

Lake Haus Condominium Association No.1

Homeowner Annual Meeting Minutes

July 16, 2022

58 Summit Drive

Apt D-12

Dillon, CO 80435

Meeting held virtually via Zoom webinar

Roll Call: Meeting called to order by the President

The Lake Haus Condominium Association No. 1 Annual HOA Meeting was called to order 9:02 a.m. by HOA Board President, Gregg Strumberger.

Administrative:

- **Overview / Opening Remarks:**

Gregg provided the opening remarks, welcome and well wishes to the Ownership. Remarks touched on labor and materials pricing, supply chain issues, general comments regarding the economy and inflation, and notes that the Board has made the decision to hold off on performing any unnecessary projects and repairs, mostly due to price increases. Gregg noted that we'll conduct the meeting with an "absence of negatives" approach for voting during this zoom format. All participants were muted upon entry. Managers asked participants to raise hands to be unmuted to speak on any matters.

Proof of Notice and Determination of Quorum:

Managers, Garrett and Blythe Syfan provided proof of notice & determination of quorum. Notice was mailed to all owns prior to the meeting in accordance with CCIOA guidelines. Notice was also posted on-site in each quad throughout the complex, and notice emailed to all owners with a valid email address. There were 31 owner participants online, and 34 proxies had been received by the start of the meeting. Managers noted that quorum was reached, and the Board could proceed with the meeting and conducting business.

Review and Ratification of 2021 Annual Meeting Minutes:

Time was given to owners to review the prior year's annual meeting minutes. Gregg asked if anyone opposed to the ratification of meeting minutes. An in-meeting voting poll was launched regarding approval of meeting minutes. A poll was launched to the members in attendance to approve or disapprove of the ratification of the previous year's annual meeting minutes. With 89% of those participating, 100% approved of ratification of the meeting minutes. The poll results were shared with the ownership, and with a majority voting Yes, the minutes were approved.

Voting / Ratification of current Board Members:

A poll was launched in the meeting asking if the ownership would like to approve the current members of the Board of Directors. With 80% of webinar participants participating, 100% voted to ratify the current Board. Introductions of Board members in attendance were mad, with each member providing a brief summary including their unit number, years active on the board, and profession. Board members in attendance included Alex Hock, Doris Rigoni, Gregg Strumberger, Milt Panas, Jodi Russell and Scott McDill.

Financial Report and FY 21-22 Budget Overview:

Prior to the financial review, Gregg Strumberger provided remarks for additional context.

Lake Haus hired an independent company to perform a reserve study several years ago, which Milt Panas then further defined to be specific to our property. Gregg noted the distinction between the "must have's", such as roof and parking

lot projects that will likely begin next summer or the following year, and the “nice to have” projects, such as capital improvement projects that would improve the overall aesthetic of the buildings.

At last year’s 2021 Annual Meeting, the membership was presented with a capital improvement plan and accompanying straw polls. Seventy-six percent (76%) of members who attended last year’s meeting voted to move forward with capital improvement projects. Sixty-three (63%) voted for interior corridor remodel as their #1 priority, Post Office Boxes was the #2 priority. Two-thirds of the ownership indicated they preferred a special assessment instead of a dues increase to fund the projects.

The Dillon Post Office is severely short-staffed, and are unable to provide service to Lake Haus at this time. The Managers worked diligently to try and procure service, including pricing the installation of boxes, including consulting with the Post Office on placement of the boxes on-site, however, this project is sidelined until the USPS can commit to providing the service.

Interior Corridor Remodel: An overview of the interior design plan options for the interior corridor remodel was presented. Gregg noted the proposal is basically a full renovation of the quads. We have included revenue and expenditure for the cost of the project. All-in, we anticipate the project costing \$140,000 - \$150,000 range. We are proposing in our budget the ability to do a one-time special assessment of up to \$1,800 per unit. The Board wants to ensure the membership approves of a special assessment. If approved, the project would proceed as soon as we’re able to procure goods and services at a reasonable price. Design would follow the recommendations of a committee formed of members to make decisions about the materials, colors, etc.

Gregg noted that the BOD would ask for the ability to do a special assessment up to \$1,800 in today’s budget ratification project. If the project were to cost above and beyond that, we would utilize funds from the maintenance reserves to supplement the cost.

Options for payment would be given that would include 1.) paying the entire assessment up front, 2.) paying quarterly, 3.) making payments over a 12-month time period. Financing options through the HOA would not be offered.

Managers noted interest in new doors from several owners through questions/comments.

Milt Panas then proceeded with providing the Financial Review.

Changes in Reserves through June 30th were presented. Lake Haus is at or under budget for almost every line item, with the exception of a few line items which are over by a negligible amount. Milt attributed the savings to close monitoring and oversight by the managers. We anticipate coming in \$20,000 under budget at the end of the fiscal year, and that amount will be transferred to the maintenance reserves. Currently we have \$184K for maintenance reserves, but will be at more than \$200K at the end of the fiscal year.

Transfer from operating budget to the maintenance reserve for everything over \$100,000 is moved to maintenance reserves at the end of the fiscal year.

Statement of Financial Condition: \$140,000 in checking (operating reserves) and money market (maintenance reserves). Over \$300K in cash, and conservatively \$550K in equity in unit D-12 \$876K in assets, with low liabilities.

Budget, Profit and Loss Report: Lake Haus is anticipating coming in \$7K under budget by the end of the fiscal year.

A budget was presented for the next fiscal year that included the proposed special assessment.

Breakdown of budget presented with explanations and reasoning for increases to specific budget line items including insurance, taxes, cablevision, utilities, legal and professional services, and trash.

