

**SNOWFLAKE CONDOMINIUM ASSOCIATION  
BOARD OF DIRECTOR'S MEETING  
MINUTES  
MAY 17, 2011**

Call to order:

Leo Bennett, president, called the meeting to order at 10:10 AM per the notice distributed to all board members. The meeting was held in the IT Office boardroom, Snowflake Complex – Copper Mountain.

Board Members Participating:

Leo Bennett  
Jim West  
Susan Byers  
Steve Misch  
Nancy Barnett (via telephone)

Others:

Tom Malmgren

Prior Meeting Minutes:

The board approved the prior meeting minutes as written and distributed.

Resort Chamber Update:

Leo Bennett reported that he met with Peter Siegel, executive director of the Copper Mountain Resort Association (“The Copper Chamber”) and of the Village Company, and Jim Reis, president of Copper Mountain Property Owners and Lessees Association (POLA), the prior afternoon to discuss the proposed funding changes that were discussed earlier this spring. The Resort Chamber dues proposal, with an increase to all owners, prompted the meeting and was the primary topic. Leo communicated his opinion to Peter and Jim about the process that had been followed and criticizing the approach. He suggested that needs be outlined, budgeting amounts be calculated to determine the proposed cost of the proposed tasks and appropriate funding requirements then be proposed. Leo stated that more information would be forthcoming, possibly this summer. He recommended that the revised process be followed and a clear presentation is ready for Labor Day when many owners are at the resort.

Manager's Update:

Tom reported on numerous topics –

- Leak at zone valve/heating system piping – unit 201 – He has not communicated with the owners regarding the need to get this resolved. It was hoped that a building shut down would be happening to facilitate fixing this at the same time. He will follow up with the owners.

- The potential of sharing the trip charge of a mechanical engineer with Peregrine Condo Association is being pursued; however Tom outlined that the type of service Peregrine is seeking is a different focus than what Snowflake is seeking and whether the same engineering expert would be appropriate for both was questionable. Peregrine board has not met to discuss this. Tom will work on timing for both Associations. The Snowflake board will proceed ahead with an engineer's visit regardless of cost sharing.

- Upper door of unit 405 replacement – Owners have contacted Colorado State Glass and Mirror (CSG&M) and it is planned to be replaced soon. Weather and snow have impacted their schedule. CSG&M also plans to resolve the leaking hallway windows at floor number 4 adjacent to the elevator area.

- Overhead garage door removal – No change. Awaiting promised bids. Tom is pursuing alternatives.

- Roof bids – Received and delivered to the board for two roof areas, the Call center roof and the shake roof over 204. Only one bid received thus far. More bids are being requested.

- Landscape proposal from Neils Lunceford is typical annual proposal. We need to have them do start up of irrigation.

- Notice of public hearings by the Copper Mountain Consolidated Metropolitan District was referenced. Water and sewer rate structure modifications are being proposed. Equity of water usage is goal. Residential will generally pay a bit less and commercial more. First hearing will be May 27, 2011.

- Tom noted that the resident managers are performing daily tasks after winter to clean up and get ready for summer.

- He asked the board for guidance regarding what projects to proceed with and the coordination of seeking a commitment from commercial space ownership to take care of maintenance requirement that they are responsible for.

Leo will communicate to the exterior improvement committee the need for them to develop an action plan for the \$9,000 budgeted this summer for exterior items. Some landscaping may be part of this amount. With respect to the longer term funds earmarked for the exterior in the Scenarios, Nancy suggested that the top 10 items recommended in the architect's report be prioritized and followed.

#### Treasurer's Report:

Leo provided the board with an update of financial condition. The highlights included that the HOA was \$5,508 under budget for the nine months ending March 31, 2011.

Income was over by \$274 due to laundry income, expenses were \$5,234 under budget. Gas and electric were under budget by \$9,959 and repairs and maintenance over by \$5,771. The income for the capital reserve fund was on budget. (Treasurer's report attached).

