

**MOUNTAIN SIDE  
COMBINED BOARDS OF DIRECTORS MEETING  
AUGUST 25, 2012**

**MINUTES**

1. **Call to Order.** The meeting was called to order by President Jim Whiteley at 8:05 a.m.
  
2. **Affirmation of Attendance and Quorum.**
  - A. Board members in attendance were Jim Whiteley, Bill Meek, Herb Allen, EJ Gibson, Sharon Shutz, Don Cacace, Bob Lembke, Art Burger, and Scott Ponds.  
  
A quorum was established.
  
  - B. Representing Mountain Managers was Phil Wells.
  
  - C. Also in attendance were Amanda Pickett-Williams (325A), Corkie Ramey (unit 160J), and Steve Smith (C331).
  
3. **Owner Forum.**
  - A. Amanda Pickett-Williams (325A) spoke about the code violations noted in her unit. She explained that when the unit was purchased a couple of years ago, the modifications had already been done and the unit was sold with these in place. The sale forms listed 1 and  $\frac{3}{4}$  baths – a bath and additional room had been added to the loft and the previous owners already had bunk beds in the area. The new owners had planned to add one or two windows for safety since they have children who would be sleeping in the loft area. An architect was hired to provide plans/options for a window. All of this was done prior to the owner being informed of the code violations and that new window installation would not be approved. The owner has been diligently pursuing Town approval for the loft modification and asked the Board to reconsider the window issue. The Town has stated they will “consider” a permit only if a window addition is approved. The Board does not feel it can grant approval for the window until the Town at least conditionally agrees to issue a permit for the existing loft addition. There is a lot for the Board to consider besides just the window. The units were not designed for bathrooms/bedrooms in the loft area. This violates code and goes against what the property was intended to be used for. In addition, the HOA has an agreement with the Town on water/sewer based on the number of bathrooms in the complex when it was originally built. Any additions could complicate arrangements with the Town. Dues amounts are also based on the number of bathrooms and will have to be dealt with if concessions are made.  
  
The owner was asked if she had consulted with the title company about misrepresentation by the previous owner – not yet but this could be the next step. There is generally a 2 year statute of limitations on going back on the seller/realtor but the clock may not start until the problem was first noticed.  
  
Once a permit is issued the Board will try to make a decision as quickly as possible and inform the owner. The owner was also asked to keep the Board informed as to her progress with the Town.  
  
The owner asked if installing screen/storm doors was permitted – these have not been allowed in the past.

- B. Corkie Ramey (160J) spoke about the Peak One development. She stated she had noticed water coming onto Mountain Side property from the concrete drain pan. She spoke with them and they have put up a retaining wall that should manage the issue. However, Corkie has seen a surveyor out there, noticed that the stakes were pulled, and thinks the line may have been moved to accommodate the new retaining wall. Corkie suggested an independent survey (at HOA expense) to determine the accuracy of the survey but acknowledged that she did not actually see the line moved.

Corkie also asked about other drainage issues. It was explained that the contractor has a detention pond at the circular street. Overflow goes through a grass swale/concrete pan to a large retention pond. There are probably 3 more detention ponds to be put in which should slow the water flow.

The concrete drain pan from the detention pond dumps right into Belford Street and code does not allow this to be covered. This has been looked into and there is no liability for the HOA. Steps have been taken to avoid drawing people to this area. A 2<sup>nd</sup> portal was negotiated closer to the wetlands and trees will be planted. The goal is to create a buffer and deter people from the area. Mountain Side is still discussing additional landscape possibilities.

Water cannot be allowed to flow onto Mountain Side property. If this is seen, the Board should be informed immediately so they can address the issue.

- C. Steve Smith (C331) has spoken with Susan about smoking issues. He has a problem with smoke entering his unit from people smoking outside on adjoining decks. At least one other Frisco property has banned smoking on deck/balcony areas and this will be discussed at the upcoming HOA meeting.

4. **Approval of Minutes from the 5/12/12 Board Meeting.** A motion was made, seconded, and passed unanimously by both Boards to approve the minutes as written.

5. **Financial Report.** Herb reviewed July financials for both Associations.

