

**DILLON VALLEY WEST CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING
September 27, 2018**

I. CALL TO ORDER

The meeting was called to order at 6:36 p.m. in the Basic Property Management office.

Board members participating (*via teleconference) were:

Chuck Montoya, President*	Patti Lewis, Vice President*
Chris Heer, Treasurer	Jeff Kirk, Member*
Justin Timblin, Member*	

Kali from CSC joined the teleconference to discuss the laundry room proposal.

Representing Basic Property Management was Jason Blarjeske. Representing Focus Property Management was Nancy Peters. Andrea Kriegler of Summit Management Resources was recording secretary.

II. OWNER CONCERNS

Chris Heer stated that during her walk-through of the property, owners in Building A asked about creating handicapped and motorcycle parking spaces, as well as storing kayaks over the boilers.

Patti Lewis stated that she saw an owner let their dog out and did not pick up after it. This owner has already been fined twice for this type of violation. Nancy Peters was not sure if the fines have been paid.

Chuck Montoya said parking space is limited but if the parking lot is extended next year, motorcycle and handicapped parking can be addressed at that time. Nancy Peters said there are about six motorcycles on site and in the winter, they are usually stored elsewhere.

Nancy Peters suggested allowing kayaks to be stored on the unit decks. This will be discussed further in New Business.

II. APPROVAL OF PREVIOUS MEETING MINUTES

Jeff Kirk motioned to approve the August 23, 2018 Board meeting minutes as presented. Chris Heer seconded and the motion carried.

III. FINANCIALS

Chris Heer reviewed the Balance Sheet as of August 31, 2018:

1. ICS Savings - \$476,833.
2. Other Cash - \$158,657.
3. Total Cash - \$635,490.
4. Total Current Assets – \$642,967.
5. Total Assets - \$647,852.
6. Total Liabilities - \$153,534. The loan balance was \$89,644.

7. Total Equity - \$494,318.
8. Total Liabilities & Equity - \$647,852.

Chris Heer reviewed the Profit & Loss as of August 31, 2018:

1. Total Income - \$253,185 overall, \$3,552 favorable to budget primarily due to Washer/Dryer Income.
2. Total Expenses - \$18,181 favorable to budget. Electric was \$2,440 favorable to budget, Clubhouse Gas was \$11,212 favorable to budget due to the seasonality of the expense, General Building Expenses was \$693 unfavorable to budget, Grounds and Parking Maintenance was \$3,605 unfavorable to budget and Total Clubhouse and Recreation was \$3,247 favorable to budget.
3. Paint and Siding/Resurfacing - Approximately \$5,000 unfavorable to budget. The Building A deck project was just completed. Chris Heer will determine if this expense should be charged to Reserves or Operating.
4. Clubhouse Upgrades - Approximately \$30,000 unfavorable to budget due the remodel.
5. Total Reserve Expenses - \$15,855 favorable to budget due boiler replacements and the parking lot project that has not been completed.
6. Net Income (Loss) – (\$75,557), which was \$19,057 favorable to budget.
7. Net Ordinary Income - \$21,733 favorable to budget.
8. Total Other Income - \$18,530 unfavorable to budget due to the adjustment to the Resale Reserve Contribution account.

Jeff Kirk motioned to approve the Financial Report. Patti Lewis seconded and the motion carried.

V. DELINQUENCIES

Patti Lewis said there were three owners past due, with one of concern. The owner has not paid his overdue balance and a delinquency notice will be mailed. The account will be sent to collections in thirty days if not paid.

VI. PROPERTY REPORT

Heber Rojas was out of town. Nancy Peters reviewed highlights of the report:

1. Waste Management provided an estimate that was forwarded it to the Board. The Trash line item is currently under budget, but there are frequent charges for extra trash pick-up. Adding two dumpsters would increase capacity by 23% with a 16% increase in cost compared to current charges including the extra pick-ups. There would be a total of twelve eight-yard dumpsters on site, with the additional dumpsters being placed at Buildings B and I. The Clubhouse currently has a six-yard dumpster, and it would be replaced with an eight-yard dumpster. The additional dumpsters would cost approximately \$400 additional per week and would eliminate the need for dump runs by Focus. Jeff Kirk motioned to approve the additional dumpsters as discussed. Chris Heer seconded and the motion carried.
2. About a dozen concrete steps have been repaired this year. A concrete base was installed at the bottom of some steps where there were gaps between the pavement and the steps to prevent water accumulation by the foundation. Repairs are ongoing and are done about every two to three years as needed.

3. Three Board members performed property walks and submitted lists. Focus is starting to work on the requests.
4. Francisco Alvarado Roofing Company is working on a detailed proposal for roof repairs.
5. The Clubhouse boiler room heat exchanger for the outdoor hot tub is corroding and Nancy Peters is trying to get it replaced. The company that manufactured the exchanger is no longer in business. She is working with KA Mechanical to find a replacement. KA Mechanical will schedule the annual boiler, heating and maintenance checks in October.

