

Whetstone Townhouse Homeowners Association
2018 Annual HOA Meeting Minutes from
Thursday, September 27, 2018
5:30 P.M. @ Peak Property Management and Sales
318 Elk Ave, Suite 10, Crested Butte, CO. 81224

MEETING MINUTES

Call to Order/Proof of Notice/Roll Call

The Whetstone Townhouse Homeowners Association's annual meeting was called to order at 5:38 P.M. on Thursday, September 27, 2018 at Peak Property's office. The meeting notice was emailed and mailed out August 17, 2018, and the meeting packed was emailed out September 14, 2018. The meeting was represented by the following owners and a quorum was established for an official meeting.

HOA Owners

Attendees:

Unit # A2 Marty Graves
Unit # A3 Sharon Tymniak proxy to Mike Simmons
Unit # A4 Scott Brawner
Unit # B1 David Bungay
Unit # B2 Marita Whalen
Unit # B3 Daniel Mueggenborg proxy to Marty Graves
Unit # C1 Emilie Gray proxy to Drew Holbrook
Unit # C2 Drew Holbrook
Unit # C3 Ben McShan proxy to Marty Graves
Unit # C4 Cliff Simms
Unit # C5/C6 Susan Mol

Peak Property Management and Sales

Thomas Hein-HOA Manager

Confirm Owner Contact Info

Due to Colorado privacy rules Peak Property is not allowed to share homeowners phone numbers and email addresses without their permission first. If you would like your info available to other owners, please let Tom H. know, otherwise your contact info will not be visible in HOA owner emails and available to other owners. The use of email helps reduce the HOA's mailing expenses. The attending owners all approved it was ok to share their emails addresses and contact info with the other owners.

Approval of 7.20.17 HOA Meeting Minutes

Tom Hein asked the owners if they had reviewed the meeting minutes from the July 20, 2017 HOA meeting and did anyone have any changes or comments they wanted reflected to the meeting minutes before

motioning to approve them. Scott Brawner made a motion to approve the July 20, 2017 meeting minutes, the motion was seconded by David Bungay, all were in favor, none opposed, and the motion was approved.

Manager's Report

Tom H. welcomed everyone to the 2018 Whetstone Townhouse HOA annual meeting and the new owner at unit B2 Marita Walen. Peak Property Management and Sales was hired as the Whetstone's property manager in June 2018. Tom H. is the Whetstone Association's manager and your day to day HOA contact. For all HOA related emergencies and after hour emergencies first call Peak Property's emergency phone line 970-275-4567.

The Board of Directors updated and adopted a new set of Rules and Regulations which can be found on Peak Property's web site www.peakcb.com under management services. A revised set of By-laws to adopt were discussed at the meeting, and a dues increase was recommended to build up the capital reserve account.

Old Business (Review of 2017/18 Agenda's 'New Business')

1. Whetstone Audit and Reimbursement to Ben McShan.
 - Ben M. had a financial audit of the HOA done after the former property manager CB Enterprise would not provide requested HOA financials, could not decipher owner co-mingled dues deposits and learned that CB Enterprise's owner had be charged with a crime related to improper use of HOA funds. The audit was inconclusive and did not find any outstanding issues/conclusions/answers expect that CB Enterprise didn't practice basic accounting principles and processes.
 - a. **2018 Meeting Results:** The audit was completed and paid for by Ben M. without the involvement or HOA Board approval. Ben M. is asking if the HOA would reimburse him for the audit. The audit cost ~\$8,000.00. Marty Graves said that Association attorney Brianna S. said CCIOA requires all HOA's with \$250K in yearly income to have a yearly audit, or if 1/3 of the owners request or at the discretion of the BOD's could call for an audit. Marty G. felt Ben M. should have taken the request to the owners to decide. The owners discussed reimbursement and how much and they decided on \$2500.00. Susan Mol motioned to reimburse Ben McShan \$2500.00 for the HOA audit he paid for, Cliff Simms seconded the motion, all were in favor, no one opposed, motion was approved.