Gregg called for a vote for the budget and clarified that voting to approve the budget is a vote in favor of the per-unit assessment. With 93% of people participating, 83% vote to ratify the 2022/2023 budget as presented.

Manager's Report: Blythe & Garrett Syfan

Managers reported that the Board opted to hold off on a few projects this year due to increased costs in labor, materials, and supply chain issues. An overview of landscaping, Orkin, managing plow expenses, and roof inspections took place. For roof inspections, only a few minor items were noted. Flat roofs are in good shape, but some of the shingled roofs are nearing the end of their useful life and will need to be replaced soon. We have budgeted for the expenses and will move forward when the Board determines the time is right. PRV's in each quad were tested last October. Some were found to be defective. There is a national shortage of PRV's due to supply chain issues. Once availability increases, the defective PRV's will be replaced. Sewers: 22 main lines for the entire complex. The Board has approved implementing an inspection routine every 3 years to have the lines cleaned and inspected / jetted / scoped. Common area updating: The Board has been looking into the feasibility of doing common area updating, including updating carpet, painting, lighting, baseboard heaters, etc. Fireplace inspections will be performed in September of 2021. Annual inspection of fire extinguishers will be performed in September as well.

Owner Education: Sewers

Managers provided owner education surrounding the aging plumbing of the complex, and more specifically the sewers. Managers asked owners to remind tenants, guests, renters not to put anything down the pipes (no kitchen grease, foreign objects).

John Graham (F-3) raised a question regarding fireplace inspections. Garrett explained that we do testing of fireplaces every other year and explained what the inspection includes and entails.

Old and Current Business:

Reserve Study: Gregg explained that we began with a professional reserve study many years ago. Gregg noted that the goal of the reserve study is to plan for expenses. It takes into account the age of each item, along with the life expectancy of the item. The reserve study was shared and included discussion on parking lots and roofs. Gregg shared the summary that shows where we are today and will be at the end of each year. When accounting for all planned maintenance expenditures over the course of the next 10 years, should everything go as expected, the Association should have enough money to complete these planned expenses. The Board has been working on building maintenance reserves to be able to cover anticipated items without having to do a special assessment or large dues increases. We are in the positive, until the 2029 budget year, where we will see a shortfall of approximately \$3,000.

Discussion then took place regarding capital improvement projects: There are items that must be done to maintain the integrity of property, and these are "must haves." "Nice to have's" are the capital improvement projects that will improve the value of the property, such as refreshing the interior corridors.

Gregg opened the polling and discussion to ensure the Board is making decisions that align with what the owners would like to see happen. With the current budget, we have enough to cover the 'must haves.'" The interiors don't currently match the quality of the exterior. The refresh would be \$80 - \$140K and is not covered in the current budget. If we wanted to fund, we would be looking at a dues increase or small assessment. Every dollar that we raise dues by equates to about \$1,000 additional in the budget. Every \$1,000 assessed, would equate to \$87,000 in the budget.

Gregg also noted that the Board has also looked at trash enclosures, parking lot improvements (additional spaces, lighting, etc.). Gregg opened the floor for discussion/questions/comments.

Holly McKinney (B12) suggested looking into having mailboxes installed as a priority over the cosmetic improvements.

John Graham (F-3) supports the idea of mailboxes and asked about cablevision to see if we could add HD cable to the contract for the Association, so he doesn't have to pay additionally for the service.

Managers launched a "straw poll" to get idea of whether owners would like cablevision to be internet only v. internet & basic cable combined, so the Board could get an idea of where to take the upcoming negotiations. Results were shared, with the preference being for internet AND cable service.

A new poll was launched asking owners if they support potential capital improvement projects that seek to improve and increase the value of Lake Haus, or if they prefer that Lake Haus only complete necessary repairs and maintenance projects? Of those who participated, 76% stated they would support capital improvement projects.

A poll was launched regarding the funding mechanism for projects: The poll asked the following: If Lake Haus proceeds with Capital Improvement Projects, would you prefer to fund improvement projects through incremental dues increases or through special assessments? Of those who participated, 67% stated they would prefer a small special assessment.

The membership was then asked to vote via a poll on the projects they would like to see completed as a priority. Owners were asked to vote for their #1 priority project. Of those who participated, 63% voted for interior corridor refresh, 30% for on-site post office box, 4% parking lots, and 4% enclosing trash dumpsters.

The membership was then asked to vote via a poll on the projects they would like to see completed as a #2 priority. Of the respondents, 46% voted for interior corridor refresh, 23% on-site post offices, 15% parking lots, 12% dumpsters, and 4% for "other".

John Graham (F3) provided insight into electric charging stations for vehicles. Research that he did for an association in Breckenridge resulted in a cost of \$30-\$40,000 per charging station, plus costs to run lines underground. He noted questions surrounding how costs are shared among owners who don't use EV's, and noted that maintenance is another problem, as there are no maintenance technicians currently in Summit County qualified to provide maintenance on the charging stations.

Open Discussion:

During open discussion, the Managers brought up a few policies including "reasonable accommodation and modification policy" which guides the Board during a request for a modification. Direction included in the policy includes what information can be requested, guidelines, responsibility of initial expense, and responsibility to maintain after installation, etc. Additionally, the Board is looking at revising the parking policy for trailers, RV's, etc. The current policy allows for temporary parking for up to 72 hours. Gregg asked that if anyone has strong opinions on that, to send feedback to the managers so that it can be taken into consideration.

Phil Macey (G1 and Board Member) asked that we look at parking in an integrated way to include RV parking, bikes, kayaks, trash enclosures, etc. as to not necessarily repeat what's there, but look at it as an opportunity to make future choices.

Adjournment:

With no other open discussion, Gregg thanked everyone for their patience and participation. The meeting was adjourned at 10:33 a.m.