

**MOUNTAIN SIDE  
COMBINED BOARDS OF DIRECTORS MEETING  
FEBRUARY 9, 2013**

**MINUTES**

1. **Call to Order.** The meeting was called to order by President Bill Meek at 7:30 a.m.
2. **Affirmation of Attendance and Quorum.**
  - A. Board members in attendance when the meeting was called to order were Bill Meek, Herb Allen, EJ Gibson, Pete Pfeiffle and Steve Smith. A quorum was established. Don Cacace, Bob Lembke, Art Burger, and Scott Ponds joined the meeting at 8:00 a.m.
  - B. Representing Mountain Managers were Phil Wells and Atis Spuris (Resident Manager).
  - C. Also in attendance were: Lyn Pierce (322H), Amy Picket-Williams (325A), Nancy Lewis (169E), Suzanne Singer (196G, and James Baer (240J).
3. **Owner Forum.**
  - A. Lyn Pierce (322H): Lyn has been experiencing trouble with the cold water running hot in her unit. This may be caused by the heaters being turned up high to mitigate pipes freezing. E.J. noted that in his first floor unit, the water runs hot for just a few minutes. Lyn had previously experienced an hour or so of hot water but not recently. The heaters are the most economical way to help the freeze up issue. It seems to be working – when the heaters failed, there were several freeze ups. Mountain Managers will contact the plumber and find out if there is any issue in Lyn’s unit with bleed over from hot/cold pipes. Lyn requested a call prior to going to the unit since the unit is occupied.
  - B. Amy Picket-Williams (325A): Amy wanted to update the Board on her progress with permits for the loft expansion. She purchased the unit 3 years ago with the loft addition and additional bathroom already in place. The Town requested an architect’s opinion on whether or not there are any structural (weight bearing) issues. The Town has finally approved use of the space but due to the configuration, it will be livable space, not habitable space. Amy has worked with an architect and an attorney as well as spending countless hours in discussions with the Town. The Town is now requiring that everything in the unit be brought up to the 2006 building code (not just the addition an extra bath). It was found that the spacing between the toilet, sink, and tub are off by a couple of inches and the entire bath must be redone. Just being safe is not enough for the Town and other owners are likely to be told the same. The Town is not bending in any way. To retro fit the additional space to code will cost the owner about \$14,000. Legal appeals have been tried and all have failed. The Town also finally issued a permit for the loft egress window. It can go in the Board approved location and can actually be a couple of inches bigger.

The Board expressed its appreciation to Amy for all that she has done. It was noted that there may be some legal recourse for the owner since the unit was sold without telling her the improvements had not been approved or permits obtained. Amy stated they have looked into this but to pursue legally would cost about the same as what is being spent on code issues.

Amy noted she has been working with Jason Kompf with Antique Design Quality Carpentry (970-406-2064). He provided her with the names of 5 general contractors he has worked with and she was able to obtain bids from 4. She stated Jason has been great to work with.

- C. Nancy Lewis (169E): She is a new owner and was just here to observe
- D. Suzanne Singer (196G): She has owned her unit since 2002 and spends winters in Summit County. When she arrived the week before Christmas all 3 faucets were running and there was an electric heater under the kitchen sink. She called Mountain Managers but got an answering machine. The resident manager came by the next morning but was not aware that the faucets had been left on when the heater was placed in the unit. Bill explained there had been a frozen line and heating of the lines was done by the plumber that was sent out. She also called Susan to find out why the weather channel was no longer the same channel. Susan subsequently discovered the channel lineup had changed and let the owner know that new channel cards were never provided by Comcast. In addition, she tripped on an uneven sidewalk. The pavement had experienced "frost heave". Bill stated he had just noticed this and the area will be marked with a cone until repairs can be done. Suzanne felt that the complex was not getting adequate attention. It was explained that Mountain Managers' office is open 5 days a week and there is a resident manager on site. An employee can usually be found in the clubhouse every day between 8 and 10 a.m. Susan is the primary contact for Property Management. It was recommended that when owners call during normal working hours they call 970-668-3174 and use extension "5" instead of Susan's personal extension. Extension "5" rings to more than one phone and is generally answered by someone during business hours who can take down the necessary information and get it to the correct party if Susan is busy. If you get someone's voice mail, leave a message and you will be called back. If you bring something to the attention of the Resident Manager, please also report it to the office so follow up can be done.
- E. James Baer (240J): Here to observe.