New Business

1. Review and discuss adopting new set of by-laws. The Association has two sets of By-laws; an original set and an updated, but not approved set.
 - i. **2018 Meeting Results:** Tom H. read through and described the proposed updates/changes with the owners. Tom H. will review, update, and will send an email describing the proposed changes to the owners for a vote via email. A side conversation was held regarding the updated Rules and Regulations and pets. The pet fee is \$40.00 per unit, owners are allowed two pets, tenants/renters are allowed one pet and units A3, A4 current pets are grandfathered until deceased. The HOA now has a specific budget line item for pet clean up from the pet fee.
2. Update on East River Sanitation District
 - i. **2018 Meeting Results:** Please vote 'Yes' on the inclusion vote in November's local and state elections to join the East River Regional Sanitation District as the current sanitation agreement ends in 2019 and the Association will need to join the ERRSD or

have no sewer use availability. Owners will be levied 2.608 mills on your annual Gunnison County tax statement and the Association's Riverbend HOA dues will go down. Cliff Simms asked if Whetstone pays dues to the Riverbend HOA. Tom H. replied yes, approx. \$800.00/month. Marita Whalen mentioned that the Riverbend HOA is not planning to limit or eliminate short term rentals but reminded owners it was their responsibility to limit or not allow per their rental leases.

3. Snow plow Fall reminder; notices and email.
 - i. **2018 Meeting Results:** As we approach winter and snow season Peak Property will post notices on all the Association's doors reminding owner/tenants the plowing rules and times. Peak Property will schedule and arrange when the parking lot needs to be scraped, cleaned, and haul out of excess snow build up.
4. Roof and Fascia Replacement Update.
 - i. **2018 Meeting Results:** Building C roof and fascia need to be completed. B2 Consulting was hired to inspect the contractors roof work and found a few install issues (fascia reverse lap, chimney caps not all replaced, chimney caps need support underneath to prevent crushing from ice/snow weight, unacceptable metal tie in at chimney sides; metal not tucked behind) that were discussed with the contractor. Building C's middle section is not being replaced as it was replaced by Pinnacle (2017-18) and has a 10-year warranty. Susan Mol says it pops and creeks very loudly and is concerned about it. Cliff Simms said with the temperature changes there is a big thermal temperature change causing the roof (and substrate materials; wood on wood) to deflect making the noises. Dave Bungay will discuss this with Bart at B2 and a roof inspection will be done if necessary. Scott Brawner (unit A4) mentioned his unit had some drywall damage from water leaking in when the roof was being replaced. Previously, Ben McShan discussed the water damage with Jim Thomas Roofing and they said they would repair it. Dave Bungay will follow up with Jim Thomas Roofing about the repairs to the drywall/paint in his unit-A4. The shed and pump house are to be re-roofed too. The total cost of the roofing project will be more than budgeted due to (mostly) the "plywood unknown" and will approximately cost \$95K.
5. Building C electric panel switch out.
 - i. Timing.
 - ii. Who responsible for cost: HOA or unit owner?
 - i. **2018 Meeting Results:** Building C was built with Federal Pacific electric panels/breakers that lost its UAL listing because the breakers sometimes will get hot, overload, won't trip and can catch on fire. Based on the current info on hand at that time the BOD's approved paying for new panels and switching them out in building C. After further investigation and discussion, some of the BOD members felt the decision should be revisited and discussed further at the annual HOA meeting and should be decided by the owners, as it will cost just over the \$10,000.00 limit the proposed By-laws allow the Board to spend without an owner vote/approval. Cliff Simms mentioned that in the beginning the originally electric panel discussions involved/were around the central utility system on the exterior of the building and that all the units would need a new electrical meter, meter shut off, all the meters be clustered together and a new service line to building C, in addition to replacing each unit's electric panel. This was some of the reasoning behind the discussion the electrical panels are a common element. Luckily, the electrical inspector is allowing a more economical repair with just switching out the individual unit's electrical panels.

Cliff Simms said this is a great alternative solution by the electrical inspector and the HOA should not delay and miss this opportunity. The alternative repair is saving the HOA 4x in cost than the original (central utility system on the exterior of the building and that all the units would need a new electrical meter, meter shut off, all the meters be clustered together and a new service line to building C, in addition to replacing each unit's electric panel) proposed solution which would have been a common element and HOA responsibility. Dave Bungay said the Board voted to pay for the panels and he sticks with that decision, but additional info after further investigation into the HOA documents put the electrical panels in a 'gray area' of HOA responsibility that should be cleared up in the future when updating the Association's doc's; 1. common elements and 2. better clarity what the HOA is responsible for and what owners are responsible for.

6. Five (5 year) Year Plan/Reserve Study Review by Owners.

i. Committee, Next Project, Funding?

