

Double Diamond HOA 2014 Annual Meeting Minutes
April 10, 2014 TREC Offices, Telluride, Colorado
5:30pm

1. The meeting was called to order by Steve McComb, current HOA President, at 5:43pm.

2. Roll Call was taken:

- Unit #1 John & Arleen Carleo, not present, proxy to Steve McComb
- Unit #2 Andy & Lori Thompson not present, proxy to Steve McComb
- Unit #3 Claudie DeSecco & Frank D-Argona, not present, proxy to Steve McComb
- Unit #4 Leslie Barnes & David Leonard, not present, proxy to Steve McComb
- Unit #5 Julie Nelson, not present, proxy to Steve McComb
- Unit #6 Wendy Walker, not present, proxy to Steve McComb
- Unit #7 Steve McComb, present
- Unit #8 Bill & Susan Carr, not present, proxy to Steve McComb
- Unit #9 Peter & Kristen Nostrand, not present, no proxy
- Unit #10A Ed McCashion, not present, no proxy
- Unit #10B Nate & Ashley Smith, Nate present
- Unit #11 Andrew Tilli, not present, proxy to Steve McComb
- Unit #12 Rick Howden, not present, proxy to Steve McComb
- Unit #13 Steve Gabriel, present via Telecon
- Unit #14 Brent Kinetz, not present, proxy to Steve McComb
- Unit #15 Molly Mickel, not present, no proxy
- Unit #16 Darcey Brown & Ken Helfenbein, not present, proxy to Steve McComb
- Unit #17 George Norcross & Ty Jenkins, not present, no proxy
- Unit #18 Tim Grizzell, present via Telecon
- Unit #19 Lauren Bloemsma, not present, no proxy
- Unit #20 Mark Stehr, not present, proxy to Tim Grizzell
- Unit #21 John Balmain, present
- Unit #22 John & Kathy Fedack, not present, proxy to Tim Grizzell
- Unit #23 Homer & Julie Savard, not present, proxy to Steve McComb
- Unit #24 Fred Bruno, not present, no proxy
- Unit #25 Evan Kezsbom, not present, no proxy

There were 37 of 50 total votes accounted for, as a result, a quorum of 51% or better was met.

3. Election of 2014 HOA Condominium Board:

The current board holds a one year term. All current members holding a position have expressed interest in remaining in those positions.

Steve called for suggestions regarding a change in any of the positions held.

Steve McComb moved to re-elect **Tim Grizzell, unit #18, to the board**. Nate Smith seconded the nomination. All in favor.

John Balmain moved to re-elect **George Norcross, unit #17, as Secretary**. Tim Grizzell seconded the nomination. All in favor.

Tim Grizzell moved to re-elect **Fred Bruno, unit #24, as Treasurer**. Nate Smith seconded the nomination. All in favor.

Steve McComb moved to re-elect **John Balmain, unit #21, as Vice President**. Nate Smith seconded the nomination. All in favor.

Nate Smith moved to re-elect **Steve McComb, unit #7, as President**. Tim Grizzell seconded the nomination. All in favor.

2014 HOA Elected Board

Steve McComb, unit #7, as President

John Balmain, unit #21, as Vice President

Fred Bruno, unit #24, as Treasurer

George Norcross, unit #17, as Secretary

Tim Grizzell, unit #18, as Board Member

4. Current State of Affairs

Steve McComb discussed the general state of the complex and the financials of the HOA.

- To start 2013 the HOA had \$228,000 in the long term capital reserve account. Currently, that amount has increased to \$237,000.
- At the 2013 HOA meeting Bill Carr had suggested that the board take a more sophisticated approach to predicting future, large, financial expenses for the complex.
- \$2000 was paid in 2013 to a competent source to assess the next 25 years regarding large capital expenses. The result was a comprehensive snapshot of the next 25 years capital expenses, which showed us that we will eat through all of our capital reserves within 15 years and be \$454,000 in the hole at the end of 25 years.
- A major leak occurred in unit #18, and another serious leak in the HOA storage room was experienced in 2013. The HOA storage room cost \$6,600 in major unpredicted expenditures. Steve stressed that more of these events will most likely happen as the complex ages.
- \$43,000 in capital projects were done in 2013. Steve stated that the complex looks very good for being 17 years old, since the HOA has invested significant money over the last few years in maintaining the complex to the highest standard.
- Steve addressed the current and future state of the HOA financial situation. He suggested that the HOA maintain a strategy of fiscal responsibility; however, we shouldn't always go with the lowest bid on a major capital project, but vet contractors by paying attention to their reputations and use of quality materials.
- Steve talked about future increased CD rates and moving at least a portion of the long term capital reserve into accounts with greater yield than the current account, when interest rates go up.
- Steve indicated that all but one homeowner is current on their dues and that, in general homeowners in the complex seem to get along, pay their dues, the complex isn't 'party central' and is usually fairly quiet.
- Steve also mentioned that the HOA's mandate for 2013 requiring all unit owners update fire suppression items that were not to code went well. This new policy will help prevent any major water and fire damage to units as experienced in the past to unit #4.

