

Indian Peaks Interval Owners Association (IOA)

Board of Directors

Minutes of Board Meeting

August 21st, 2021

Minutes of the Board of Directors meeting of the Indian Peaks Interval Owners Association, held at the Indian Peaks Condominiums in Fraser, CO at 9:00 AM on Saturday, August 21st, 2021.

1. CALL TO ORDER

Board President Kevin Schneider called the meeting to order at 9:09 AM.

2. ROLL CALL

Board members present:

Kevin Schneider, President

Lee Anderson, Treasurer

Walt Steiner, Board Member at Large

Mark Landrum, Board Member at Large

Dani Hecker, Board Member at Large

Bill Berlin, Owner of condo C302

Present by Proxy:

Tom Overton, Proxy assigned to Kevin Schneider

Present by Zoom:

Dani Hecker, Board Member at Large

Janet Smith, Vice President

Also Present:

Kristy Meyer, Indian Peaks General Manager

Kyle Jenkins, Prospective Indian Peaks General Manager

3. QUORUM ESTABLISHED

The Indian Peaks Condominium Owners Association successfully established a quorum with 23.6% of ownership in attendance at the meeting or by proxy.

4. STAFFING ANNOUNCEMENT

Kristy Meyer informed the board members present of Deb's planned retirement at the year end of 2021. Kristy informed the owners present that the next manager for the Association will need to fill the role of the Accounting for the Association.

5. REVIEW 2020 ANNUAL BOARD MEETING MINUTES

The previously approved 2020 Annual meeting minutes were reviewed by the board members present with no questions at the time.

6. FINANCIAL REVIEW OF 2021 YTD FINANCIALS

Kristy Meyer reviewed the Year-to-date financials with those present.

1. \$7,351 earned YTD from deed buybacks
2. Sales of Inventory: YTD 3 weeks have been sold for a total of \$2650.
3. Printing expenses were higher than anticipated and administration expenses were lower than anticipated. The difference in these amounts are very close to the projected budgeted amount allocated.
4. Electrical expenses were below budget due to fewer stays during the 2020/2021 winter.
5. Housekeeping consumables expenses were higher than anticipated due to masks being provided for all guests while mask mandates were in place by the State of Colorado.
6. Carpet cleaning was not completed during the spring as it wasn't needed this year due to fewer stays in the winter.
7. Annual deep cleans were not completed in the spring and were not needed due to fewer stays in the winter. Thorough 'Heavy Cleans' were completed by Meredith during the spring at no additional charge and will be completed again during the fall.
8. Upholstery and drapes were not steam cleaned due to fewer stays and replacement of drapes
9. Housekeeping expenses were below budget due to fewer reservations in the winter.
10. Linen service expenses were below budget due to fewer reservations in the winter.
11. Maintenance expenses were higher than the budgeted amount due to the replacement of baseboard heaters.

12. Spa repair expenses were lower than the budgeted amount due to replacement of the worst spas at the complex.
13. Rental commission income was higher than the budgeted amount due to higher rental revenue.
14. IOA net profit YTD is \$77,813.40 and higher than budget projections.

Reserve Balances

The IOA reserve was 46.5% funded at the time of the reserve study and is currently 66% funded. At 70% funded there is a low chance of a special assessment for owners.

The IOA reserve balance is currently \$251,820.91 as of June 2021 compared to \$250,164.78 in June 2020. The small increase in the reserve balance is due to large reserve expenses in 2020 including new carpeting/LVT flooring in seven condominiums and four new hot tubs.

\$15,000 per year is currently scheduled to be transferred from the IOA checking to the Reserve account on a pro-rated basis each month.

Kristy Meyer informed those present that there may be a surplus in the checking account of the year end of 2021 that can be moved to the IOA Reserve fund. At the end of June 2021 the IOA checking account held \$87,180.05 more in funds than the account held in June of 2020. Expenses related to guest stays are anticipated to be higher in the second half of 2021 so the total balance that can be moved to the IOA reserve fund will not be known until the year-end of 2021.

Kristy recommended the Board not consider undertaking improvements listed on the IOA reserve study until the budget meeting in early 2022 due to the Board approved unexpected expenditure to replace 9 hot tubs at a costs of \$7300 per tub (totaling \$65,700) and the expense of building a reservoir under each tub as a contingency in the event a hot tub fails.

Kristy informed those present that over the past few years carpeting has been replaced in 23/24 units and luxury vinyl tile installed in A103. Counter tops in all kitchens and bathrooms have been replaced & overall the condos are in good shape.

Board Vice President, Janet Smith, asked those present what the Association's current goal for Reserve funding is & asked for clarification on the reported levels of Reserve funding. Those present discussed the previous Reserve fund target of \$250,000 Kristy Meyer clarified that current reported levels of Reserve funding are based on Industry standards of Association Reserve funding.

ACTION: Walt Steiner requested that the Association review the Reserve Fund Balance target be annually to make adjustments as needed in the future.

Kristy Meyer discussed incorporating the Association Reserve Study planning into the Association's Budget document to allow for more comprehensive Reserve planning.

1. Bad Debt

Kristy informed those present that there are currently 11 owners with accounts more than \$1000 in arrears. The total amount for those accounts is \$17,517.26. This amount will be written off accounts receivable on the IOA balance sheet. Collections of these debts will continue to be pursued by the Association's Collection company.

MOTION: Kevin Schneider made a motion to approve the Association writing off bad debt in the amount of \$17,517.26. The motion was seconded by Walt Steiner. The Motion was unanimously approved.