Leo reviewed the proposed budget for 2011-2012 with the board, noting that the gross dollar amount of the budget remains the same as last year. However, the allocation of expenses will change each individual owner's actual dues amount.

<b>Assessment Comparison</b>		
<b>Category</b>	<b>FY2011</b>	<b>FY2012</b>
Operating Fund Assessment	202,000	178,063
Cable & Internet Pass Through	(Incl.)	21,522
CMRA Dues Pass Through	(Incl.)	1,560
Sub-Total Operating	202,000	201,145
Capital Reserves Assessment	28,500	29,355
Total Assessments and Pass Through	230,500	230,500

The resort chamber dues (CMRA) will be a direct line item per the amount billed for each unit and no longer be part of the commercial dues (commercial units receive separate bills for their resort chamber dues) and since Television/Wifi is a monthly cost per unit not by size of unit, this too will be billed as a separate line item to each owner as part of their overall dues billing.

After discussion and clarification on how the new budget will be allocated Jim West moved for adoption of the budget. This was seconded by Susan and passed unanimously.

It was noted that a surplus is projected for the current year operating fund. Leo suggested that this remain in the operating fund rather than being transferred to the capital reserve fund, as long as there are no tax implications that would impact the HOA. This will help relieve the annual cash flow crunch in quarter three (January to March).

Tom was instructed to check with the CPA who prepares our annual tax return to determine if this would be an appropriate method of treating the operating fund surplus. Pending verification by the CPA, Jim West moved and Steve Misch seconded a motion to follow Leo's suggested approach with the operating fund surplus. This motion passed unanimously.

#### Committee Reports:

None

#### Old Business:

Leo stated that the Ceiling / Plumbing project discussed at prior meetings should be completed this year. He feels that justification for proceeding with the second and fifth floor ceiling removal and plumbing modification are strong. Seeking an engineer's guidance on scope of work, adjusting balance valves on the recirculation line and getting this project completed needs to be our priority.

Steve Misch asked if the risk of not proceeding was really that strong and inquired if insurance coverage would have any impact on this decision. Tom was instructed to check with the insurance agent to inquire about exact coverage that would apply if we had an event such as a burst pipe that required removal of the ceiling with the asbestos.

The board suggested that a refined 'scope of work' be finalized and resubmitted to the four contractors who had previously submitted bids. Leo committed to circulate a new invitation to bid to the board for their input. Jim and Susan commented that obtaining exact 'apples to apples' bids was imperative. Jim stated that he would call the engineer(s) who completed the asbestos analysis and ask them for detailed 'scope of work' that we could use as part of the invitation to bid package.

Leo suggested that a conference call meeting during the later part of May occur to update the board and move this process forward. The target is to have this work performed just after Labor Day.

Hallway heaters, which have been on the list for replacement, were the next topic. Tom was instructed to obtain a bid to replace only the three ground level heaters based upon the success experienced this past winter of turning off the upper floor heaters. The three heaters targeted for replacement are at the base of the two stairwells and the small lobby area adjacent to the east stairwell.

The website was mentioned but no discussion followed. Leo expressed disappointment at the lack of response he received when he asked owners to contact him for a password. He will revisit this subject but using only one user ID and password for all owners in the complex will likely be the recommended approach.

#### Formal Adoption of E-mail motions:

Leo presented motions which had been adopted by email: 2011-9: Plumbing bid from Travis, 2011-10: Cash flow loan from reserves to operating and 2011-11: Mechanical Engineer, to be made a matter of record at this meeting. A motion to do so was made by Susan Byers, seconded by Jim and passed unanimously. (a copy of these motions is attached to these minutes).

New Business:

Leo presented to the board a proposed package to be sent out to the members for the annual meeting. His materials included a proposed agenda, capital scenarios for A, B, or C special assessment proposals, a proxy form concept, discussion of owner education and possibly having someone from the Colorado Department of Public Health speak about the asbestos legislation that exists in the state, voting & ballot concepts, director election and other suggested topics to be presented to the membership at the annual meeting.

