

Lake Haus Condominium Association No.1

Homeowner Annual Meeting Minutes

July 25, 2020

58 Summit Drive

Apt D-12

Dillon, CO 80435

Meeting held virtually via Zoom webinar

Roll Call: Meeting called to order by the President, Gregg Strumberger, at 10:02 a.m.

Officers present were: Gregg Strumberger E-12 (President), Jody Russell A-12, Scott McDill E-10, Leila Hock D-4, Phil Macey G-1, Milt Panas D-10 (Treasurer), Doris Rigoni E-1 & E-2 (Secretary). Managers, Garrett and Blythe Syfan, were also in attendance.

Administrative:

- **Overview / Opening Remarks:**

Blythe and Garrett Syfan provided an overview of Zoom Functions. Relevant meeting documents were presented via screen share. For those owners who called in, the documents were available on the Lake Haus website at www.lakehaushoa.com. All participants were muted throughout the presentation. All owners were given the opportunity to speak, comment and ask questions throughout the meeting. This was accomplished through the hand-raising and Q&A functions. For matters requiring voting, live polls were launched, allowing members to vote on matters anonymously.

- Gregg noted that things are going well for the Association. Strong management has resulted in savings for association for budget line items such as utilities, irrigation and snow removal. Lake Haus has seen an increase in property values. Gregg noted that one of the BOD and Manager's objectives is to keep the property value that we have. Both strive to do so by managing budgets and anticipating expenses and facility needs before they arise. Additionally, both work to by maintain the quality of the property while keeping dues low. Lake Haus dues are very low compared to most other comparable property's HOA dues in the county. Gregg noted that the BOD and Milt have put significant work into reserve studies, which will be discussed later in the meeting. Gregg noted that we typically follow Robert's Rules of Order strictly, however, we will modify this slightly for this meeting format. Gregg will make motions and ask Milt to second the motions.

- **Proof of Notice and Determination of Quorum:**

Sufficient notice was provided by USPS mail on July 3rd, 2020, electronically through the Lake Haus HOA website, posting on doors in each quad, and through multiple follow up emails. At the beginning of the meeting, there were 21 owners present via Zoom webinar, 7 Board of Director (BOD) members, and 31 owners represented via proxy.

- **Review and Ratification of 2019 Annual Meeting Minutes:**

The 2019 annual meeting minutes were posted to the Lake Haus website, and also available via screen share for owners to review. A motion to ratify the 2019 minutes as written was made by

Gregg Strumberger, E-12, and seconded by Milt Panas, D-10. A Zoom poll was launched asking if Owners were in favor or opposed to ratifying the 2019 minutes. With 96% voting in favor, the motion passed.

- **Voting / Ratification of current Board Members:**

Gregg introduced Leila Hock and Phil Macey who joined the Board mid-year to fill two vacancies left on the Board by Larry Cadman, who moved, and Nicole Guidi, who sold her unit.

Gregg Strumberger, E-12, made a motion to ratify the current Board members. Milt Panas, D-10, seconded the motion. A poll was launched via Zoom. With 27 attendees participating in the poll, 100% were in favor of reelecting current Board to another 1-year term. The motion passed.

Financial Report and FY 19-20 Budget Overview:

Milt Panas, D-10, presented budget actuals for first three quarters, and a pro forma to show where budget and expenses are anticipated to be for the remainder of the year.

Milt presented the Changes in Reserves October 1, 2019 – September 30, 2020 document. Highlighted items included savings of \$13,130 in property insurance, \$2,734 in irrigation and landscaping, \$8,306 in snow removal and \$2,080 in common area utilities.

Lake Haus will transfer all excess money over \$100,000 from the operating reserves over into the maintenance reserves, which is anticipated to be \$47,793, in addition to the \$28,188, which is the typical 10% transfer of dues to the maintenance reserve fund, for a total of \$75,981. The anticipated total maintenance project expenditures from July – September 2020 will be \$78,905.