4. **Approval of Minutes from the 11/10/12 Board Meeting.** A motion was made, seconded, and passed to approve the minutes.

5. **Financial Report.** Herb reviewed December/year-end financials for both Associations.

- A. Clubhouse – the same pattern was seen all year. Expenses were under budget \$3,746.62 despite chemicals being over budget by \$10,077.25. Nothing was spent in some areas (roof snow removal, pump repair/replacement). Utilities, hot tub, and legal were all under budget. Mountain Managers did a good job estimating. The expenses were quite accurate for 2012 which is a good base for 2013 (except for chemicals).

Delinquent accounts are way down – nothing too serious at this time.

The balance in the clubhouse checking account balance was \$26,128.93

The MCR showed \$16,337.83 spent vs. \$9,090 budgeted. There were several unbudgeted expenses which is not unusual.

Herb was concerned about how some items are coded. For example, there was no budgeted amount for the racquetball court lights but the floor was under the budgeted amount. E.J. explained it was broken out this way because 2 separate contractors were used. Ultimately, it's all racquetball court renovation expense. It also lets us know when the lights were replaced, when it will be due again, etc. It was understood that there will be "overs" and "unders" but anything to do with the racquetball court should be coded as one item with separate line items underneath for lights, floor, etc. The MCR is not currently set up this way but it can be corrected next year.

The reserve clubhouse checking account balance was \$127,455.14. It is anticipated that \$147,000 will be spent in 2013. The account will be added to throughout the year but a shortage will occur. Once all major items are done the HOA will be able to rebuild to a more than adequate balance over the next 10 years.

- B. Condos – Operating expenses were under budget by \$25,591.90. Most items were under budget. There was no roof snow removal needed and the \$5,000 budgeted for the insurance deductible was not needed. The figures were quite accurate for 2012 and Herb is confident about the 2013 budget.

There was one major delinquency (172H) and this unit will be turned over to the attorney for a demand letter. It was noted that Mountain Managers has the authority to proceed with turning accounts over to the attorney without Board approval. If the attorney receives no response, the Board is to be consulted prior to any further legal action being taken. This is per the collection policy and is a part of the Rules and Regulations. If the attorney receives no response on the pending delinquency, the Board will be notified with the attorney's recommendations. The Board was reminded that if a vote is taken via e-mail, it will be a matter of public record. As of 1/1/13, any decision made outside of a meeting is open to anyone who wants to see it.

The condo checking account balance was \$94,197.21 which is adequate.

MCR: \$185,043 was budgeted and \$115,431.07 spent in 2012. Several items did not need to be done (fire panel, landscaping, heat tape/gutters, retaining wall, riding mower, etc.). Garage drywall replacement will be needed as some is torn out but has not yet been replaced. The budgeted amount for garage lights will be rolled over to 2013 so there will be \$4,000 available (vs. \$2,000). The original plan was to do one garage per year. Replacement of wooden steps was over budget. There is still one set to do at the north end of "J" building. No money is budgeted until 2014. The new MCR's will be discussed later in the meeting. Herb questioned coding again but Phil and E.J. work closely on the MCR and feel everything is coded correctly.

The condo reserve (money market) balance was \$257,232.83. There is also \$240,380.87 in the reserve CD. It was explained that funds are kept in separate banks – the CD is at Alpine Bank and the rest are with Smart Street.

