

DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
BOARD OF MANAGERS MEETING
January 20, 2010
Dillon, Colorado

I. CALL TO ORDER

The meeting was called to order at 7:00 p.m. by Richard Garcia.

Board members present were Richard Garcia, Paul Hage, Sylvia Dowty, Robert Price, Glenn Johnson, Lisa Watkins and Catherine Brosius.

Owners Lee Vroble, Don Gardey and Laurel Gardey were present.

Representing Basic Property Management were Gary Nicholds, Julian Brodie, Candy Ramage and Martin Cenicerros. Emma Stanbro of Summit Management Resources was recording secretary via telephone.

II. APPROVAL OF PREVIOUS MEETING MINUTES

Paul Hage made a motion to approve the minutes from the previous Board Meeting held on December 16, 2009 as presented. The motion was seconded by Sylvia Dowty and carried.

III. QUESTIONS AND COMMENTS FROM THE FLOOR

There were no questions or comments from the floor.

IV. FINES & HEARINGS

There were no owners present for fines or hearings.

V. MANAGERS REPORT

A. Property Manager's Report

1. One of the original pumps was replaced on the hot tub.
2. Lights have been installed around the owner lock boxes.
3. Light fixtures have been installed on the eight main buildings, BB, A, C, Y, W, T, V and P.
4. Salt to control the ice is being spread at the entryways.
5. There was a problem with condensation buildup in the attic of Unit N303 due to a slight leak from a roof nail. The condensation was leaking through the bathroom fan which is not vented to the outside. The attic was reinsulated and the vent was cleaned. This appears to be the only attic in this building with this problem.
6. J105 seal blew up.
7. Snow plowing has occurred two times in December.

B. Delinquency Report as of December 31, 2009

The total balance of the delinquencies as of December 31, 2009 was \$65,194. It was reported that the total amount of delinquencies has gone up since the adoption of stricter collection policies, particularly the initiation of late fees when any amount is past due. Approximately half of this amount is made up of outstanding balances from four units. The unit with the highest balance is W201 (\$16,707) which is owned by the Association and currently listed for sale. The units with the next two highest balances of \$11,512 and \$5,432 are in foreclosure with a foreclosure sale date of February 12, 2010. It was noted that the foreclosure date on these units has been moved back several times by the lender.

It was requested that the delinquency spreadsheet be updated to show the unit number in the comments section and that a budget line item be added to show the projected delinquency write offs.

VI. TREASURER'S REPORT

The financial status of December 31, 2009 was reviewed.

A. Year End Profit and Loss as of December 31, 2009

1. Total Income - \$1,754,913 actual vs. \$1,756,560 budget (0.1% under budget).
2. Total Expenses - \$1,562,885 actual vs. \$1,631,064 (4.2% under budget).
3. Net Income \$192,027 vs. \$125,496 budget. This income was budgeted to pay back the loan from the Reserve Fund to cover the 2008 operating deficit.
4. Approximately \$15,000 is back billing for natural gas. When we switched to a new gas supplier, the old supplier mistakenly dropped an agreed upon monthly billing for back charges due to some malfunctioning meters. The total still due is \$15,694, which will be paid in three more equal installments. The new supplier did point out an overbilling, again due to a meter problem, for which credit has been received. There are still issues with the phone lines/meters. Qwest has been out two times to try and correct the problems. It was suggested that both Qwest and the gas company representatives be coordinated to look at the problem at the same time. Julian Brodie is looking to obtain the testing equipment so that the lines can be tested in house. A spreadsheet has been developed to track gas usage and savings.

Variances:

1. Washer/Dryer income - \$4,809 under budget.
2. Finance Charges on Past Due Accounts Income - \$1,724 over budget.
3. Building Maintenance - \$27,186 over budget. Partial responsibility was due to overages in Damage Claims, Pest Control and Maintenance. This was offset by savings in Loan Interest, Accounting and Boilers.

4. Electric and Gas - \$44,473 under budget due to lower rates and a new gas supplier.
5. Summer & Winter Grounds Maintenance - \$11,805 under budget due to Snow Removal being under budget by \$1,767 and Truck/ATV expense under by \$5,045.

