

Dillon Valley East Condominium Association
Annual Homeowners Meeting
September 20, 2003
Dillon, Colorado

Board members in attendance were Richard Garcia, Sylvia Dowty, Gregg Pooley and Christopher Janz.

Homeowners in attendance were Brian Adams (B201), Julie Bollinger (T206), Bob Brantley (H305), Debbie Burg (S301), Jean Capps (B303), Benita Collins (N102, Z303, N103), Jill Debs (X106), Dean Hunter (H205), Al & Shirley Farris (Z201), Fred Lillian (B204), Barbara Ferguson (BB102), Gustav Freyer (Z306), Margaret Garver (R106), Gery Hedman (V203), Wanda Hitchcock (C301), Ed & Suzanne Husler (O306), Michael Immordino (E203), Donald & Julie Jones (B301), Donald Kahle (A103), Jerome & Susan Kalamen (I105, U104), Robert Klea (S201), Van Kogul (N202), James Lauletta (J204), Thomas Lorenz (X103), Mary Lou Mauthe (H306), Jo Ann Mayer (C202), Thomas & Monika Nickerson (R303), Joyce Oleson (R101), Paula Pearcey (I101), John Peterson (J201), Martha & John Pirnat (X301), Doyle Reid (B202), Nicholas & Donna Reuterman (U303), Stephanie Row (A303), Wayne Ryon (G306), Barbara Slater (E201, I305), Jeannie Stein (O202), Margaret Sugar (B106) and Rosie Tronnier (A106).

Representing Basic Property Management were Dan Ulmer and Robert Crowe. Margot Mayer was recording secretary.

I. CALL MEETING TO ORDER

The meeting was called to order at 9:22 a.m. by President Richard Garcia.

Notice of the meeting was sent in accordance with the Bylaws. With forty-six owners represented in person and thirty-seven by proxy a quorum was reached.

II. APPROVAL OF MEETING MINUTES

Julie Bollinger made a motion to waive the reading of the minutes from the September 21, 2002 Annual Meeting. Mike Immordino seconded and the motion carried.

Tom Lorenz made a motion to accept the minutes as presented. Tom Nickerson seconded and the motion carried

III. REPORT OF OFFICERS

A. President's Report

Richard Garcia said he was very pleased with the appearance of the Clubhouse, and noted the surrounding fences had been removed. He said many improvements have been made within the past year and Robert Crowe would provide details in the Manager's Report.

B. Treasurer's Report

Sylvia Downey presented a summary and comparison of the Association's financial position August 31, 2002 vs. August 31, 2003 along with a current summary as of August 31, 2003.

She explained a number of improvements had been made such as roofing, painting and grounds work. She also said there were some unfinished projects that would be completed within the next few months.

IV. REPORTS OF COMMITTEES

A. Buildings/Grounds/Landscaping Committee

Julie Bollinger reported that Robert Crowe built a water barrier along Straight Creek so the water would be diverted coming down the hill. The front of the Clubhouse and sign were refinished and the hedges were clipped. Boulders were put up at the driveway entrances to prevent cars from driving over the grass, and the Clubhouse entrance area was improved. The dumpster enclosures have been completed. Julie further reported the Association did all the work replacing the sprinkler heads that were destroyed by Comcast. Comcast will be billed for time and material.

Julie said painting the buildings and carpet replacement were about 65% under budget and that there were only three more buildings to be banded. Work on the door locks and doors are in progress and will be continued in 2004. The basketball hoops were delivered and should be installed before winter.

B. Rules and Regulations

Gregg Pooley reported that the Board received some suggestions for changes to the Association's Rules and Regulations. He asked any homeowner to contact him today if they have any additional comments before the Board amends this document.

V. MANAGEMENT COMPANY REPORT

Dan Ulmer said he has enjoyed a very good working relationship with Richard Garcia and the other Board members. They are open to suggestions, new ideas and changes.

He introduced Robert Crowe and his staff and complimented them on their great teamwork. Dan explained that a new team member was hired solely for removing ice build-up during the winter and for landscaping maintenance work during the rest of the year.

Robert Crowe reviewed some ongoing issues:

1. Heating

Over 226 in-unit maintenance requests have been completed so far. This is a 40% increase over any period in the last five years. This alone has saved individual

homeowners 50-75% of what they would have normally paid contractors for the same work.

2. Keys

A key inventory was conducted and the keys that Basic Property Management has in its possession were checked to ensure they work in the unit doors.

3. Enforcing Rules and Regulations

a. *Parking*

In order to enforce the existing Rules and Regulations, especially parking and pet violations, Robert started issuing warnings and fines. He explained that parking has become a huge issue due to changing demographics. Thirty years ago, the Dillon Valley East units were mainly used as second homes. Now, many are primary homes for the residents. He is working on new solutions to ease the parking problem.

b. *Pets*

The Rules state very clearly that owners only can have one pet (unless the owner is grandfathered under the previous provision). Owners must register their pet at the Clubhouse. Tenants are not allowed to have pets.