Leo stated that the exterior improvements committee should be prepared to submit a report at the annual meeting, but any update from the decorating committee would probably be premature since the priorities have been shuffled.

Jim West's term as a director is expiring at this year's annual meeting; however, Jim stated he would stand for re-election knowing it is important to have continuity with the board considering all of the projects in process.

Leo presented some ideas about ballots and the voting process utilizing an excel spreadsheet to properly record voting on the various questions that will be presented.

Unfinished Business:

The board suggested the Plumbing / Ceiling project be renamed the Asbestos, Plumbing, Ceiling project to make certain all understand the necessity of work contemplated.

Jim West recommended that the main lobby area be painted this summer to provide a fresh looking entry to the complex. Since the decorating committee's timing is being delayed this would provide an enhancement to the building's first impression. Change of color was stressed as mandatory, getting away from the current yellow. Nancy, as chair of the decorating committee, will suggest a color to come from her committee to be presented to the board for approval. Tom was instructed to line up a painting contractor, pending color selection. It was noted that a finish that can be washed will be selected.

During the discussion of painting the lobby it was recommended that the carpeting at that location also be replaced. Tom was instructed to obtain bids and product ideas.

Next Board Meeting:

The board will conduct a conference call in the next few weeks. The next 'in person' board meeting will be immediately after the annual meeting. Leo reported that the Copper Mountain Metropolitan District community meeting room will be the location for the annual meeting (same as last year) and the board will meet at that same location after the annual meeting on September 3, 2011.

Adjournment:

There being no further business the meeting was adjourned at 11:45 AM.

Respectfully submitted,

Accepted,

*Thomas J. Malmgren*

*Leo Bennett*

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Thomas J. Malmgren, Managing Agent

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Leo Bennett, President

## **Snowflake Condominium Association**

### **Treasurer's Report for Q3 FY2011 – 5/17/2011**

#### **Operating Fund:**

We were \$5,508 under budget for the nine months ending March 31, 2011.

Income was \$274 over budget, mostly laundry rent.

Expense was \$5,234 under budget:

Administrative and Professional expenses were \$2,150 below budget.

Common Gas & Electric was \$9,959 under the budget of \$41,500. (Windows & stairwells?)

Repairs and Maintenance were \$5,771 over the budget of \$9,814. Snow removal was over \$1,251, and firewood was under \$1,200.

Cash Flow Our operating cash at the end of Q3, adjusted for the amount to be repaid to the capital fund, was essentially zero. The chronic cash flow shortage in Q3 needs to be addressed in the FY2012 budget discussion.

#### **Capital Reserve Fund:**

Income was on budget.

A proposed FY2012 Reserve Plan has been submitted to the board, along with drafts of more aggressive plans for discussion at the annual meeting.

Leo Bennett  
Treasurer

## **Email Motions Since February 14, 2011 To Be Made A Matter of Record**

### **Email motion 2011-9: Plumbing bid from Travis**

It is moved that Travis Construction be invited to bid a project with a reduced scope of work for plumbing and the second floor ceiling: second floor asbestos abatement, ceiling and lighting demolition, installation of 92 plumbing shutoff valves per spec on second and fifth floors, installation of new lighting per spec, and installation of a suspended ceiling per spec.

Moved by Leo, second by Nancy, approved 3 for, 2 abstaining, 2/16/2011

### **Email Motion 2011-10: Cash flow loan from reserves to operating**

It is moved that the Property Manager be authorized to borrow \$15,000 from the reserve fund to the operating fund, to be repaid by May 15, 2011.

Moved by Leo, second by Jim, approves 5 for, none against 3/17/2011.

### **Email Motion 2011-11: Mechanical Engineer**

It is moved that the proposal by 20/20 Engineering to have Kyle Manske, ME, inspect our plumbing and make recommendations, for a fee of \$435 and a trip charge of \$500, be accepted. The trip charge is to be split with Peregrine HOA, since Kyle would also do a task for Peregrine on the same trip.

Moved by Leo, Second by Susan, approved 4 for, two abstaining 4/23/2011.