VII. NEW BUSINESS

A. Rules Update

Jeff Kirk stated that the group came to a consensus on the wording and will clean up grammatical mistakes in the current rules. He reviewed the items that were being addressed:

1. Decks – The only items that can be stored on decks where they can be seen are bikes, kayaks, stand-up paddleboards, snowboards, skis and gas grills in good condition to present a neat appearance.
2. Gates – Gates can be installed for ground floor units to limit entry and exit from the patio. The gate must not exceed the top of the railing or extend past the current outline of the patio. The recommendation is a gate that is weather resistant and looks presentable. Gates cannot be attached to the curbs using nails, screws, hinges or similar items. Chris Heer suggested that current, acceptable gates be grandfathered. Chuck Montoya will look at gate options at Lowes and Home Depot so owners can be provided with an approved standard. Owners will need to submit gates for approval as an Architectural Change Request.
3. Parking Passes – This cannot be changed since it is in the Declarations.
4. Use of Common Areas by Renters for Parties –The party room can be used for parties, but access to the pool, jacuzzi, game room and hot tub areas are not allowed.
5. Garbage – Owners need to ensure that all trash is in the dumpsters and lids are kept closed.
6. Food at the Pool – Food is not allowed in the pool or jacuzzi areas.
7. Pet Owners – Owners need to prevent their pets from relieving themselves on the balconies. Owners will be charged \$100 for each violation plus clean-up costs per occurrence.
8. Outside Common Area - Chairs and personal items should not be left in the outside common area since these areas are shared by all owners and maintained by the property management company.
9. Livestock – The current rule states that livestock is not allowed for breeding purposes. The proposed change is to prohibit all livestock.
10. Windows and Screens - All windows and screens must be maintained in good repair. If they are not, the owner will be sent notification and will be fined if repairs are not completed.

Once the rules are finalized, they will be posted for thirty days before enforcement begins.

B. Washers & Dryers

Nancy Peters provided a proposal from Focus Property Management to upgrade the laundry room. Focus would be responsible for the equipment and management of the laundry room. Chuck Montoya met with Nancy to discuss the revenue share.

The two proposals were reviewed:

1. Focus – install seven Dexter washers, including one triple loader and three double loaders and twelve dryers with four being high capacity, and two new stainless steel tables for folding laundry. Focus will clean and repaint the laundry room at their cost. Nancy then revised the proposal to replace the triple loader with a double loader, and to provide credit card and coin operated machines. The revenue share was changed from 20/80 to 30/70.
2. CSC - install six Wiscomat washers, including two double washers and eight dryers, including two high capacity, but not stacked and six stacked single capacity dryers. Focus would only be responsible for locking/unlocking the laundry room and cleaning the area.

Patti Lewis asked how lost money in the machine or machine breakdowns are handled by CSC. Kali stated that there are three options: call the CSC customer service center and a technician will be dispatched, go online and enter the barcode number on the machine or use the app that can be installed on a smartphone, scan the barcode and the information is sent to a technician. It takes an average of 1.37 days for service calls to be resolved.

A refund can be requested if coins are lost in the machine and a check will be mailed to the requestor. If there is a problem with a credit card, the amount is automatically refunded. There will be signage on the machines and walls in Spanish and English.

Regarding routine maintenance, the machines are not cleaned on a regular schedule unless requested, but they will be cleaned during service calls and coin collection. CSC projects revenue from the machines and establishes weekly or biweekly coin collection. Kali thought the Association would probably be on a biweekly schedule, but it could change to monthly or quarterly depending on coin usage. CSC is responsible for maintenance from the back of the machine to the wall. Rigid instead of flex venting is used, which tends to reduce clogging problems. CSC would not be responsible for the vent to the outside.

If additional washers and dryers are installed, the terms of the agreement remain the same and the cost does not increase. The revenue splits to the Association would be 52% for a five-year lease term or 60% for an eight-year term. The projected useful life of the machines is 10,000 cycles. The average number of cycles over eight years is 5,600. The top loaders have an 18-pound capacity, and the front loaders have a 22-pound capacity. King sized comforters will fit into the larger, multi-load front loaders. All machines could be installed in one day and the old machines will be taken away. It

will be five to six weeks between the execution of the agreement and installation. The Association can start the contract when the machines are installed, or when they execute agreement, since CSC will then maintain the existing machines.

The Board asked Nancy Peters to leave the room while they made the decision. The benefits of CSC included a higher cost sharing percentage, a clear maintenance path with a dedicated maintenance crew and this being CSC's main business. The Board was concerned that Heber and Nancy would need to hire maintenance technicians.

Jeff Kirk motioned to contract with CSC. The motion was seconded and carried with four in favor and one abstaining. Chuck Montoya and Chris Heer will review the contract in detail.

Nancy Peters returned to the meeting and Chuck Montoya informed her of the Board's decision. Chuck asked Nancy to provide a bid to remove the machines, clean and paint the laundry room and purchase and install two stainless steel tables. Chuck said Focus could sell the existing washers and dryers and keep the proceeds. Nancy will discuss this with Heber.

VIII. SET NEXT MEETING DATE

The Association will not meet during Thanksgiving or Christmas week. The Board members will decide on a date between Thanksgiving and Christmas.

IX. ADJOURNMENT

Chuck Montoya motioned to adjourn at 8:13 p.m.

Approved By: _____ Date: _____
Board Member Signature