5. Discussion of management company; Property Management of Telluride, LLC

- Steve mentioned that the HOA management company is a big ticket item in the HOA's budget but that Anita and her crew do a significant amount of work for the complex all year round. Steve stated that he has a good working relationship with Anita and that, within reason of course, Property Management of Telluride will do anything asked of them in a timely manner.
- Items include, but are not limited to, ice and snow removal, monitoring of heat tape and heat mats, cleaning the hot tub area, cleaning the trash area, 24 hour emergency number, primary 1st response for fire suppression alarms, power wash courtyard twice annually, clean all outside complex windows once a year, leaf removal, and lawn care.
- Steve asked for any comments on the continued use of Property Management of Telluride. There were no comments expressed.

6. 2013 Review.

- Steve McComb commented on extra funds that were moved by him from the HOA operating account to the reserve account, for the purpose of earning interest.
- Steve discussed the Profit and Loss report.
 - **Income:** 3 ways to get income, dues, interest on bank accounts and finance charges for late dues.
 - **Expenses:** Administration item was slightly over budget for 2013, Exterior Maintenance was under budget, Building Maintenance was a big expenditure for 2013.
- The hot tub area and access to it was a side bar discussion; Nate Smith suggested installing some sort of lock as a deterrent to 'poaching' of the hot tub by people not associated with the HOA. Steve McComb made a note to look into this.
- Steve mentioned that many items from 2013 were under budget.
- Steve discussed the HOA liability insurance. He mentioned that Cliff Hansen of Insurance of the San Juans had again approached him about a competitive bid for the HOA insurance coverage. This will be explored for the 2015 insurance year.

7. Review of 2013 Capital Projects.

- New deck siding on unit #5; to stop leaks.
- New down spout on units #5 & #7, as well as new heat tape.
- Replaced a significant portion of unit #25 cedar siding.
- Replaced two small 10x10 flat roofs located by the courtyard overhang.
- Stained one half of the complex, namely the north side of the complex and the entire courtyard.
- New thermal mats were purchased.
- \$500 was donated to the Town of Telluride to stimulate the improvement of the open space to the west of the complex. Upgrades to this area were performed in 2013 and will continue in 2014 and beyond.
- Metal end caps placed on the large beams in the courtyard to retard degradation of the beams over time.
- Steve indicated that in 2013 not much money (\$1,333) was put into the reserve account for the future, but that much was accomplished to keep the complex looking good.
- Steve called for questions on the review of the budget

- No questions or comments were given

8. 2014 New Business.

- Major Projects:
 - Decks sagging on the west side of the complex. A contractor's bid has come in around \$44,000. \$50,000 was put into the budget to account for additional work that may be needed upon inspection after deconstruction. Repairs are scheduled to start April 28th, 2014 and be completed by June 15th. All car/garage access will be from the back side (Cimarron) during construction. Steve will look into access to the bike rack.

9. 2014 Proposed Budget:

- Steve McComb reviewed line items and projected expenses for 2014.
- The Fire Suppression line item was deleted.

(Nate Smith departed the meeting at 6:45pm)

- There is only one capital project scheduled at this time for 2014.
- The HOA must dip into the long term reserves to meet the current proposed budget (\$3,000).
- Steve called for questions or comments on the proposed budget.
- No questions or comments were noted.
- Steve called for approval of the proposed 2014 budget.
- 36 votes were counted in favor, which meets the quorum requirement.
- The 2014 budget was approved.

10. Discussion of 2014 dues increase:

- HOA members did pass the board recommended dues increase of 7.5% by 36 "yes" votes, meeting the 34 vote requirement needed for this change to dues.
- Steve discussed the rational for the increase regarding the 25 year horizon for the complex and that there will be major projects down the road.
- Steve mentioned a comment by Lauren Bloemsma in which she stated that she would have preferred a lower increase based on not needing such a large surplus at the end of 25 years, assuming a 7.5% dues increase every 5 years.
- Steve suggested that the HOA review the '25 Year Horizon' outlook in 5 years to see if dues may need to be adjusted.

11. Steve called for any further comments or questions. None were noted.

12. Steve called for the adjournment of the meeting.

13. Meeting adjourned at 6:45 pm