Robert felt that as a result of the hands-on approach he instilled in his staff, communication with homeowners has improved. His staff responds within hours to address concerns. He explained that he reduced the number of contractor services by performing many of the services in-house. On the average, the maintenance staff clocks more than 200 man-hours per week, 25% more hours than contracted. This translates into a savings to the Association of more than \$25,000 in labor.

Robert said the Association had saved many thousands of dollars this year through careful planning, spending and utilization of the dues and that the dues were not raised during the second half of this year. He further explained that Basic Property Management has been working with homeowners who have become delinquent with paying their dues to ensure that they have an opportunity to become current, avoiding additional attorney fees and court costs. Due to these efforts only four units are in foreclosure.

Robert reviewed some of the other improvements made over the past year:

1. Computerized owner database.
2. Completed a key inventory and have over 97% of all unit keys.
3. Computerized the inventory of all maintenance supplies and tools.
4. Trained staff in First Aid and CPR and maintain a comprehensive first aid kit in the office.
5. Purchased a new copy machine so that the minutes are legible.
6. Completed the roofing project for the entire complex.
7. Repaired the sewer problem in the V & W buildings.
8. Replaced the pool tables in the recreation room with two coin-operated tables.

9. Landscaped the entrance to Dillon Valley East by installing a berm with trees.
10. The Clubhouse parking lot was repaired by constructing a drain pan and completely overlaying the lot with asphalt. In addition the front of the Clubhouse was landscaped.
11. Constructed the dumpster enclosures on the western half of the complex, using in-house staff, saving DVE thousands of dollars.
12. Instituted an aggressive boiler maintenance program to prevent catastrophic failure.
13. Changed trash companies resulting in a 20% reduction in costs.
14. Performed vehicle and equipment maintenance with in-house staff.

In conclusion, Robert said he was excited for the future of Dillon Valley East. He appreciates the support he receives from the Board and from Dan Ulmer. Dan Ulmer said due to the improvements Dillon Valley East units are now valued higher than Dillon Valley West units.

There was discussion about how the statewide gas shortage could affect the Association. Dan Ulmer thought that there would not be a huge increase and that the Association was being proactive by installing timers and new controls on the boilers. Basic Property Management will also check into buying gas in bulk to get a better price.

Wayne Ryon (G306) asked about costs for replacing windows. Robert said the information would be available in the office. He noted Accent windows were more expensive but includes a lifetime warranty that may be purchased by the future owners

Mr. Van Kogul (N202) asked for an explanation of the advantages of the new security doors. Robert Crowe explained that the new doors are outside swing doors, which are easier to open in an emergency and are more secure because they are solid steel. Robert said new peepholes would be installed.

There was discussion about the timing of the dues postings and if a statement should be sent out to the homeowners. Robert explained that the dues are stamped when they are received, and are then posted the same day. Sylvia Dowty recommended owners use the automatic withdrawal program to pay dues. Robert asked owners to address any concerns or questions to the Accounting Department.

There was discussion about the lack of parking spaces and notification to owners when their tenants receive a warning or fine. Robert explained the parking policy and warning and fines procedures and stated that the homeowners are informed of any violations. He said each new tenant receives a copy of the Rules and Regulations, which is available in English or Spanish.

Robert said any vehicle parked without permit would be given a warning and after four days would be subjected to towing, and any resident working on a car would be fined immediately. He explained there are three designated spaces next to the maintenance building available for working on vehicles.

Jerry Kalamen (I105, U104) raised a concern about the security doors being propped open. Robert answered that periodic drive-throughs are done to close the doors. He further explained that he would issue a warning if he can determine who left the doors open.

VI. ELECTION OF MANAGERS

There were two openings on the Board. One nominee was Christopher Janz, whose term had expired. He was appointed to the Board in the spring when there was an unexpected opening. Other nominees were Thomas Nickerson and Donald Jones.

Voting was done by ballot; Richard Garcia announced Chris Janz and Donald Jones were elected to serve on the Board.

Richard said one Board member had resigned. He said this opening would be discussed and filled in the Board Meeting following the Annual Meeting.

VII. OLD BUSINESS

Wayne Ryon said he was very pleased to see the noise barrier being installed. The installation should be completed by November of this year and is expected to cut highway traffic noise by approximately 75%. Richard Garcia will write a thank you letter to the highway department.

VIII. NEW BUSINESS

A. IRS Requirements to Allocate Surplus

Sylvia Dowty explained that to avoid a tax liability, any surplus from the Operating account could be used to either offset future expenditures for the 2004 Budget or it could be refunded to the owners.

A motion was made by Thomas Lorenz to authorize the Board to transfer any surplus from the 2003 Operating account to the 2004 Operating account since refunding it to the owners would be too expensive. Rosie Tronnier seconded and the motion carried.

