

Lake Haus Condominium Association No.1

Quarterly Board of Directors Meeting Minutes

February 21, 2020

Call to Order:

Meeting called to order by Gregg Strumberger, Board President, at 6:09 p.m.

In attendance: Gregg Strumberger, Milt Panas, Doris Rigoni, Scott McDill, Jody Russell, Philip Macey and Leila Hock via teleconference.

The Board welcomed Phil and Leila and noted their appreciation for their willingness to join the Board of Directors. It was noted that these appointed interim Board positions will be voted upon at the next Annual Meeting.

Meeting Minutes:

A motion was made by Scott to approve the previous Board of Directors (BOD) meeting minutes from the December 14, 2019 BOD meeting. Doris seconded the motion, and all were in favor. With no opposition, the motion passed and the minutes were approved.

Financial Review:

Milt presented the financials and noted that, overall, the Association is doing well.

The Association budgeted an increase in reserves of \$34K, and we're \$5,500 under budget in expenditures. Milt noted that this is good because we need to build out reserves, especially funding maintenance reserves. Operating reserves are now growing quite a bit.

One thing Milt would like to propose is moving as much as we can back into the maintenance reserve. Next step will be to review what maintenance items have been postponed and what needs to be done in the next 5 years. Since the reserve study was completed, we have been underfunded. Milt proposes keeping ¼ of the \$281K annually as operating budget and keeping everything moved over at end of fiscal year to maintenance. We have approximately \$200K in cash.

Phil noted that there are a list of items that need to be addressed such as ice damming, draining, grading to be considered when setting the paving height of parking lots. All Board members were asked to reach out with any ideas for projects that are not currently included in the reserve study.

Manager's Report:

The managers provided an overview and update of items since the last meeting:

Trash enclosures: Travis Construction recommends having drawings completed first. They offered to create 3 sets of drawings for \$600. Gregg requested that managers get ballpark quotes for the construction of the buildings. Phil noted that he believes the buildings should cost approximately \$12,000 - \$15,000 each. BOD will decide at the next meeting when we need to do that work. Leila offered to check in with her contractor for a ballpark quote.

Discussion of replacement cost estimates from Travis construction.

Snow / Ice Removal: Managers continuing to systematically have snow and ice dams removed from roofs. Garrett noted an area that continues to have ice buildup on the B building will likely need heat tape installed. Managers will look into having this completed in the summer.

Short Term Rental: Managers have fielded several complaints regarding short-term rentals. Managers continue to adhere to the Lake Haus Short Term Rental Policy for addressing issues, including working directly with owners and their property management companies to resolve issues. Discussed Summit County's Short Term rental regulations and opportunities to resolve grievances.

Old Business:

Change to Insurance Requirement Discussion:

The BOD discussed the pros and cons of implementing a change to the Association's governing documents that currently require the Association to provide an "all in" insurance policy.

Gregg recommended, based on the info that we've received, that the prudent move would be to move toward a Bare Walls policy. This is based on recent issues, information gathered from Board members, cost benefit, and from an ease of management perspective. Additionally, the Association will see a decrease in expenses, and we have a potential minimal impact to individual unit owner policies.

The BOD discussed that if they decide to pursue this further, they will need a vote from the membership, information packets, informational sessions/presentations, etc. Leila noted that communication would be key and suggested getting a pulse from the ownership to better understand the impacts on individual owners. Suggested accomplishing this with a survey or poll. The voting process could consist of the annual meeting serving as a first vote, with the implementation of an electronic voting method if needed.

Jody would like to see better clarification and definitions on individual unit owner v. HOA responsibility.

Phil suggested having every question with regard to unit owner v. HOA responsibility outlined clearly prior to approaching the ownership.

Milt brought up a clarifying point of whether the vote would be to keep the "All In" requirement and clarify the governing documents, or amend the documents and move to Bare Walls coverage. He proposes that we have a \$10,000 line item in the budget to pay for the HOA's deductible. He suggested that if an issue arises that does not meet the HOA's deductible, the HOA would pay for it. Milt makes the point that we need to pay for items, not the owner.

There would be two primary goals:

- 1.) Determine if the Association will move from All In to Bare Walls requirement for insurance
- 2.) Policies – define policies to ensure they are fair and unambiguous. Clearly define HOA v. Individual Unit Owner responsibility, and determine how the deductible is covered.

Gregg made a motion to recommend that the BOD move from requiring the Association to have an "all in" insurance policy to a "bare walls" insurance policy. He proposes spending up to \$1,500 in legal fees to do so, and begin working on a communication plan to the ownership.

Leila seconded the motion. All were in favor, and none were opposed, so the motion passed.

Milt volunteered to start a committee to spearhead this project.

Insurance Renewal Discussion: On March 11, 2020, the Association's current insurance will renew. The Managers presented four renewal options. The Board would like to proceed with changing from the current insurance carrier to State Farm with the caveat that the deductible be changed to \$10,000, and we receive confirmation – in writing – that State Farm will allow the Association to transition to Bare Walls coverage, should the ownership vote to do so later in the year.

A motion to approve was presented by Leila. Doris seconded the motion. All were in favor, so the motion passed.

Sewer Backup: Gregg makes a motion to not enforce collection on the \$548.77 mitigation bill for unit E7. The Association will not take steps to enforce or collect. Phil seconded the motion. All were in favor, with the exception of Leila, who abstained from the vote.

New Business:

Owner Feedback: Managers have received some complaints from owners of B13 and B16 regarding short-term rental violations. Specifically, complaints have revolved around parking, noise, trash and pets. Managers discussed specifics with the BOD. Discussion included steps taken with owners and property managers to resolve the issues, as well as communication with the residents regarding recourse through the Summit County government short term rental regulation complaint process.

Owner of B13 suggested updating the bylaws to prevent owners who have multiple offenses / violations of the Lake Haus Short Term Rental Rules from short term renting their unit.

The BOD determined that the steps being taken in accordance with the Lake Haus Short Term Rental Policy, coupled with recourse through the Summit County government, are sufficient at this time. Managers will continue to follow protocol and keep the BOD updated.

Insurance claim from C7 / C8 is being closed. We have received confirmation that checks for recoverable depreciation are being sent. Managers will allocate appropriate portions to the HOA and individual owners as directed by the insurance company.

Owners who are delinquent on dues were discussed. BOD was updated on owners who are behind, with an action plan in place. Managers will update BOD at the next meeting with a status update.

Milt suggested that Lake Haus purchase a Palli lift chair from A-Basin. A decision was made to have the Association submit a lottery bid, which would give the Association the right to bid on a chair. Should we be selected, the BOD would determine how much to bid at a later date.

Schedule Next Meeting Date:

Managers will send out Doodle meeting request for next meeting, suggesting dates after which we can have bids already in hand for summer projects (late April or early May).

Managers will send Doodle calendar for late July or early August for annual meeting.

Adjournment: Gregg called the meeting to close at 7:54 p.m.