- A. Clubhouse Income Statement – Year-to-date, expenses are well under budget. Chemicals are over budget (almost double). Some of the hot tubs are being closed during non-peak times but this has only been done for a short time and it's still unknown if this will make a significant difference. It was noted that the hot tub company has stated that drought conditions have exacerbated the problem. It's also apparent that the new hot tub is using more chemicals although it's not known why. Salt water tubs/pools have been looked into for other complexes and it is felt that since a different filtration system is needed along with a very expensive heat exchanger (about \$15,000) their will not be a lot of savings.

The rise in chemicals has been looked at but no definitive answer has been found. Professional hot tub personnel (Kaupas) have been out to the site and determined that staff is using the proper chemicals and doing exactly what should be done. Chemicals are purchased in bulk but the cost does not seem to be evening out over time although July was right on budget. This will be looked at again at the next meeting. Bill asked

Mountain Managers to make sure the UV lamp is working correctly. He also noted that there is a high value and a low value for chlorine and to check if it's set at the high range when a medium range may be sufficient.

It has been discovered in the past that when people got out of the hot tub and went directly into the pool, there was an adverse affect on the pool chemicals. This situation was mitigated by switching the hot tub chemicals to peroxide. Peroxide cannot be used in the pool – Mountain Managers will check on the reason for this and inform the Board.

If the chemical costs continue to run over budget, it may be a good idea to have an outside expert come in and see if they see something Kaupas doesn't. No decision on this will be made until Mountain Managers' mitigation attempts have been given a chance to work.

Overall, the clubhouse was \$8,918.71 under budget on expenses year –to-date. The checking account balance was \$64,257.74 which is more than is needed. Herb suggested considering a transfer of funds to reserves. It was explained that due to some new legislation, owners must approve any transfer of excess operating funds to reserves. This can be taken care of at the upcoming HOA meeting. Owners need to be made aware that reserves should be kept healthy in order to avoid dues increases and assessments. There will be some additional capital expenditures (locker room renovation, the window wall in the pool area, etc.) that will be discussed later in the meeting.

- B. Condominium Income Statement- Year-to-date numbers are looking good with many items under the budgeted amount. Overall, the condos were \$34,239.55 under budget on expenses year-to-date. The balance in the checking account was \$122,497.78. As with the clubhouse, transfer of some of these funds will be discussed at the upcoming HOA meeting. Mountain Managers will come up with amounts that can be comfortably transferred to reserves.
- C. Clubhouse Reserves – There was very little scheduled for this year. The racquetball court came in under the budgeted amount, minimal siding repair has been completed (may not have been paid yet), and seal coating is still in progress. Overall, the clubhouse reserves are looking good.
- D. Condominium Reserves – Quite a bit was paid out in August (not reflected on July financials). Timbers that have been taken out will be saved for future use. The new stair hand rails are being put back up shortly. EJ noted that no stairwell will be re-opened until the rails are in place. Overall, it is anticipated the condos will be under budget on reserves at the end of the year.
- E. Delinquencies will be discussed at the next Board meeting.

6. **Old Business.**

- A. Code Violations. It was originally believed that these issues would be solved by permitting through the Town. This has not been happening in a timely manner. It was

suggested that the HOA either go to a higher authority or get the Town to be more cooperative and quicker with their decisions. Most people are willing to do whatever needs to be done but are not getting the right directions from the Town how to proceed. It's necessary to have some policy in place that people can rely on to get through the Town's system in a timely manner. Currently, the Town is telling some owners that if they do one thing, the Town "might" do another. It's been very frustrating for both owners and the HOA. The HOA just wants to make sure units are safe and up to code. It was noted the Mayor will be speaking at the HOA meeting. This would be a good time to approach him and see if a meeting can be set up and a definitive policy established. Complicating the issue is the fact that plans for A, B, C, and D buildings have been lost. The Town has agreed that plans for G, H, and I can be used. These are not the same but are similar. Larry Feldman has been contacted regarding plans but he says he doesn't have them and is too busy to do anything at this time.

The Board feels they are not able to address code issues until the Town issues a permit. That's the first step. The Town needs to either issue the permit, deny the permit, or tell the owner specifically what needs to be done. This should be done in a reasonable amount of time (10 days). A conditional permit can be issued listing the conditions that must be met before the Town is satisfied. For example, in the case of unit 325A, the Town could issue a conditional permit – the condition being the addition of a window. The Board will then consider the issue (probably favorably) but must have the Town permit in place first.