B. Reserve Study Update

Robert Crowe explained that in April of this year the Board of Managers decided to have a Reserve study conducted by Gillans, Inc., an engineering firm that specializes in long-range planning and evaluation of the infrastructure of the Association, and makes recommendations on funding the repairs and replacements in the complex.

The following are some of the items that will need to be repaired or replaced during the next twenty years. This list is based on foreseeable projects, but it is definitely not all-inclusive.

1. Parking lot expansions and overlays.

2. Sidewalk/walking path.
3. Patio slabs and concrete walkways/steps.
4. Signs and lights.
5. Dumpster enclosures.
6. Playground equipment
7. Maintenance vehicle
8. Replace siding on all the buildings
9. Re-build the decks
10. Addition of a patio enclosure on level one.
11. Boiler replacement
12. Swimming pool liner and equipment replacement
13. Clubhouse remodeling
14. Sewer repair and replacement.

Although inflationary increases to the dues over the next twenty years are inevitable, Basic Property Management and the Board will work diligently to keep Dillon Valley East in great condition without adding financial burden to the owners.

Dan Ulmer explained that this Study was designed for budgeting purposes only, so that major repairs could be planned without Special Assessments.

C. Website DillonValley.org

Richard Garcia said that all minutes for the year can be downloaded from the website, along with the Bylaws, Declarations, and Rules and Regulations. The website also offers a bulletin board, lists ski areas and various activities in Summit County.

Sylvia Dowty encouraged the homeowners to let management know if they are able to download the minutes from the website. This would help to reduce mailing costs.

D. Open Discussion

In order to keep the meeting on schedule, Richard Garcia requested owners abide by certain guidelines. The first person that stands up should name the topic of discussion. The topic can be discussed for up to fifteen minutes. Anyone contributing to the discussion will have two minutes of floor time. There will be no motions made at this time - discussion only. Suggestions for a future vote on a topic can be made to the Board to be discussed in the business meeting

1. Water Storage Tank

Rosie Tronnier was concerned about safety related to the new water storage tank. Robert Crowe explained that there would not be a safety issue because the tank would be buried once installation is finished. There will also be a "No Trespassing" sign on the property.

2. **Comcast**
There was discussion about upgrading the cable service. Robert said homeowners who would like additional cable service should contact Comcast. If an owner upgrades, they would not be charged the basic cable service rate. He further explained that eleven new channels would be added at no cost and all services should be available no later than December of this year. The installation of a second outlet is not possible. A cable can be run along the baseboard to another room.
3. **Parking Spot Allocation**
Wayne Ryon (G306) felt that three bedroom units should have three parking spots assigned since they pay higher dues. Robert answered that there are plans for future parking lot expansions and accommodations would be made.
4. **Future Board Meetings**
Julie Bollinger asked the Board to consider holding meetings every other month. She felt that with technology, computers and cellular phones, communication could be established for Special Meetings.
5. **Annual Homeowner's Meeting**
Julie Bollinger suggested the homeowners supply the food for the next Annual Meeting or have it catered. Until now, Basic Property Management staff has supplied and prepared the food for the homeowner luncheon.
6. **Budget Meeting**
The Budget meeting is set for October and any items for the wish list should be given to the Board by the end of September.
7. **Installation of Private Laundry Facilities**
Kevin Kahle (A103) submitted a letter to the Board requesting they consider allowing the installation of a washer/dryer in a unit. Dan Ulmer explained that the no washer/dryer policy was put into the Declarations because the Board felt that there could be a high risk of having undetected water leaks. One homeowner said he would not be willing to pay for additional water costs. Another homeowner was willing to pay additional costs in order to have the convenience of a washer and dryer at home. The Board will further discuss and research this matter.
8. **Rising Gas Prices**
A homeowner was concerned about the balance in the Reserve Fund especially with increasing gas costs and the expense for the Reserve Study. He felt that either dues should be increased or a Special Assessment levied. Richard Garcia asked the homeowners if they would prefer a dues increase or a Special Assessment if gas prices increase

dramatically. The majority of the homeowners indicated they would prefer a dues increase, which could be reversed if gas prices go down.

9. An owner asked if the Board had checked into solar power. Robert Crowe explained that for a single-family home solar power runs about \$30,000 - \$35,000.

Dan Ulmer urged all homeowners to set the thermostat at a minimum of 60 degrees from December – March. If a pipe freezes, all glycol could be lost in the building. He also asked owners to watch the zone valves and check for any sign of leakage such as discoloration of the carpet or a bad smell. If an owner suspects a leak, the valve should be shut off immediately and management notified.

10. **Satellite Dishes**
An owner asked if the satellite dishes in the lower units could be installed and if they could be painted to match the color of the building. Robert Crowe answered there were requirements already established for installing dishes.

IX. ADJOURNMENT

Julie Bollinger thanked the Board for their work on behalf of the Association.

A motion was made to adjourn the meeting at 11:42 a.m. Julie Bollinger seconded and the motion carried.

Approved By: _____
Board Member Signature

Date: _____