- i. **2018 Meeting Results:** Tom H. created a reserve study spread sheet for the Association. The owners discussed items that were large capital improvements/upgrades and items that were maintenance items. The owners discussed improvements and repairs that were added to the reserve study spreadsheet. The exterior siding is the next identified large capital improvement project by the owners. Three owners (Cliff Simms, Susan Mol, Dave Bungay) volunteered to work on/as design committee to create a siding replacement scope of work, help select materials, colors, and layout/design. Cliff Simms asked what Peak Property's role would be in the construction/remodel process. Tom H. said Peak Property's contract has a supervision fee for helping to manage the HOA/contractor before and during the remodel process. Ben McShan via proxy said the HOA should save for two years and build up the reserves. Then use the reserves to get a loan and assess the owners for the cost difference to replace the siding. Tom H. recommended that the HOA discuss all assessment options with its legal council regarding the HOA obtaining a loan, assessing owners and the risk/liability to the HOA. Staining the entry decks/patio's and stairs was identified as the most important maintenance repair needed next year. Tom H. will start to get bids from contractors.

7. General Maintenance

- i. **2018 Meeting Results:** The following items below were completed # a, #b, #d, items discussed to be completed #c, #f, or items discussed and added to the reserve study list #e.
- a. Well/pump house water filters were changed in July, new drywall hung in well house.
 - b. Chimney cleans moved to Spring time; next cleaning late April/early May 2019.
 - c. Windows/doors replacement timeline. The owners agreed, Cliff Simms motioned, Scott Brawner seconded the motion, all were favor, no one opposed, that all units' windows must be replaced at the same time/ in conjunction with or before the siding/trim replacement project is done in approx. 2021. Drew Holbrook asked how the HOA will determine if a unit's door/windows needs to be replaced or not. Easy answer is if it's the original door /window it will need to be replaced. If the seals don't work that is another good reason to replace them.
 - d. Replace well pump door with Fiberglass door and building C entry doors.
 - e. Parking lot grading and redefining the parking lot area/boarders.

- f. Deck and stairs staining. Has been handled as a HOA expense in the past even though per the Association doc's they are a limited common element.
- g. Open Forum/Comments
 - a. **2018 Meeting Results:** Susan Mols asked about the grass condition, watering the grass and resolving the gopher issue. The HOA only has inside use water rights and does not have water rights for irrigation which makes keeping the grass green difficult. Peak Property has a few non-poisons pet friendly solutions they will deploy in the spring 2019 to eradicate the gophers.
 - b. **2018 Meeting Results:** Susan Mols asked if natural gas could be run to the buildings. Buildings A and B already have natural gas, but not all units are using it. If the owners at building C wanted to get together and pay for it, they could have a gas line ran to their building. Each unit would get its own gas meter.

Financial Report

The Whetstone Association as of September 13, 2018, had \$13,940.07 in the checking/operating account, \$33,063.10 in the restricted reserve account, and \$678.80 accounts receivable for a total asset amount of \$47,681.97. The approved 2018 budget on a percentage basis based of 8 months of the year is in the red and negative \$7,928.35. The contributing factors are higher cost due to unbudgeted legal fees and professional fees, higher maintenance and repair cost, higher water augmentation cost, and a new management fee.

The Board of Directors changed the budget year from a calendar year to a fiscal year starting September 1 thru August 31. This will allow the Association to better budget for the upcoming snow season and plan, prepare for projects ahead of the next construction season. There are no delinquencies, and everyone is current.

The trash service contract with Waste Management was renegotiated and is saving the Association a \$1000.00.

The 2018-19 proposed budget with no dues increases has a positive net income of \$1,767.10. A \$25.00 or \$50.00 dues increase is being proposed that would strictly be put into the restricted reserve account for future maintenance and improvements. Marty Graves made a motion to increase the annual dues \$25.00 per unit/month starting November 1, 2018 to be put solely into the restricted reserve account, Susan Mols seconded the motion, all were in favor, Ben McShan opposed (preferred \$50.00 dues increase), and the motion was approved.

Election of Board of Directors (Three-year terms)

-President: Scott Brawner 2018-2021

-Vice President: David Bungay 2017-2019

-Treasurer/Secretary: Marita Whalen 2018-2021

-Open Board Member: Marty Graves 2017-2020

Establish Date for next meeting-September 19, 2019, 5:00 P.M. at Peak Property.

Adjournment

Dave Bungay made a motion to adjourn the meeting, Susan Mols seconded the motion, all were in favor, and the motion was approved. The meeting was adjourned at 8:41 P.M. on September 27, 2018.