

# CORNET CREEK #4 HOMEOWNERS ASSOCIATION

## MINUTES OF ANNUAL MEMBERSHIP AND BUDGET MEETING

**Wilkerson Public Library in Telluride, CO**

**April 2, 2008**

**10:30 A.M.**

The annual membership and budget meeting of the members of the Cornet Creek #4 Homeowners Association was held on April 2, 2008, at 10:30 A.M., at the Wilkerson Public Library in Telluride, Colorado.

### **I. Calling of Roll and Certifying of Proxies.**

**Owner Members Present in Person:** Dan Lynch (Unit 400).

**Owner Members Present via Conference Call:** Rosemary and Jack Trummer (Unit 401) and Michael Reiter, Secretary/Treasurer (Unit 404).

**Owner Members Present by Proxy:** Diane Downs (Unit 402). by proxy to Michael Reiter.

**Absent:** Bill Coppola (Unit 403)

**Also Present:** Judi Balkind, HOA Property Manager.

Judi Balkind called the roll and a quorum was deemed present. The meeting was called to order by Dan Lynch.

### **II. Motion to Approve/Waive Notice of Meeting.**

**Michael Reiter moved that adequate notice was given of the meeting.** The motion was seconded by Dan Lynch. The motion passed.

### **III/IV. Election of Board Members/Officers.**

Michael questioned the necessity of three Board members with one-year terms. Judi said she read in the Declarations that there should be three Board members; however, at the last meeting, the Association opted not to have a Vice President since there are only five members. The Board would then include a President and a Secretary/Treasurer. **Michael moved that the Association once again eliminate one Board member and the position of Vice President.** Mark seconded the motion. The motion passed. Note was made that this is not a revision to the Association documents, but an action taken for the present year only.

Judi said she has not received notice from anyone stating an interest in being on the Board. **Michael nominated Dan Lynch who lives onsite to be a member of the Board and President of the Association.** Mark seconded the motion. The motion passed. **Michael nominated Mark to be a member of the Board and Secretary/Treasurer of the Association.** Jack seconded the motion. The motion passed.

Minutes of Annual Membership and Budget Meeting of  
Cornet Creek #4 Homeowners Association

**V. Treasurer's Report.**

The financial information for 2007 was reviewed as follows:

- The Association was \$40.64 over budget for 2008, most of which was because of an unbudgeted line item "Building Repairs" which included:
  - Ice dam damage to the pizza restaurant
  - Damage to the tin roof
  - Frozen sewer line in Unit 401 – Judi said this year she would like to put heat tape around that sewer line to insulate it and prevent freezing.
- The line item for window washing was not used in 2004. She said the window washing was done about 1-1/2 weeks ago (\$390.00). The budget allows for two washings per year.
- Judi said roof snow removal has been budgeted for 2005 and snow was removed from the roof once already in January or February of 2007 (to maintain the back area).

Michael asked if the repair costs for the damage to the wood trim caused by a renter's truck has been reimbursed. Judi said the repair costs were under \$200.00 and she sent the invoice to the ski club involved. The head of the ski club is going to send a check for that repair. Judi said that if the ski club doesn't cover the expense, the Association can attempt payment through Alpine Lodging and Rentals, the rental company for the unit.

Michael asked why membership revenue is approximately \$400.00 below budget. Judi said she would have to check and let him know; it could just be a mistake on her part when she input the dues.

There being no further comments, **Michael moved that the Treasurer's Report be accepted as presented with the exception that Judi is going to check on the total membership revenue discrepancy.** Dan Lynch seconded the motion. The motion passed.

**VI. Unfinished Business.**

- a. Tax Returns for Previous Years. With regard to the line item for 2004 (overbudget), Judi said Mark Niebruegge, CPA completed four years of tax returns, they were filed, and the IRS did not impose a penalty. The Association is now on a "calendar" year and tax returns will be filed on time in the future. The cost will be about \$225.00-\$250.00 per year.
- b. Capital Improvement Project – pressure washing and sealing of building. Judi said Michael Chandler was going to get a bid from someone he knows to do the pressure washing and sealing of the building. Judi has not received the bid and has called Mr. Chandler to see if he can tell her who can provide this service, but she has not yet been able to speak with him. Michael Reiter suggested at least two bids be acquired. Judi will check further into companies that provide this service. **Michael moved that after Judi acquires two or three bids, she notify the Board and then email the members with an estimate as well as with the Board's recommendations.** The motion as seconded by Dan Lynch. Motion passed.

