

WEST WILLOW HOMEOWNERS ASSOCIATION ANNUAL MEMBERSHIP MEETING

**New San Juan Building, Conference Room
220 East Colorado Avenue
Telluride, Colorado 81435
October 10, 2002, 9:30 A.M. (MST)**

MINUTES

The annual membership meeting of the members of the West Willow Homeowners Association was held on October 10, 2002, at 9:30 A.M., in the Conference Room of the New San Juan Building, 220 East Colorado Avenue in Telluride, Colorado.

1. Roll Call and Determination of Quorum.

Board Members Present via Conference Call (#8786042): Harold Davidson, Vice President, owner of Unit #6; Laurie Quilligan, Secretary-Treasurer, owner of Unit #3.

Board Member Present at Meeting: Erin Hess, President, owner of Unit #7.

Owner Members Present at Meeting: Julie Close, owner of Unit #4; Dr. Susannah Smith, owner of Unit #5; Tom Hess, owner of Unit #7; Paul Scheibe, owner of Unit #1 by proxy to Tom Hess.

Absent: Ann Mailer, owner of Unit #2 was called on the conference call, but there was no response.

Also Present: Judi Balkind, Property Manager.

A quorum was deemed present.

The meeting was called to order by Judi Balkind.

2. Proof of Notice of Meeting or Waiver of Notice.

Judi Balkind called for a motion to approve or waive the notice of the meeting. A motion was made by Susannah Smith. The motion was seconded by Tom Hess. There were no further comments.

3. Reading and Approval of the Minutes of the Annual Membership Meeting held on October 12, 2001.

Judi Balkind stated that the reading of the Minutes of the October 12, 2002 Annual Meeting would be waived and asked for comments about those Minutes. Tom Hess moved for approval of the Minutes. Julie Close seconded. Motion passed without discussion.

4. Unfinished Business.

Review Financials for Year Ending July 31, 2002. Judi Balkind stated that laundry income exceeded the budget by \$1,158; therefore, she adjusted the budget for the year 2002-2003 to reflect that income. The hot tub maintenance was under budget by \$2,000. No maintenance was paid to Boomerang Lodge because the hot tub was not working. She stated that \$1,000 of that \$2,000 was allocated to the painting fund in August and September of 2002. Window washing (included in Mike Lewis's contract) was also under budget. General maintenance was over budget by \$346. Window cranks were purchased and installed by Chuck's Glass, and cabinets which had not originally been budgeted were purchased for the two laundry rooms. Interior maintenance was over budget by \$1,100, most of which was for the new dryer in Building #1 (previously approved, but not budgeted). New doors were also installed in the laundry room of Building #1. A short discussion was held concerning the length of drying time and cost thereof. Roof repair was over budget by \$865. Judi Balkind stated that this was actually for roof ice removal which had not been budgeted, but which is now included in the budget for 2002-2003. Accounting-Tax Returns was over budget because Dalby Wendland & Company, P.C. ("Dalby") needed to review two sets of books. The cost to do this was more than usual. When Resortquest had all the associations, Dalby had charged Resortquest a bulk rate, which is no longer available, so Dalby's fees have increased. Electric was over budget significantly by \$1,400. Judi stated that she and Mike Lewis did not know that there were heaters in the crawl spaces underneath the building that should have been turned off during warmer months. Harold Davidson questioned whether they had found anything stored under the building by the builders. He stated he had found some things there when he took over Unit #6. Judi said she would ask.

Judi stated that for the fiscal year 2001-2002, the Association was over budget by \$251. She asked for questions or comments. Harold Davidson noted that there was quite a bit collected from laundry income last year and questioned whether the budget would balance next year. It was noted that the extra income was offset by the cost of mistakenly running the heaters beneath the buildings during warmer months.

5. New Business.

a./b. **Membership Approval of 2002-2003 Budget and Dues and Elimination of Hot Tub Assessment.** Judi Balkind stated that there would be no hot tub assessment for fiscal year 2002-2003 because Boomerang Lodge is still uncertain about whether they will have a hot tub. She stated that overall dues will remain the same because of offsetting items. Trash removal will almost double in cost because the West Willow Homeowners Association is going to take care of its own trash removal, resulting in an increase in the 2002-2003 budget. A question was raised concerning how the Association would fund the painting costs if the assessments were dropped for the hot tub. Judi stated that she had budgeted for the painting fund for 2002-2003 and asked for discussion. Discussion was held concerning capital reserve monies on hand. Tom Hess suggested that 2/3 of the \$3,000 that is budgeted for the capital reserve be reallocated to the painting budget. Judi stated that as of October 10, 2002, the reserve contains \$12,340 and the painting fund contains \$3,419. Additional discussion was held concerning the possible need to repaint the building in the next year or two and the availability of funds for that painting. Judi stated that it will probably

cost about \$20,000 to repaint the building when the time comes. Tom Hess said that the cost of painting the building would be covered by a special assessment. Question was asked about prior discussion of doing window/screen work. Tom stated that was an individual unit expense. Judi confirmed that \$2,820 would be going into the painting fund. Judi asked whether the members preferred a one-time assessment or several smaller assessments via HOA dues. Tom Hess commented that increasing the HOA dues might make it more difficult to sell a unit. Discussion was held concerning this matter. It was decided that Judi would spread these costs over 12 months and reallocate \$2,000 of the reserve assessment into the painting fund, resulting in a year-end total to the painting fund of \$2,820 and to the reserve of \$1,000. Discussion was had concerning the length of time and the cost of running the dryer. Tom Hess questioned whether Judi had adjusted the budget to reflect the fact that the heaters will not be running as much this year. Judi will adjust the budget to the \$2,900 budgeted for last year plus 15%. Tom Hess moved that the 2002-2003 budget be approved with: 1) reallocation of \$2,000 of capital reserve to the painting budget, 2) spreading of the reserves for both painting and capital over the remaining nine months of this budget, and 3) reducing of the electric budget back to the 2001-2002 figure plus 15% increase. Seconded by Susannah Smith. Motion passed.