C. MCR's for 2013

E.J. noted that the clubhouse storefront window, restroom remodels, and the steam room tile had been moved to 2013. 2013 MCR expenses are projected at \$147,788; \$146,000 of that is for the 1<sup>st</sup> floor renovations. The construction budget is \$138,000 plus architect fees and permits. \$4,000 was spent in 2012 (architect was paid in 2012 and should be moved back to 2012). Herb noted that \$4,165 was listed and should be moved back to 2012 reducing 2013 by that amount. The amount needs to be checked and only the amount that was actually paid to Kinney Architects moved. Herb also noted that the total spent per the financials in 2012 was \$16,338 and this does not match the MCR. The MCR total of \$12,297 should be \$16,338. The difference should be taken out of the restroom remodel and the numbers made to agree by the next meeting.

A motion was made, seconded, and passed to approve both MCR's as adjusted.

Any items not done this year will be pushed to next year on the MCR's. Any unspent monies from 2012 need to be moved to 2013. There may be late bills coming in that will reflect in 2013. Mountain Managers will make sure all financial information matches.

On the condo MCR, nothing is budgeted for wood steps in 2013 and thereafter. \$3,500 will be added for 2013 so the project can be finished. All wood steps were approved and there will be none going forward. Only one was not completed in 2012.

Herb was not too concerned with the clubhouse as long as the list of projects is correct. He had one request on the condo MCR: If at all possible, put on 2 pages and enlarge.

6. **Old Business.**

- A. Code violations. It was noted that there are some owners waiting on decisions. Decisions need to be made and owners notified as to what needs to be done.

A motion was made to have the Rules change review moved forward on the agenda. The motion was seconded and passed.

There was a lengthy discussion on the proposed revisions. The Town of Frisco had previously stated they would not issue permits for any washer/dryer installation at Mountain Side. They have since reversed their decision. Plans were located that indicated there should be no issue with discharge capacity. Therefore, washer/dryer installations will be permitted (with ACC approval) and a set of revised rules has been proposed. Whether or not the revised washer/dryer requirements would apply to all buildings including I & J was discussed. It was ultimately decided to amend the proposed rules and motions were made, seconded and passed to include the following:

All washing machines, whether a new installation or an existing one, will be required to have braided metal hoses. In addition, automatic water shut off valve must be installed (except for existing washing machines in I & J buildings. A full size "catch" pan is to be installed on all washing machines (I & J buildings excepted). All gas dryers must be

vented and all dryer vents must be cleaned once per year. Dryer vent cleaning will be scheduled by the managing agent and the cleans will be billed to each individual owner. Notice will be given to owners prior to the work being done.

The revised "Entry of Units" section of the Rules was approved as written.

A copy of the revised Rules and Regulations will be sent to all condo owners along with a letter advising owners of existing washer/dryers that they will have 60 days to comply with the new requirements. A separate letter will be sent to owners in I & J buildings listing the new requirements for washers/dryers and strongly recommending that they also install an auto water shut off valve and drain pan. All owners are reminded they can be held responsible for water damage originating from a washer/dryer up to the \$5,000 HOA deductible. It's very important to ensure the owner's personal HO6 insurance policy is adequate to cover this cost.

Discussion returned to code violations. All owners who were found to have code violations will be sent a letter requesting an update on the status of permits. Lyn Pierce stated that she did not receive a reply to her request for records from 1997. It was explained that records are required to be kept for 7 years and no records are available for the year in question. Lyn stated she received approval from Mike Garver in 1997 to add flooring to the loft crawl space and enlarge the door. The area is used solely for storage. The Board previously decided that storage areas were not an issue but needed to determine whether or not the area was limited or general common element. It was just recently found that it's limited common element and therefore no issue. It was suggested that Lyn submit pictures of the area and request approval so that she will have a written record. Owners who were notified of code violations and have "storage only" areas will be notified that they do not need to proceed with the permit process.