Maintenance Overview: 5-year Outlook – The document presented took into account the maintenance study, inspections and the expected useful life of maintainable areas. Large upcoming projects will include roofs, parking lots, painting, concrete, and entryway / common area updates. The estimate for the next 5 years of maintenance expenditures is \$458,000. At the current contribution rate of 10% of dues every year to the maintenance reserves, this leaves a shortfall of \$97,471 for the planned next 5 years of maintenance expenditures.

Gregg added that this is in line with keeping dues low, while keeping the exterior of the property well-maintained. He noted that the inspection and cleaning of the sewer mains this year is a \$20,000 - \$30,000 expenditure. Gregg noted that we're proposing a ramp up in dues to ensure we can keep the property maintained and avoid a special assessment. Dues were last increased three years ago in 2017 by \$10.00 (from \$260-\$270). The BOD voted in their meeting on July 22, 2020, to implement a \$15.00 dues increase this year beginning on October 1, 2020. Dues will increase from \$270 - \$285 per month. This will bring in another \$15,660 per year. On October 1, 2021, dues will increase again by \$10, from \$285 to \$295.

On September 30, 2023, at the end of the fiscal year, we will have collected an additional \$67,860, which is the price of approximately two roofs.

Milt added that this is an important step to ensure we are able to cover our current anticipated shortfall and ensure we're able to perform the maintenance needed.

Time was given for questions on the financials thus far.

Gregg added that from the last dues change in 2017 to the planned change in 2021, it represents just over 9.7% increase over 10 years. With the current CPI running at around 2.5% inflation, we're staying below inflation. Gregg noted that savings on the operating budget accounts for a large component of that.

Milt reviewed the Statement of Financial Condition that was prepared by Lake Haus volunteer Accountant, Jack Zeller. He noted the checking account has just under \$107,000, maintenance reserves just under \$70,000, and equity in unit D-12 of more than \$415,000. Total assets are just under \$600,000 (\$597,055).

Milt presented the Budget Overview for the October 2020 – September 2021 fiscal year.

Cablevision changed because of a 3% increase annually in our contract, legal and professional services, and property tax were increased. Property Insurance went down. The maintenance reserves line item reflects the new dues increase.

Milt called for a vote to ratify the budget as presented for next year. Gregg made a motion to ratify, Milt seconded. Gregg noted that Legal and Professional services increased, which includes Blythe and Garrett's salary and that an increase was provided this year.

A poll was launched, with 90% of participants participating in the poll, 100% were in favor of ratification of the proposed 2020/2021 Budget.

John Graham, F-3, posed a question regarding whether the maintenance reserves took into account a planned update of the entryways of the buildings. Gregg noted that a portion of the budget can be utilized for "discretionary" spending and projects that are necessary vs. nice to have. Gregg believes that we can accomplish both the "nice to have" and the "need to have" projects, that would include the entryway updates. The one caveat is the sewers. The Board didn't vote to approve the interior work this year, pending the results of the sewer line inspections.

Betty Holland, A-3, posed a question regarding the insurance deductible. With the new policy through State Farm, the deductible is \$15,000. This information can also be found on the Association's website, www.lakehaushoa.com.

Manager's Report: Blythe & Garrett Syfan

- Garrett presented the year in review that included completed and pending maintenance items.

Snow removal: Came in under budget by closely monitoring plow and minimally hiring outside shoveling assistance.

Painting: Portions of B, C, D, F, and G buildings will be painted beginning August 10th. This completes a 3-year plan to have all buildings painted.

Roofs: Roofs were inspected by Turner Morris in May. All flat roofs were reported to be in excellent condition, with an 8-10-year life expectancy. Shingled roofs will need some work in the next 1-2 years, as some reach the end of their useful life. TM will be out again in August to perform preventative maintenance work from items found during the inspection in May.

Asphalt: A-Peak completed crack sealing, sealcoat, overlay and striping of the parking lots in July. This should prolong the life of the lots by approximately 5 more years.