**VII. New Business.**

- a. Approve Budget for 2008 and Allocation of Dues. Judi said there is an amount in the budget for \$3,100.00 to add heat tape to the sewer line and insulate the pipe. She has a bid from San Miguel Building and Spa to repair this pipe. The estimate is \$2,695.00. Judi added \$400.00 for miscellaneous building repairs that could occur.

In response to a question from Michael about why she suggested a raise in dues, Judi said that in 2004 (actual) no money was spent for roof snow removal or for window washing. Following short discussion, **Michael moved that the 2008 budget be left the same as the 2007 budget.** The motion was seconded by Dan Lynch. The motion passed.

**Michael moved that the HOA proceed with the repair to the sewer pipe and send out a one-time assessment based on the space formula, not to exceed \$3,000.00.** Mark Petterson seconded the motion. Judi will confirm the \$2,695.00 bid. The motion passed.

- b. Retain the Reserve Assessment for 2005. Judi explained that the Minutes of the last meeting reflect that a reserve had never been set up. There was a motion to start a reserve of 10% of the annual budget. Judi said she wanted to confirm that the owners would like to continue putting 10% in the reserve to build it up. Judi said the Reserve Account contains \$3,250.00 as of this date. **Michael moved that the HOA retain the 10% reserve assessment for 2005.** Dan Lynch seconded. The motion passed. Judi asked if 10% is enough. Judi said she wasn't sure how expensive the pressure washing and sealing will be. Michael said there are two ways to pay for unexpected, unbudgeted items: (1) a one-time assessment and (2) the Reserve Account; and the HOA has flexibility in which method it uses. Michael said he thinks things that can be managed with a one-time assessment should be handled that way, and the Reserve Account would be for a major expenditure. It was his thought that the Reserve Account should accumulate \$10,000.00-\$20,000.00 to see the HOA over something unexpected and major. Mark and Dan agreed.
- c. Capital Improvement Project – approve the bid from San Miguel Building and Spa for the installation of heat tape on the sewer line. This expense is included in the 2005 Budget. See paragraph a., above. Michael asked if there is some guaranty that the repairs will fix the problem once and for all. Mark said he thinks this is appropriate because he has talked with Marcel and thinks Marcel is confident that this is what needs to be done. Judi will find out where it will be plugged in. Discussion was that it should be plugged into a common panel. Michael said the concern is that it probably shouldn't be on in the summer, but owners/tenants should not be able to turn it off in the winter. Dan Lynch said typical heat tape has an internal thermostatic control to turn it on at a certain temperature. Judi will double-check these concerns. Michael said it needs to be completed before winter arrives.

Minutes of Annual Membership and Budget Meeting of  
Cornet Creek #4 Homeowners Association

- d. Window Washing. Judi said the window washing was done “last week” and she will have it done again in October. Judi said she thinks twice a year is sufficient. Those present agreed.
- e. Possible Replacement of Water Meters Required by the Town of Telluride – referred to as radio-read Sensus meters. Judi said she is just notifying all the associations that if a meter breaks down and doesn’t work, the Town is requiring that it be replaced with the radio-read meters. She said this has had to be done in five other associations she manages. These meters are read electronically in a drive-by.

Michael said last year he and Michael Chandler looked into this. He said it would have a disadvantage that each unit would be individually metered; the estimated cost of these water meters was thousands of dollars. Therefore, he and Chandler decided it would not be something the Association would be interested in doing.

It was pointed out, however, that this is something the Town will require if the meter breaks. Judi said three meters were replaced at the Graysill HOA. The meters themselves were about \$300.00. Installation for each meter was close to \$200.00-\$300.00. At present there is one meter for each building. The two meter bills are added together and the total cost is split on the basis of the space allocation. Judi said the Town is not requiring individual meters for each unit. Discussion continued concerning pros and cons of individual unit meters. The restaurant owner asked whether his current water usage is much higher than before he took over; Michael said he would look for those records. Mark will look into costs for individual meters through his company.

- f. Housekeeping – date of next meeting. Mark and Dan will email Judi with a date for the next meeting and Michael suggested they try to do a walk-through in between. Judi noted her company takes a two-week break when the ski area closes.
- g. Other. None.

Upon motion made, seconded and passed, the meeting was adjourned.

Respectfully submitted,

---

Judi Balkind,  
Cornet Creek # 4 HOA Manager