Lyn also asked if all condo Board members' units were inspected when the unit code inspections were done. They should be subject to the same Rules as everyone else. Staff members were instructed to inspect all units without exception but to be certain, the units will be inspected again. A motion was made, seconded, and passed for the managing agent, accompanied by a Board member, to inspect all Board members' units. Inspection will include the units of Jim Whiteley and Sharon Schutz who were previously members of the Board. Jim and Sharon will be notified regarding the inspections.

- B. Landscape Proposal: The estimate from Colorado Land Art Studio was for \$7,400 to \$10,500 but not all services that were listed will be needed. E.J. and Bill do not agree with all the provisions, specifically the "ownership of work product" section. A motion was made, seconded, and passed to not accept the contract as written. The issue was tabled pending further study/research.
- C. No smoking policy for condos: Steve previously submitted a proposal for a no smoking policy to the Board via e-mail asking for the condo board members to review and respond. He feels this is not an unreasonable concept due to health issues. Discussion ensued on whether to ban smoking throughout the complex, in units, on decks, etc. It was felt that no smoking in common areas would be acceptable but smoking inside the units should be an owner option. E.J. felt the current proposal was too broad and would require smokers to totally leave the property in order to smoke.

After discussing a policy that would prohibit smoking on limited or general or common elements within 20 feet of any building to include decks and garages, a motion was made by Steve to pass the policy. The motion was defeated 3 to 2. E.J., Herb, and Bill voted not to approve the policy at this time without more owner input. A letter will be sent to owners stating the Board is considering a no smoking policy. The proposed policy will be cited and owners will be asked to agree or disagree. The letter will be sent to all owners (condo and clubhouse) since the ban would prohibit smoking within 20' of the clubhouse.

- D. Fence restrictions (homes): Scott would like to see more clarification and restrictions on fencing. Current fences would be grandfathered but he'd like more concrete guidelines before so many fences go up that the "open space" feel of the area behind the units is destroyed. Current rules permit split rail fences (with approval) but there are no size or height restrictions. Scott was asked to draft a set of rules and have it at the next Board meeting. It was suggested that he speak with other owners and especially Dick Malmgren who is very knowledgeable.
- E. Wi-Fi ballots: (At this time Bill had to leave the meeting and turned the proceedings over to E.J.) Before leaving he stated he did not feel there was enough information about the technological specifications (bandwidth, etc.)

Discussion ensued and included concerns with possible annual dues increases to cover the cost of Wi-Fi, whether or not Wi-Fi is necessary since many owners have smart phones and other devices and don't need Wi-Fi, and whether or not the HOA should be involved or leave it up to the individual owner. 104 ballots/comments were returned with 59 voting for and 40 against. 5 units submitted comments but did not vote saying they needed additional information. It was felt that additional information and options should be obtained before any decision is made. Owner responses did not profoundly lean in one direction or the other. It was resolved to table this issue until such time as different options, technical information, etc. can be sent out. Meanwhile, owners will have to continue to contract for their own Wi-Fi services. Mountain Managers is looking into other options and will submit information to the Board.

- F. The estimate from Baseline to possibly re-zone building "F" from the flood zone was discussed. E.J. noted that initially a surveyor was hired to shoot both C and F buildings and an appeal was filed. C was granted (not in the flood plain), F was not. The Board requested an additional proposal and Base Line believes they can succeed. This is not just an owner issue – it's an HOA issue since flood insurance would have to be purchased for the building. The estimate from Baseline was for \$2,300. This cost includes \$600 for Tetra Tech to draft the letter of explanation. Bob noted that Tetra Tech has done work for him for a number of years. They know what they're doing and probably stand a good chance of succeeding in this instance. There's no guarantee but this seems to be the best shot. A motion was made, seconded, and passed to proceed with Baseline's proposal.
- G. Mountain Side Website: Art explained that the domain name was created on 6/19/01 and the licensed has been paid by the founder since that time. Art has been able to get in and make some changes but there is a lot to be done. He stated that Don has a lot more knowledge and has volunteered to help out. Whether or not it's worth it to maintain the site was discussed. Mountain Managers' website contains all governing

documents, meeting minutes, financials, notices, list of Board members, etc. The only thing missing is the pictures. It was suggested that the website be stripped down and contain a link to the Mountain Managers website. Pictures are a good marketing tool but the duplication of documents isn't needed. All agreed to proceed with this plan.