B. Reserve Fund

1. The year-end balance of the Reserve Fund was \$365,676 which included the repayment of the loan for the 2008 Operating deficit and the budgeted 2009 Reserve Fund assessment of \$55,390.
2. There were no expenditures from the Reserve Fund. It was noted that some of the pipe replacement project expenditures that occurred before the origination of the loan were initially paid for out of the Reserve Fund but were later reimbursed from the loan.

C. Loan Fund

The balance of the loan as of December 31, 2009 was \$813,611.

Sylvia Dowty made a motion to approve the Treasurer's Report for December 2009. Glenn Johnson seconded the motion and the motion carried.

VII. BUILDINGS, GROUNDS AND LANDSCAPING COMMITTEE

1. The doors on Building A have been completed.
2. Chains were purchased for the loader that is used for snow removal.
3. Lee Vroble noted that there seemed to be a design problem with the downspouts that run to the porch gutters on Building X. Gary Nicholds will look into this item and work with the contractor. There were other concerns expressed regarding downspouts being too long causing ice back up and rupturing of the pipes.

VIII. ARCHITECTURAL REVIEW COMMITTEE

Cathy Brosius stated that there was nothing to report.

An owner reported that a dog was being kept on a leash and making a mess outside of Unit I106 on the I70 side. Basic Property Management will look into this item.

IX. OLD BUSINESS

- A. Review Security Inspection Book, Hallway Cleaning Schedule Book, Boiler Inspection Book, Public Comments (Buildings & Grounds Committee).*
Glenn Johnson reported that he had checked the books and there was nothing to report.

B. W201 Update

Sylvia Dowty reported that there have been some showings on the unit but no offers. There are five other three bedroom units listed for sale with listing prices

between \$195,500 and \$244,900. The last three bedroom unit sold for \$180,000. The unit is currently listed for \$219,900 and would have to sell for \$210,000 to cover all of the debts owed not including the sales commission. It is likely the unit will end up being a “short” sale. She has been in contact with the owner, the mortgage company and a third party company which is acting on behalf of the mortgage company to try and work with the owner. It does not seem likely that the owner will try to keep the unit. The mortgage and third party company will not disclose any information regarding communication with the owner or terms agreed upon. Even though the Association holds a “Sheriff’s Deed” title the bank will still be in first position to collect the mortgage owed. The Association may be able to negotiate with the mortgage company to recover more than the six months of delinquent dues which is allowed by state law. If the status of the unit does not change, foreclosure procedures will probably begin in March by the lender.

The Association is allowed to rent out the unit and collect the revenue so long as it is not advertised. Concerns were raised regarding the unit being available for showings while rented and tenants having to move out if the unit is sold. It was suggested that the unit be rented through a third party rental agent who would have experience dealing with these situations. A committee consisting of Paul Hage, Sylvia Dowty and Gary Nicholds was formed to look at rental options.

C. Lock Boxes

Sylvia Dowty reported there are five lock boxes that have not been identified. It was agreed that a description of the five boxes will be sent to all the owners with the minutes. If the boxes are not identified or claimed within 30 days, the locks will be removed.

D. Report Delinquent Dues Payers to Credit Reporting Agencies

Four credit reporting agencies were contacted. All of the agencies require a minimum amount of credit issues to be reported at one time and have various fees and mediations. The minimum reporting numbers ranged from 100 to 500. There are also liability concerns regarding the responsibility of removing the credit entry when the debt is paid. Erin Griffin from Basic Property Management will be sending an email to all the Board members with the information and comparison of each company contacted.

E. Collection of Dues and Delinquency with Credit Cards

Gary Nicholds reported that owners will have the ability to use their credit cards for dues payments. The owner is charged \$10/transaction which is automatically charged to their credit card. There is no charge to the Association for this service.

It was suggested that the Association look into selling the delinquent accounts to third party collection companies. Richard Garcia replied this possibility had been discussed with a lawyer who indicated that there was no longer a market for buying debts in this area.