It was also noted that there is a caveat in the building code that states for some minor items you must meet code that was in place when the building was originally constructed. If more extensive renovations are done then the entire space must be brought up to current code. This is something the Town will need to evaluate and decide.

If the Town approves extra bathrooms, does that mean anyone can add a bathroom? The Town has stated in the past they will not issue permits for washers/dryers or bathrooms without an engineer's study accompanying the building permit request. The Town is not going to make the decisions on building capacity for electric/plumbing, etc. Scott questioned why the Board is getting involved in these decisions when it should be the responsibility of the owner to obtain the permit and any accompanying documentation. It was explained that the Board is simply trying to resolve the problems with units that have already been modified without approval/permits. Buildings are common elements and it is the HOA's responsibility to ensure code is met and rules are uniformly enforced for all owners. The Board must look at capacity issues even if a permit is issued. Should there be a system overload, there will be liability issues. Owners only own the individual unit "air space". The rest is limited and general common elements, including the chases. All owners in the HOA are tenants in common. There is also the matter of the fee structure (dues) which is based on the number of bathrooms.

- B. Landscape Plan. Hiring a landscape architect to generate a master landscaping plan was discussed at a previous meeting. It was also suggested that the complex be surveyed. After a proposal was obtained, it was decided not to spend the money on the survey. \$14,000 is budgeted for landscaping (increased from \$4,000) and the overall landscaping plan will be discussed at the next regularly scheduled Board meeting.

- C. Wi-Fi for each condo unit: The Board had asked Scott to obtain a cost estimate. Scott felt that this should be an owner, or building by building decision. It was explained that this cannot be a building by building decision. If the HOA wants to consider Wi-Fi throughout the complex, they need to do their due diligence on cost. The renewal of the Comcast cable TV agreement was approved at the last meeting. Comcast will also be re-wiring/replacing outdated cable. Internet is not included in the new agreement. The agreement covers the condos only and only condo Board members have a vote on this issue. It was noted that the input of all Board members is important even if they cannot vote on a particular issue.

There are several options available for Wi-Fi. Resort Internet offers the service for \$15 per unit but there is a substantial upfront cost for the infrastructure. Comcast will add Wi-Fi for \$25 per unit. A newer company, Cobianet, offers the service for \$10 per unit with no charge for the infrastructure. Cobianet has installed Wi-Fi at another complex managed by Mountain Managers but this was done recently and it's still unknown how the system will perform during peak seasons when there will be heavier use.

The majority of HOA's in Summit County have Wi-Fi, especially those with heavy rental bases. Any decision on adding Wi-Fi will be the Board's but owner input can be solicited. After all research is done, it was suggested that a survey be sent out to owners with all pertinent information to ascertain how homeowners feel about adding Wi-Fi. It has previously been noted that some owners do not want Wi-Fi and do not feel they should subsidize (through dues) paying for those that do.

- D. Peak One Boundary Landscaping: The \$14,000 allocated for landscaping could be used to complete this project. The developer is putting in 3 large spruce trees at the North West corner. In addition, the 2 portals previously discussed should be going in shortly. Mountain Side would be looking at filling in gaps between trees and between the portals. Landscaping that will not eventually obstruct view corridors will be needed and low maintenance is desirable. Screening will not block everything but would be designed to block ground level activity. It was suggested that a landscape architect be asked to come in and look at this area and give some guidelines on aesthetics, maintenance, screening, egress restrictions, current irrigation, etc. The landscape plan from early construction (I & J not shown) is available and could be used as a starting point to save some money. Doing a plan for the entire complex with the Peak One area to be done first was thought to be a good idea.

A motion was made to authorize Phil to obtain a formal estimate to prepare a master plan, not to exceed \$5,000. EJ and Phil will work up a scope of services for the architect. When the bid is obtained, no amount will be given (hopefully it will be lower than \$5,000). If the estimate exceeds \$5,000, the Board will be contacted. The motion was seconded and passed.

- E. Flood Plain: The survey has been completed and the surveyor does not feel buildings C & F are in the flood plain. The paperwork is being prepared to file an appeal (FEMA, Corps of Engineers). It was noted the FEMA plan also affects single family homes – this is an individual homeowner responsibility. For the condos, it's an HOA responsibility since entire buildings are involved.