Sewer: Snowbridge will inspect and clean out all sewer main lines this fall. A trenchless repair of a main line offset under the E building is scheduled for August.

Concrete: Andraos Construction will begin replacement of a few concrete pads in E, B and A buildings at the beginning of August.

Landscaping: Orkin is providing pest control services at Lake Haus. Neils Lunceford is scheduled to spray for Aphids on the Aspen trees around B, D, E, F and G buildings. They had also sprayed for weeds around the complex.

Carpet cleaning was completed in May. Carpets will be cleaned again later this year. August 24-28 dryer vents. Fire extinguishers will be inspected in August.

Continuing maintenance throughout the complex continues and includes replacing and painting siding, painting railings and outdoor furniture, painted work shed, landscaping and groundskeeping, etc.

Notification to all homeowners will be given prior to the aforementioned projects beginning.

- **Owner Education: Sewers**

An owner educational opportunity was presented to those present. Lake Haus has 22 main sewer cleanouts, which is 1 per quad. Of these, there are only three outside accesses. The remaining 19 require that we access the lines through a toilet being pulled in a lower unit. Snowbridge will provide this service, scope the line, video, look for damage, clean the line, etc. That will take place in September. Managers will be reaching out to owners to coordinate.

Old / Current Business:

- **Insurance Considerations:**

Gregg noted that the Association had an insurance claim this year. The Board's takeaway was that the way the Association's insurance is currently set up is not ideal. We have an "all in" insurance policy, which means that the HOA has coverage on the exterior but certain items within the units (walls and fixtures). It creates confusion of coverage and often double coverage. With discussion with Board, outside counsel and owners, the Board determined that the Association would be better off with a "bare walls" policy. This would cover the exterior of the buildings / structures. If there was a catastrophic event, the Association would rebuild the building, rebuild the units to the bare wall, and then hand over to the unit owners.

- **Declarations & Bylaws – Revise or Replace:**

The Association's Declarations currently require that we have an all-in policy. The Association's Declarations are from the 1970's, and are outdated with how things operate today. The membership can vote to change the Declarations, which could require a 75% vote of approval from all members. State law requires a 67% majority.

Gregg noted that the process to have insurance changes voted upon by membership can be lengthy, time consuming and expensive. If considering a change to the Insurance portion of the documents, it may be worth a re-write of our entire Declarations if we plan to do the insurance portion. He noted that this is an open question, and raises it to bring to people's attention. Gregg noted that the Board planned to talk about and make a platform at this meeting, but with COVID-19, prioritization of maintenance projects, difficulty of organizing votes when you can't have in-person meetings, that has been pushed. He noted that the expense to re-draft the Declarations and Bylaws would be \$7,000 - \$10,000. The plan The plan would not be to change anything material, but rather to "clean them up" so it operates more effectively and efficiently. However, it is not a top priority at this moment. He encouraged people to reach out with any recommendations or suggestions.

The floor was opened for questions and comments.

Open Discussion:

Tim Tiefenbach, B-16, provided a reminder regarding the Summit County Rec Association (SCRA) Annual Meeting, which was being held at noon. He reminded people that the SCRA will be at noon on a separate call. Call Tim at 719-237-4689 if you did not receive the invitation.

Anne Christianson A-9 asked if there a mechanism for electronic dues payments. Mangers will look into Zelle and encouraged owners to participate in electronic bill pay through their respective banks.

Jeff Slavick C-6 and F-9 owner asked if the \$10 dues increase If we have a large surplus next year, will we potentially delay the 10% increase another year? Gregg noted that the answer is no, because the Board still believes we'll need the funds 5 years from now. We're building the reserves to avoid a special assessment.

Jack Zeller, Lake Haus volunteer HOA Accountant C-5, noted that he checked into the electronic payment option through US Bank several years ago. At that time, the cost was \$100 per month to the Association to participate.

Adjournment:

- Meeting adjourned by Gregg Strumberger at 11:08 a.m.