

Silverado II Annual Meeting

09/20/2014

Minutes

Board Members Present

Gene Culwell (622), president
Brook Boehler (433), vice-president/treasurer
Demi Michelau (232), secretary
Karl Hagman (week 11, unit 124), time share representative
Michael Barrett (334), member at-large

Hank and Kathy Heuerman (432)
George and Elaine Williams (unknown)
Roger Hankey and Cheryl Brown (331 and 621)
Hannah Pennington (312)
Nick Catanzarite (311 and 122) for Diana and Frank Catanzarite
Ron Weber (533)
Clark Parr (523)
Mel and Janice Heaps (123)
Bob and DeLois Schwenke (414)
Karen Boehler (433)
Finn and Beth Haug (623)

Staff Present

Brad McClain, general manager
Amy Yoder, bookkeeper

Owners Present

Greg Byrd (324)
Ken and Kathy Mallow (421)

The meeting was called to order at 11:25 am. Byrd moved to approve the meeting minutes from the annual meeting held on September 9, 2013. Williams seconded the motion. The owners unanimously approved the minutes.

During the president's report, Culwell reported that overall the financial health of the HOA is good. There are some issues that we will discuss later in the meeting, but things are in good shape overall.

Yoder reported that the SHO account (whole owners account) exceeded the budget by \$79,201.92 as of June 30, 2014 (FY 2014) for the SHO. She explained the variances; Boehler described the reserves. McClain went through the entire complex, catalogued the necessary repairs and maintenance, and estimated costs associated with them. There is now a plan in place assigning the repairs and maintenance to certain years. It will be available for owners to see. Brown asked if the HOA considered an external analysis for the needs of the HOA. Heuerman said that he felt an external analysis was probably unnecessary as long as unexpected issues are not arising on a regular basis. Haug, F. asked if we are writing off bad debts, and Yoder responded about how that is being handled.

Pennington asked if any owners were in arrears. There was \$16,000 in accounts receivable, and Boehler replied that the HOA does go after those in delinquency. Further, there are consequences for filing a lien on a property if a person is in arrears. There may be a way to put a limit on what liens contractors can place. Heuerman suggested that McClain look into restrictions on liens that can be placed on the property. Leases should state that properties cannot be liened. The notice must be posted on property and provided to contractor. McClain will work with Hank to work on this issue.

Yoder then reported on the SIO (interval owners account) budget for FY 2014. They do write off bad debt as shown in the actuals. The documents showed that \$21,000 in improvements was made; \$267.62 in the black. The timeshares have become a very difficult challenge because no one wants them.

McClain said that the restaurant and the ski shop are creating huge challenges. The Hideaway Bistro closed with one week's notice. McClain has been talking with one possible candidate who has a location in town, but he is not pursuing new ventures until after the new year. He is in the wings, but McClain wants to keep pursuing options. He sought feedback from the group about whether we decide what we want or if we want let someone choose. The fact is that Silverado II will not make money off the restaurant; the HOA offers the space for free as an amenity. There are other possible uses for the room that could be considered. The last restaurant owner's business was mostly off-site business, and not the homeowners or Silverado II visitors. McClain asked if owners want a tavern or other uses. One owner replied that he loved having a restaurant there, but the last restaurant was just too expensive. Another owner agreed. The other sentiment was that it was not kid friendly. The majority of his customers were year-round people and not visitors. The suggestion was that it has to be popular fare for people in the complex but also others. One owner mentioned that parking might be an issue if it is too much of a bar atmosphere. Byrd mentioned that it is a delicate balancing act: meeting the needs of the restaurant owner and the needs of the condo owners. A good portion of the clientele has to be from outside the complex. Hagman asked if the board should pursue a restaurant broadly defined. An owner has a friend who specializes in restoring failed restaurants and he is happy to talk to Brad. By a show of hands, the owners would like the board to pursue a restaurant option. Pennington suggested a happy hour! Finally, Finn asked if the HOA could have the game room open, but it is under the foot print of the liquor license so it has to be monitored.

The ski shop has a nearly identical issue. McClain has been pouring a lot of money into the shop and tried working with family and friends to run it; he has not been successful. The ski shop was closed last winter. There is one individual who is interested in operating it. The board asked McClain to establish a deadline for commitment from the interested people. Other ideas could be a business center. Other options could be a sundry or a combination sundry ski/sundry shop. Hagman asked if anyone objects to McClain looking at options. The other option is a business center; Culwell indicated that will be likely happening anyway.

Patio doors are of interest to many people. There are two sliders and one swinging door in every unit. The question is always who owns them. Previously it had been determined that owners owned them, so there is a question about that. There are options: the rough estimate is \$1,000 per door. If everyone splits the cost, it is a bit easier to take. The HOA has determined that the outside must match and could be spread out over time. The board decided to have a special meeting to discuss the plan for the door.

The catwalk doors have been purchased; two contractors and an employee have walked out on the job. McClain will hire someone from Denver to install them before Winter.

Some of the decks have been painted (Building 6); they have not worn as well as McClain would have liked, so they are looking at other options. Depending on how this works, the HOA may have to paint decks more frequently.

McClain said that the chimneys will be cleaned on October 27. Notice will be sent to you; it is at HOA expense. It has never been done so there is no choice.

The number one complaint is internet and cable service. The wires to the buildings were undersized and spliced. Comcast is upgrading some of the wiring, etc. but the HOA is now faced with a choice. There is a direct line to each room to provide much better television. There will be individual modems in each room. They are providing a bulk deal but details will still be worked out. Currently, owners pay about \$39 per month; they are agreeing to an HD starter package and modem for an additional \$17. This would also ensure a secure connection. **Heuerman moved to increase the HOA dues to by \$20 to \$445 to cover the increase in fees by Comcast. Mallow seconded the motion. The motion passed unanimously.** McClain will work owners who currently have upgraded Comcast to make sure the transition is seamless.

Mallow asked the board a series of questions, including:

- What is the status of the conversation around an HOA unit?
- When have we had our last external audit?
- What is the status of the website, including easier log-in and navigation?

She also asked the following of the board:

- To notify people of this meeting according to bylaws
- Inform owners about who is running for the board
- Solicitation for officers
- Information for contacting board members

McClain responded that there is a way to contact all members. Boehler responded that there should be two websites – an HOA website that includes documentation (e.g., financials, meeting minutes, etc.). One suggestion is to put board members' emails and phone numbers on the meeting minutes. Pennington would like this information to be sent to all owners.

The board is in violation of the bylaws in two ways; first, the meeting should be in December, and second, proper notification must be made regarding meeting location and time.

McClain responded to the question about on-site management. He said that he had requested consideration of the HOA owning a unit for an on-site representative. This is complicated; not just an issue related to buying a unit.

Pennington asked about the current staffing situation. McClain is well aware of the issues and working to fill the vacancies. McClain hired a front desk person last week, and he hired a maintenance person who is starting next week. He wants everything to be painted the same to make maintenance easier

over time. Pennington also asked who can be on-site in 10 minutes if there is an emergency. McClain said no one.

Brown wants to make sure that McClain has a license or five years experience.

Elections to the board were held; Michelau and Hagman were re-elected.

The annual meeting adjourned at 1:20 p.m.

DRAFT