I. CALL TO ORDER AND DETERMINATION OF QUORUM
The meeting was called to order by Chuck Montoya at 6:34 p.m. in the Basic Property Management Conference Room.

Board members participating (*via teleconference) were:
- Chuck Montoya, President
- Linda Meyer, Vice President*
- Chris Heer, Treasurer
- Patti Lewis, Director
- Daniel Schwarz, Director*

Owner Jerry Koelsch (H206) was a guest at the meeting.

With five Board members participating a quorum was confirmed.

Representing Basic Property Management were Gary Nicholds, Eric Nicholds and Patti Vande Zande. Representing Focus Property Management were Nancy Peters and Heber Rojas. Erika Krainz of Summit Management Resources was recording secretary.

II. OWNER FORUM
There were no owner comments.

III. APPROVAL OF PREVIOUS MEETING MINUTES
Daniel Schwarz motioned to approve the April 26, 2018 Board Meeting minutes as presented. Patti Lewis seconded and the motion carried.

IV. YEAR-TO-DATE FINANCIAL REPORT

A. Balance Sheet and Income Statement as of April 30, 2018
Chris Heer reviewed the Balance Sheet:
1. Total Checking/Savings - $712,276 with $476,773 in the ICS account and $39,851 in the Alpine Reserves.
2. Total Accounts Receivable - $4,912.
3. Total Fixed Assets - $5,361
4. Total Accounts Payable - $39,714 including $25,082 in Prepaid Dues.
5. Total Liabilities - $163,708, including the Loan Balance of $103,106/
7. Total Liabilities & Equity - $733,583.

Chris Heer reviewed the P&L variances:
1. Total Income – $26,284 favorable to budget due to additional revenue from Parking Permits ($13,159 favorable to budget), Washer/Dryer Income ($9,838 favorable to budget), Clubhouse & Rec Income ($1,245 favorable to budget) and Interest Income ($2,233 favorable to budget).
2. Total Expenses - $58,109 favorable to budget. There were savings in Professional Services ($5,400 favorable to budget), Bad Debt ($15,000 favorable to budget), Gas ($15,225 favorable), Pest Control ($9,517), Electric ($2,604 favorable to budget), Total Grounds Maintenance ($13,661 favorable to budget), Snow Removal ($9,546 favorable to budget) and Total Clubhouse & Recreation ($10,659 favorable to budget). There were overages in Water & Sewer ($13,593 unfavorable to budget), Plumbing & Heating ($4,325 unfavorable to budget) and Security & Fire Safety ($820 unfavorable to budget).

3. Net Ordinary Income - $84,393 favorable to budget.
4. Total Reserve Income – $8,807 favorable to budget. Resale Reserve Contribution was $8,764 favorable to budget.
5. Total Reserve Expenses – $32,125 unfavorable to budget.
6. Net Operating and Reserve Income - $62,004, which was $61,076 favorable to budget.

Patti Lewis motioned to approve the financial report. Daniel Schwarz seconded and the motion carried.

Chris Heer motioned to move the Operating profit of $92,739 and the Reserve loss of $30,734 (for a net of $62,004) to the equity section of Reserves. Linda Meyer seconded and the motion carried.

B. Delinquencies
There was only one owner delinquency with a past due balance of $521.

V. OWNER FORUM
Jerry Koelsch commented that the green paint on the building does not hold up well to the sun and there are ongoing issues with pets being tied up at the property and cars being parked backed up the buildings. Management should be enforcing the established rules. Chris Heer explained that changes are being made to the buildings incrementally, including replacing the original siding with Hardiplank as it fails and replacing decks railings with Trex. Nancy Peters said the new employee Eduardo is very diligent about picking up dog waste. Patti Lewis noted there is a rule that specifies what can be visible on decks (bikes only) but it is not being enforced. Chuck Montoya requested sending of a reminder to the owners about the most common rule infractions, which include parking cars front end to the building, dog waste, an explanation of the warning and fine system and deck storage. He will include a link to the website where all rules are posted.

VI. PROPERTY REPORT
A. Management Report
Heber Rojas reviewed the following:
1. The staff is helping with drywall, paint and trash removal during the Clubhouse project.
2. Tri County inspected all the irrigation backflow preventers. There was one repair in Building C and two in the Clubhouse. The irrigation will be turned on next week.
3. Annual weed spraying will be done by Neils Lunceford.
4. The first mowing was done on May 17th and 18th.
5. The tennis court cracks are being filled with asphalt and will be sealed. Heber Rojas will provide a bid to repaint the surface.
6. Inspected Buildings H and I last week and did not find any pest infestation.
7. The lawn will be aerated and fertilized after the irrigation is turned on. Two cars were towed and several warnings were issued.
8. The tennis court cracks are being filled with asphalt and will be sealed. Heber Rojas will provide a bid to repaint the surface.