- F. MCR projects: Crack fill/seal coat of the parking lots is in progress. Items for 2013 will not be approved until the November Board meeting. EJ will go through the MCR with Mountain Managers and make any necessary adjustments prior to the meeting.
- G. It was noted that the bolts on the steel columns in the garage are backing out and should be checked.

7. **New Business.**

A, Walk Through Schedule

September	Jim Whiteley
October	Don Cacace
November	Scott Ponds

- B. Clubhouse dryer vent cleaning/inspection was approved. This expense should come out of Repair and Maintenance and not reserves. It was noted that the vendor does not do dryer vent cleaning. It was suggested that this be added to the contract if possible the next time it renews,
- C. Email from Steve Smith, 331C – smoking issues. Steve does not feel it's unreasonable in this day and age of non smoking ordinances in public areas to extend "no smoking" to condos where smoke can infringe on others. It was noted that smoking cannot be banned inside units but since decks are a limited common element, smoking could be banned here. Smoking could be banned anywhere on campus, including balconies, and 10 feet away from any building but this could be difficult to enforce. This can be a condo Board decision but it was decided to obtain owner input. The HOA meeting agenda will be revised to include "No Smoking Policy" under the condo section.
- D. Board elections: The terms for Jim, Sharon, Scott, and Don are expiring. Scott and Don will both run for re-election. Jim and Sharon declined to run again. There will be two vacancies on each Board. Board officer positions are determined by the Board at their next meeting.
- E. There was an emergency situation with the west stair tower at Building B that has been fixed. All other stair towers were also inspected and the east tower at B building and both towers at A building have issues that need to be addressed. The cost is \$3,500 (not currently in the MCR). A motion was made, seconded and passed to proceed with repairs (condo vote only).
- F. The health of the trees throughout the complex was talked about. A tree expert has been called in to look at the Lodge Poles Pines. The problem is not Pine Beetles and it doesn't appear to be scale. One or 2 trees outside the clubhouse may not be able to be saved. If removal is necessary, a crane will be needed (\$1,000 per tree). All trees need deep root fertilization and this will be made a part of the landscaping plan.

There is no danger with leaving trees in place at this time. The only danger is when they die, they could fall (on a hot tub). It was suggested that the trees be checked for Ips beetles. No action will be taken now. Information will continue to be obtained along with remediation options. Deep root fertilizing, etc. can be looked at again for next year.

- G. Clubhouse pool deck is looking dirty and the concrete portion on the outside of the hot tubs is cracking. It was noted that the pool deck and locker rooms look dirty even after cleaning. Locker rooms are cleaned every day and the tile will be professionally cleaned which may help. Eventually, the locker rooms will need to be totally re-done. This will be a big expense.

In addition, the window wall in the pool area needs to be addressed. EJ has been working with an architect. The cost for a complete design bid package was \$6,500 and the Board did not want to spend that kind of money. EJ went back to the architect and asked what the cost would be for a conceptual design and cost estimate. That would be \$1,500. EJ would like to get this approved so firmer numbers can be obtained. The MCR number is just a guess.

The window wall is on the MCR for 2016 and the locker rooms in 2021. Both will need to be done sooner. The two biggest negative comments from owners/guests are bathrooms and glass look dirty. When the window wall is re-done, the architect has suggested not bringing glass all the way to the floor. A 3' knee wall could be put in that would tie in with the rest of the area.

Money could be borrowed from the condos temporarily to accomplish these projects. They have the money and it would be paid back with interest.

A motion was made, seconded, and passed by both Boards to proceed with the architect (\$1,500) for the storefront glass wall window plans. It was suggested that the same architect be used to do the locker rooms. This will result in an increase in cost. EJ will obtain an estimate from the architect and e-mail the information to the Board.

8. **Owner Forum.** No additional comments.
9. **Schedule the Next Board Meeting:** September 1, 2012 (following the annual meeting).
10. **Adjournment.** There being no further business, a motion was made and seconded to adjourn the meeting at 11:55 p.m.

Respectfully submitted:

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

**APPROVED:**

Approved via e-mail

9-10-12

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Jim Whiteley, President

Date