F. Financial Review Audit

Bids received from 'Stuhr and Associates' and 'John J. Stefanich, Jr.' for a financial audit of the 2009 records were reviewed. A motion was made to accept the bid from Stuhr and Associates, LLC to perform an audit of the 2009 financial records for the amount not to exceed \$5,500. The motion was seconded by Sylvia Dowty and carried.

G. Proposal to Increase Late Fees

The Board discussed the late fee structure. It was noted that per the Declarations and Bylaws, the amount of interest that can be charged on late fees is limited to 12%. It was suggested that an initial \$300 late fee be assessed when the account becomes either 30 or 60 days late and that an additional \$100 be assessed each month thereafter that the unit remains in arrears. Interest should then be assessed on any unpaid balance as of the 20th of the month. After further discussion it was decided that a committee consisting of: Richard Garcia, Gary Nicholds, Candy Ramage and Erin Griffin be formed to draft a motion regarding late fees which will be forwarded to the Board for comments/approval.

X. NEW BUSINESS

A. Project Status by Individual Projects for Year 2010

1. Boiler – all of the boilers have been purchased. Work will resume when weather permits. Approximately \$280,500 was spent on boilers and \$87,000 is budgeted for labor.
2. Piping – this project has been completed except for the Clubhouse.
3. Balconies – replacements that were planned for 2009 has been completed.
4. Siding and Painting – the work planned for 2009 has been completed, including the siding and painting on buildings V and W. The two buildings will be inspected in the spring to see if additional and work is needed.
5. Exterior Doors – the wrong type of door was delivered. The correct doors will be forthcoming.
6. Gutters – the work planned for 2009 is complete.
7. Doors/Frames/Painting/Siding – An inventory of what needs to be done in 2010 will be performed in the spring. Gary Nicholds requested the Board's participation in the inspection.
8. Project Management by Basic – The 1.5% fee owed to Basic for the management of the work that was 100% completed in 2009 is \$9,296. Paul Hage made a motion to approve payment of \$9,296 to Basic Property Management. The motion was seconded by Cathy Brosius and carried.

B. Lock Out of Owners /Renters/Guests for Non-Payment of Dues

Richard Garcia reported that although the Association has the right to lock off access to units that have a dues delinquency, it is not recommended by the lawyer due to the complicated necessary legal procedures and notifications.

C. Basic Bonus Money

Money has been budgeted to pay bonuses to property management staff. A committee consisting of Sylvia Dowty, Gary Nicholds and Lisa Watkins was formed to determine the assignment of the bonuses and to make a recommendation to the Board.

XI. SET NEXT MEETING DATE

The next meeting will be on February 17, 2010.

XII. ADJOURNMENT

The meeting was adjourned at 8:49 p.m.

Approved By: _____ Date: _____
Board Member Signature

Notes from the Prez

Greetings

Payment Coupon Books are in the mail. You should receive yours by the time you receive this message by postal delivery. In the mean time, you may send your payment to Basic Property Management.

Dues Schedule	
Studio	\$208.00
1-Bedroom	\$342.00
2-Bedroom	\$429.00
3-Bedroom	\$556.00

Basic Property Management
P.O. box 10.000
PMB 294
Silverthorne, CO 80498

Please include your unit number on your check.

Late Dues Fees

Your Board of Managers will vote during the February Board meeting to increase the late fee to \$45.00 for payment received on the 21st of the month and a late fee of \$300.00 for payment received on the 61st day. This updated fee will take effect Aprils 1st. During the Homeowners Annual Meeting in September 2008, an amendment to the By-Laws was agreed upon to authorize the Board of Managers to change the late charge. Our delinquencies are totaling near \$50,000 each month. It is not fair for owners in good standing support those who cannot make payment.

Credit Card Payment

We are working with a credit card company to allow payment through them. There will be a fee charged to the user for this service. So, if you are in a situation where you cannot make a payment on time, you might think about using your credit card. We will send out information as soon as final agreement is established.

Parking Permits for 2010 – Deadline April 1st

We have new parking permits for 2010. If you live in the area, please drop by the clubhouse with your old passes and trade them in for new ones. You may also go on-line to order your parking permits. Go to www.dillonvalley.org and click on [Parking Permit Request](#) in the Quick Links box.

Richard Garcia
President
Dillon Valley East Condominium Association