer to the buildings to locate the meters that would meet fire and building codes.

The Crested Butte Fire Inspector, Scott Wimmer, suggested we have an engineer

develop a plan that would meet codes. While I was in CB in March, I called REG Engineering in CB and we met with August Hasz, one of the principals. He will hopefully come up with a written plan/drawing we can present to the powers-that-be. Then we can go back to Atmos Energy and get an estimate from them to bring gas to the meters, and plumbing contractors to go from meters to fireplaces. Without a written plan by an expert, we were just spinning our wheels!

Major Capital Projects

Three major capital projects are on the drawing board:

1. Run natural gas lines to each building for fireplaces (cost unknown)
2. Replace retaining wall in the front parking lot (estimated cost \$60,000 - \$75,000)
3. Repave parking lots (estimated cost \$68,000)

If REG Engineering is able to develop a satisfactory plan to bring natural gas to the buildings (and the cost is not prohibitive), that project should be done before the replacement of the Building 3 retaining wall, which should be done before the repaving of the parking lots. These three projects will move into the future on the capital plan as needed to keep them in the appropriate sequence.

Ponderosa WiFi

As we all know, Ponderosa's WiFi is outdated and inadequate due to the proliferation of connected devices owners and guests use, and the fact that all eighteen units share one internet connection. Availability of WiFi is a "given" at accommodations everywhere

President's Report

July 9, 2016

Page 2

now, and Ponderosa needs to remain competitive.

I would like to be relieved of the responsibility for managing Ponderosa's WiFi in the near future, so I started looking for other options.

Time Warner provides cable TV to Ponderosa under a "bulk" contract (i.e. the Association pays a monthly fee for cable TV for all 18 units). The cost for cable TV is \$434.37 per month (\$24.13 per unit).

Time Warner also offers "bulk" internet service and would provide TV **and** 20 Mbps internet service for approximately \$900 per month (\$50.00 per unit), making the additional per month/per unit cost of internet about \$26.00. To

get this price, we'd need to sign a six-year contract.

Each unit would have a modem/router, unique SSID (network name), and password. When TV service is upgraded to digital only, one digital "box" will be provided for each unit. That will probably happen sometime next year.

If purchased separately by an individual owner, rather than through a bulk agreement, the same TWC 20 Mbps internet service costs \$65.00 per month. CenturyLink 20 Mbps internet service is available at a cost of \$40 - \$45 per month (with conditions).

The TWC contract is being considered by the Board, but no decision has been made.

Financial Report

July 9, 2016

Fiscal Year-End Recap – December 31, 2015

Operating expenses were \$4,922 less than budget. Capital expenses were \$5,462 over budget due to unbudgeted sealing of deck handrails (\$1,784) and unanticipated repairs required to Unit 2B subfloor (\$3,818). Total net income for the fiscal year ending December 31, 2015 was \$14,502, which was \$1,150 under budget.

The following line items were significantly under budget: Contract Labor, Hot Tub Supplies & Repair, Snow Plowing, and Trash Removal. No line items were significantly over budget.

At yearend, the Association had \$13,533 in the operating (checking) account and \$46,689 in the capital reserve (savings) account.

Budget Report – June 30, 2016

Operating expenses after six months of the fiscal year are \$15,371 under budget.

- **Appraisals and Audit & Tax Preparation.** The insurance appraisal has not yet been done. The audit is in process, but has not been completed.
- **Late Payment Fees.** Will be reimbursed by CBCM.
- **Board of Directors-Conference Calls.** Budget meeting, usually held in December, was held in April.
- **Contract Labor.** Varies significantly from year to year. So far we've had no costly repairs!
- **Hot Tub Supplies & Repair.** No significant repairs to date.
- **Legal Fees.** An attorney was retained to advise Ponderosa regarding an owner's filing of Chapter 7 bankruptcy.
- **Management Fees.** Significantly under budget due to anticipated reduction in fees paid to Crested Butte Condominium Management.
- **Miscellaneous Expenses.** Annual fee of \$54 for Ponderosa's PO Box 4293, Crested Butte, CO 81224-3716.
- **Snow Plowing and Roof Snow Removal.** Less snow means less plowing!
- **Write Off.** Budgeted in anticipation of loss of income due to an owner's bankruptcy.

Capital Expenses

- **Crawl Space Improvements.** In May, Accurate Insulation of Montrose installed vapor barrier in the crawl spaces of all three buildings at a total cost of \$1,320.
- **Pedestrian Doors-Garages.** Since it will be necessary to excavate below the threshold of the doors, it was recommended that this be deferred and done in conjunction with the repaving of the parking lots.
- **Sauna Shower Water Heaters.** Three water heaters have been purchased and two have been installed. The one for Building 2 will be installed when the C and D unit water heaters are replaced.

Financial Report

Page 2

- **Sealing of Exterior Wood.** Scheduled to be done in the fall at an estimated cost of \$10,080.

Balance Sheet – June 30, 2016

The Balance Sheet for the Ponderosa Condominiums is in good condition with the Association holding \$73,182 in cash as of June 30, 2016.

Accounts Receivable-Owners. One owner's check was apparently lost in the mail, but was shown as deducted from the owner's bank account, resulting in uncertainty as to whether the check had actually been deposited. That issue has now been resolved and a replacement check in the amount of \$225 has been issued. One owner is 90+ days delinquent (\$2,889), one owner is 30 days delinquent (\$832), and one owner is prepaid (\$2,700) for a net A/R of \$915.

Accounts Payable is \$7,433, most of which is due to unpaid association management fees.