2. Dues

Kristy Meyer informed those present that the IOA Reserves are currently on track due to the infusion of cash from the lost PayPal payments into the reserve account and the additional net profit funds expected to be added in 2021, some of which can be moved into the reserve account. Kristy Meyer suggested a small dues increase of four to six percent for the IOA to accommodate the increased expenses & rising costs of labor.

Kristy Meyer informed those present that the Association's current hot tub contractor, Mark Pappas is planning to increase his fees substantially, after talking with other hot tub operators and being offered positions elsewhere. Kristy informed the owners present that she is in the process of negotiating this price increase and will work to keep this expense increase as reasonable as possible.

Kristy Meyer informed those present that if dues were raised in the IOA only the COA dues costs should not be increased as increased costs are not being seen in the COA as they are in the IOA. Kristy Meyer suggested a 5% dues increase for the 738 IOA owners due to increased labor costs and inflation that would increase projected revenue to \$28,117.

MOTION: Mark Landrum made a motion to increase dues 4%, Janet Smith seconded the motion. The vote was opposed by Dani Hecker, Kevin Schneider, Tom Overton, Lee Anderson & Walt Steiner. The motion failed with 2 opposed and 5 in favor.

MOTION: Lee Anderson made a motion to increase dues by 5%, the motion was seconded Walt Steiner. The motion was opposed by Mark Landrum and Janet Smith. The motion passed with 5 in favor and 2 opposed.

MOTION: Kevin Schneider made a motion to approve the Financials. The motion was seconded by Walt Steiner. The Motion was unanimously approved.

3. OLD BUSINESS

1. Maintenance Items Completed, Pending & future

Kristy Meyer informed those present that six carpets have been replaced with new carpeting, one carpet in A103 has been replaced with new luxury vinyl tile. Drapes have been replaced in about 70% condos with the remainder to be replaced in the fall. 9 Hot tubs are scheduled to be replaced in the fall & spring, two that are currently inoperable in C201 & C203 are being replaced now.

2. Bed Bug Quarterly Inspection & Treatment

Kristy Meyer informed those present that there was a case of bed bugs at the property this past spring. Kristy informed those present that the costs of quarterly inspections is \$840 & if any pests are found treatment costs \$189 per unit. Kristy Meyer requested that the Association approve quarterly inspections for all 26 units and will request that this expense be paid by the Condominium Owners Association since all units should be treated, this topic will be discussed in the COA meeting.

3. Deed Issues

Kristy Meyer reviewed the deed issues the Association is having with non-paying owners and advised the Association that the expense for the management company to contact these non-paying owners would be \$47 an hour for office employees and \$100 per hour for the Manager to pursue the non-paying owners.

MOTION: Walt Steiner made a motion to allow owners who are in arrears with the Association to deed back their ownership to the Association at a cost of \$800 & to include attorney's fees in exchange for forgiveness of debt owed to the Association. Lee Anderson seconded the motion. The motion passed unanimously.

4. Deed Back Requests from Current Owners

Kristy Meyer reviewed 7 Deed-back requests from current owners who have asked for their ownership to be transferred back to the Association. Owners asked management to check if new sales can be made with a provision to ensure that if a deed does not transfer to an owner's heir upon their death that the deed revert back to the Association.

ACTION: Management will seek professional legal opinions on whether new sales can be written with a provision that deeds revert back to the Association upon an owners death with no heir listed to inherit the deed.

Board President requested that management reach out to the 7 owners requesting a deed-back to pursue payment.

MOTION: Mark Landrum made a motion to approve management to contact the 7 owners seeking a deed-back to inform the owners that if they're willing to pay 1 & ½ of a year's dues total amount plus the costs to transfer the week. The Board will review the owners who do not take advantage of this offer during the Winter Budget meeting.

5. Management Contract

MOTION: Mark Landrum made a motion to table the discussion on a new management contract(s) until such a time that Board member, Tom Overton who is an attorney, can review the agreements. The motion was seconded by Lee Anderson. The motion passed unanimously.

Kristy Meyer asked those present if there were any questions regarding proposed fee schedule and costs in a new management agreement(s)

ACTION: Management will provide the owners with a detailed explanation of the proposed 10% increase in the management contract(s) presented to the Association

6. Sales Program

Kristy Meyer informed those present that three IOA-owned weeks have been sold so far in 2021.

7. **NEW BUSINESS**

1. Kyle Jenkins – Prospective New Manager for Indian Peaks

Kristy Meyer introduced Kyle Jenkins, a prospective manager for the Association following Kristy's departure on October 1st 2021. Kyle Jenkins spoke briefly introducing himself and answering questions from the Board

2. Laundry Room

Kristy Meyer informed those present of the current laundry concerns. with the company currently taking care of the Association's laundry has been struggling lately to get laundry returned to Indian Peaks in a timely manner and there are concerns that the contracted laundering company may not be able to continue to handle IP laundry moving into the future. Kristy Meyer suggested to the owners that the Association should consider purchasing a high capacity or industrial washer and dryer to do all laundry in-house.

ACTION: The Board request that management provide the Board with quotes, projections,

and costs estimates along with a prospective plan to purchase equipment to perform laundry in-house and end the contracted laundry service.

3. **Off Season Rentals through Interval International**

Kristy Meyer advised the board that Interval International has an off-season rental program that management will be participating in to drive more rentals. The charge per week for this program ranges from \$400 during mud season to \$850 during early season ski weeks. This will allow the Association to benefit from greater rental revenue during these periods.

4. **ESTABLISH NEXT MEETING DATE**

The 2022 Board meeting will be established at a later date and notice will be sent to all owners.

5. **ADJOURN**

The meeting was unanimously adjourned at 11:47 AM.

Recorded by Kyle Jenkins

8/21/2021