Chuck Montoya asked Heber Rojas and Nancy Peters to look at all the concrete steps. Several of them are deteriorating.

VII. NEW BUSINESS

A. Progress of Remodel
Patti Lewis reported that the tiles are 90% completed. The grout, caulk, clean-up and mirror installation in the upstairs bathroom remain to be done. Installation of the lockers and partitions will start this weekend. There were some delays due to late delivery of the tile. Any broken tiles and damaged locker doors will be replaced.

B. Tow Truck
There is a tow truck parked between Buildings A and B. Chuck Montoya spoke to the owner. The Board previously approved parking the truck there but there have been three owner complaints. Chris Heer commented that the owner had multiple vehicles parked in the lot. Heber Rojas said the owner of the tow truck told him he will be moving out in early July. The Board originally granted an exemption for the truck because the owner could help tow for the Association but his availability has turned out to be limited so there is not much benefit to this arrangement.

Patti Lewis motioned to inform the owner that the truck cannot be parked in the lot after June 30, 2018. Chris Heer seconded and the motion carried. Chuck Montoya will notify the owner.

C. Dogs Tethered to Units
Chuck Montoya said the rule prohibiting tethering pets needs to be enforced. Nancy Peters will issue a written warning, followed by a first fine of $50 and subsequent fines of $100 if necessary.

D. Tax Return Preparation
Patti Vande Zande recommended having the tax returns prepared professionally since the Association has significant other income. She estimated the cost would not exceed $500.

Chris Heer motioned to hire a CPA firm to prepare the tax returns. Patti Lewis seconded and the motion carried.
E. **Capital Reserve (3 months vs. 4 months)**

It was discovered that four months of dues were being collected at closing instead of three months, starting when Basic Property Management took over management. The accounting person at that time based the collection on amounts listed in previous documents. The total amount that has been collected is $28,160. The problem has been corrected going forward but there needs to be restitution to the owners who have overpaid. Patti Vande Zande will mail letters to the most recent address for previous owners informing them that they are owed money and keep any letters that are returned in a file. She will send the letters a second time if there is no response.

Patti Vande Zande recommended issuing credits on the owner statements for the current owners. She will check the list of previous bad debt write offs to ensure these owners do not receive a refund. Patti will ask the CPA if the refund should be applied to the previous or current fiscal year.

E. **Annual Meeting Preparation**

Chuck Montoya and Chris Heer will work on visuals for the financial and budget presentation at the Annual Meeting.

F. **Siding**

Nancy Peters completed the annual building siding inspection and put the information into her spreadsheet.

1. Building B – the east side is in rough shape due to warping and expansion. She recommended replacement of the entire east side. The west side of the building is holding up better.
2. Building A – a section under the roof and an entire connecting wall need to be replaced.
3. Building C – in the best condition of all buildings. Nancy recommended painting the whole building and consideration of deck railing replacement. The cost will be approximately $19,000. All items will need to be taken off the decks.
4. Building D – the middle section of the building needs to be replaced.
5. Building F – worked on last year and can be skipped this year.
6. Building G – a south wall connecting to the roof needs to be replaced.
7. Building H – skip this year.
8. Building I – replace the east side between 01 – 07.
9. Building J – a few sections under the roof and a connecting wall need replacement.
10. Deck Railings – all railings that have not been replaced need to be scraped and painted.

She recommended Buildings B and I be the highest priority.

Chuck Montoya proposed the following:

1. Replace all siding per Nancy Peters’ list.
2. Table painting Building C this year and plan to paint two buildings next year.
3. Replace the railings on two buildings (Buildings F and H are already done). The cost would be $15,840 for two 18-unit buildings.
4. Include carpet cleaning three times annually at $4,000 per occurrence.
5. Postpone the removal of the mulch and replacement with rock.

There was consensus that the siding needed to be replaced. The cost for siding repair and complete repainting of Building C would be $107,000, or $88,000 for the siding repair only. The Board agreed to replace the railings on Building D, not to paint Building C and to replace the areas of siding per Nancy Peters’ recommendations.

VII. ADJOURNMENT
Chuck Montoya motioned to adjourn at 8:27 p.m.

Approved By: ________________________________ Date: ____________

Board Member Signature