7. **New Business.**

- A. The owner of 274I submitted an e-mail request for skylight replacement. E.J. suggested that a roofer be asked to look at the skylight and see if it can be repaired rather than replaced. Mountain Managers will get this scheduled as soon as possible.

It was noted that there is one skylight on the back side of "F" building that has white trim and does not match the others.

- B. Estimate for insurance appraisal: The estimate from Ebert Appraisal was for \$3,800. The need for an appraisal was discussed at the last meeting. With the change in insurance policy type from "blanket" to individual, it's very important to make sure the HOA is neither over or under insured. There is a clause in the policy that states the HOA is covered up to 125% of an insured loss provided the insured amount is correct. A second estimate was also obtained but it was higher. Bob Ebert is a member of the Appraisal Institute and a long time Summit County resident. His estimate will include the condo buildings and the clubhouse. The bill will be broken out separately. It is not necessary to wait until the renovation work is completed before have the appraisal. They will be appraising replacement cost and just need a scope of work, types of finishes, etc. It's really a small portion of the value. A motion was made, seconded, and passed to proceed with the appraisal. Appraisals do not need to be done annually but it's a good idea to do this every 5 or 6 years. Once the initial appraisal is done, subsequent appraisals will be much easier since all the information will already be on file.
- C. The estimate for the landing at G Building (SBR-\$2,035) was talked about. E.J. noted the issue is similar to the stair towers in A and B buildings but is a little more complicated. He believes it's a reasonable price and needs to be done. This is not budgeted on the MCR but it's an emergency situation – the stairs to the west end to the garage are currently blocked off. A motion was made, seconded and passed to have SBR do the work.
- D. Chicken wire on decks: The spindles are too far apart and could be a safety hazard for children and pets. Some owners have installed chicken wire and have been asked to remove it. This is not a current code issue. Decks/railings were built to code at the time of original construction. Owners asked about solid barriers to screen the view of the new development. No change to the exterior of the building will be approved, however, it was suggested that planters could be used. Larger plants, small trees, etc. would be acceptable. The Board is still considering plans for landscape screening to be done at HOA expense. It was resolved to take no action on the chicken wire at this time. The Board will look at both the back decks and front walks and discuss options at the next meeting.

- E. A lengthy e-mail from Joelle and Terry Miller was received the afternoon of 2/8. Meeting packets had already been prepared and sent to the Board. Copies of the e-mail were brought to the meeting. The issue was tabled pending Board review and if necessary, will be discussed at the next meeting.
- F. Art noted that Bob spent about \$150,000 for repairs to the dam and he felt the HOA should spend money for an access bridge. E.J. stated he'll look at it and get an estimate for the next Board meeting. It will be necessary to see what can and can't be done, what options are available, cost, funding, etc.
- G. Walk Through Schedule:
  - March – Bill
  - April – E.J.
  - May – Pete

- 9. **Schedule the Next Board Meeting:** The next Board meeting will be on 6/8/13, 8:00 a.m. at the clubhouse. The date will be confirmed via e-mail.
- 10. E.J. talked about the locker room renovations and showed two possible schemes. He asked everyone for their opinion and preference. After discussion, scheme "A" was selected.
- 11. **Adjournment.** There being no further business, a motion was made and seconded to adjourn the meeting at 11:55 a.m.

Respectfully submitted:

Judy Freese, Recording Secretary (minutes prepared from a tape recording of the meeting).

**APPROVED:**

Approved via e-mail	3-14-13
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Bill Meek, President	Date
Approved via e-mail	3-12-13
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E.J. Gibson, Vice President	Date