c. **New Trash Containers/Recycling Bin for the Complex.** Boomerang Lodge is no longer going to share its trash container; West Willow will need to arrange for its own containers. Judi stated that to have the trash dumped twice a week will cost about \$146. She stated that recycling has been discussed several times and asked if the members wish to begin recycling at this time. She noted that the members would have to be diligent about making sure the recycled trash doesn't get contaminated. Judi stated that the bins would need to be purchased through the Town and the cost (approximately \$100) would be spread out in the water/sewer bills. The bins would then be the property of the Association. Waste Management will provide the recycling bins. Judi stated the bins could be in place by the end of next week. Discussion continued concerning placement of the bins and rules for their use.

d. **Replacement of Common Area Windows and Unit Windows.** Judi Balkind stated she brought this up because she and Mike Lewis are attempting to get bids for windows even though their replacement is the responsibility of the individual unit owners. She stated there might be a bulk rate available and a bulk purchase might keep the windows more standard.

e. **Repair/Replacement of Screens.** Judi Balkind stated that none of the screens found in the laundry room fits any of the windows and requested that the owners let her know how many screens are needed in the units. She will then have Mike Lewis ask Chuck's Glass or another vendor to take measurements and provide a bid for those screens. Discussion was had that the screens were not replaced by the painters. A suggestion was made that when repainting becomes necessary, the Association add a clause to the painting contract that the screens will be placed back on the windows after painting.

f. **Drainage in Front of Carports in Units #6 and #7.** Judi Balkind stated she talked with Susannah Smith, Tom Hess and Mike Lewis. She stated that when Tom lived here he used to make sure that the water ran off in front of Units #6 and #7. She said Mike has been doing that lately and found that the drainage only partially works, that it does ice up at times if not consistently shoveled. It was noted that this was a condominium responsibility.

Judi stated that Mike Lewis is now shoveling it out more often and watching the situation. Discussion followed concerning how Tom had previously taken care of the problem and Mike has now been working on it. Possible other, more permanent solutions were discussed. Judi stated that they would make sure that Mike Lewis continues to monitor the drainage ditch and keep it cleared this winter. If that doesn't work, alternatives would be addressed, such as a bump into the carports, changing the grade, etc. Additional discussion was had concerning pouring another concrete step outside of Unit #4 because the step-down is over a foot. It was noted that the new step would need to meet the Town's codes.

h. **Roof Repair.** Judi stated that a repair was recently done to the flashing on Dr. Smith's unit (#5) because it was leaking. Telluride Roofing is currently completing the new flashing. The cost was approximately \$1,000. Harold noted past leakage at Unit #5, but it was noted that was from their hot tub.

i. **IRS Tax Rules and Tax Returns.** Judi noted that for tax purposes, the Minutes need to reflect how the members want to assess any type of excess, whether the members want to allocate it to the reserve account or keep it in the operating account. In the past, it was put into the reserve account. She stated she needed a motion for the CPA firm, because they attach the motion to the tax return. Motion was made by Tom Hess that the excess be placed in the reserve. Harold Davidson questioned if there is an advantage placing the excess in one account or the other. Tom stated there is no advantage, it just needs to be declared. Harold then clarified his question, asking whether there would be a tax advantage to placing the excess in one account or the other, and if the excess is placed in the reserve account whether it would still be available for use. Tom stated that reserve can be used for any capital expense for the building, such as painting. Tom then amended his motion to state that the excess be placed in the painting reserve. Discussion continued. Judi requested a second to the motion. Julie Close seconded. There was no further discussion. Motion passed.

j. **Other.**

Judi stated that she met with the woman from the Town of Telluride who is in charge of bike racks. She gave Judi information about several types of bike racks and recommended one that might be better. Judi put this in the budget at \$200 under miscellaneous. Judi said she thinks the bike racks run about \$150. She requested that the members look at the information and decide which one to order. Discussion ensued concerning where to put the bike rack and how to keep it from being taken. Tom Hess recommended that he and Julie meet to work out where to put the bike rack/trash bins. Then, a bike rack will be purchased when the dimensions are known.

Julie Close suggested the windows should be cleaned. Judi stated this expense is included in the budget. A question was asked if Mike Lewis has keys to the units, as one of the tenants was locked out recently. It was noted that the Fire Department also would like to have one person with a key to all the units. It was decided that Judi Balkind would acquire a key to each unit and be responsible for those keys.

6. Election of Officers.

Judi Balkind stated that she did not receive any nominations for the positions. Currently, Erin Hess is President, Harold Davidson is Vice President, and Laurie Quilligan is Secretary/Treasurer. Following discussion, motion was made by Susannah Smith naming Erin Hess as President, Julie Close as Vice President, and Laurie Quilligan as Secretary/Treasurer. Tom Hess seconded the motion. Motion passed.

7. Housekeeping.

Date of Next Annual Meeting. Following discussion, the next annual meeting was set for the first week of August 2003.

Erin Hess made a motion to adjourn the meeting. Julie Close seconded the motion. The motion passed and the meeting was adjourned at 10 45 A.M.

Respectfully submitted,

Judi Balkind, Homeowner's Association Manager