

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION  
BOARD OF MANAGERS MEETING  
January 19, 2011  
Dillon, Colorado**

**I. CALL TO ORDER**

The meeting was called to order at 7:04 p.m. by Richard Garcia.

Board members present were Richard Garcia, Paul Hage, Sylvia Dowty, Dru Griffin, Glenn Johnson and Lisa Watkins.

Representing Basic Property Management were Gary Nicholds, Julian Brodie and Candy Ramage. Erika Krainz of Summit Management Resources was recording secretary.

Owners present were Lee Vroble (X302), Cathy Brosius (E106), Brian Eickhoff (D304), Barb Johnson (S103/104), Nicole and Josh Wyckoff (B106), Kim Woodward (S204), Laura Fletcher (I202), Damien Ruiz (W304) and Robert Nevarez (A105).

**II. APPROVAL OF PREVIOUS MEETING MINUTES**

Paul Hage made a motion to approve the minutes from the November 17, 2010 Board Meeting as presented. The motion was seconded and carried.

**III. 2011 BUDGET QUESTIONS**

Kim Woodward commented that pest control should be an individual expense. She also felt the hallway cleaning expense was high. Richard Garcia explained that the owners voted to include pest control as an Association expense at the last Annual Meeting. The hallways are common areas and the management company is responsible for the cleaning. She also commented that the pole lights at the edge of the building were out. Lee Vroble encouraged owners to clean their common areas to help reduce the expense. He said he would like the Board to address the issue of items being left or stored in the hallways. Richard Garcia noted that Basic Property Management had not increased their fee for the past two years. Paul Hage added that the dues increase was necessary to repay the loan, not to fund higher operating costs.

Josh Wyckoff asked if the dues were projected to increase in future years due to the loan repayment. Paul Hage said the loan has an adjustable rate so the appropriate adjustments would have to be made if the rate increases. Richard Garcia said the loan was necessary because over the previous 15 years projects were put off in order to minimize dues increases. This Board is trying not to put off projects because they end up costing more.

Lee Vroble asked if the gas costs had changed with the new boilers. Candy Ramage said in comparing October – December usage in 2010 versus 2009, October was 29% lower, November was 8% lower and December was 30% lower. Boiler maintenance was reduced from \$25,000 in 2008 to \$7,000 in 2010.

Kim Woodward asked if the loan could be refinanced in the future if rates increase. Gary Nicholds confirmed that it could be.

Robert Nevarez said the heating system in his building was making noise. Richard Garcia said the noise was caused by faulty zone valves in the units. Some of the valves were installed backwards. The staff is in the process of correcting the issue in all affected units, unless the owner refused to have the valve replaced three years ago. Some of the boilers also have oversized circulating pumps, which are moving the liquid through the pipes too fast.

Laura Fletcher commented that she would like the Board to reconsider raising the dues for this year. She did a comparison of dues with several other complexes and Dillon Valley East was higher than all of them. The level of dues is negatively impacting resale's. Her questions included:

1. Bad Debt – Paul Hage explained that the Association works with delinquent owners and tries to establish payment plans. Some owners end up in foreclosure and when that happens the unit value is often not as much as the mortgage. Per Colorado law the Association can only collect six months of past dues from a foreclosure. If the Association does not collect all the outstanding debt, the other owners have to cover the outstanding amount.
2. Cable TV – The Association is under contract with Comcast until 2015. She asked the Board to explore cancellation or renegotiation of the contract. Richard Garcia said Comcast was the only provider in the County. Comcast rewired the entire complex at their expense for digital signal as part of the contract negotiation. Richard asked management to look into the options for contract cancellation.
3. Director's Expenses/Bonuses – Laura thought bonuses should be paid out of management profits. Richard Garcia said many owners have requested that the staff be awarded bonuses. She suggested awarding bonuses based on the amount of savings provided by in-house staff completing projects. Richard said the Board had considered this approach.
4. Trash Removal – Laura asked the Board to try to renegotiate the contract with Timberline. Gary Nicholds said he would approach the owner of the company. Paul Hage noted that the dump fees were driving some of the increases.
5. Reserve Expenditures – Laura commented that the budgeted figures were not based on firm bids. She asked where the cost figures came from and why owners were paying dues on estimates. Paul Hage explained that the Board was planning ahead for upcoming projects. There is no commitment to hard estimates with specific contractors for the projects. Once it is time to do the projects, firm bids will be obtained. The goal is to build the Reserve balance; the buildings will need to be re-roofed in the next five or so years. The auditor indicated that 10 – 15% of the dues should be contributed to the Reserves. Sylvia Dowty noted that the cost estimates were usually based on past actual costs.

Damien Ruiz asked if bad debt could be collected through a court process. Paul Hage said foreclosure relieves the owner of the debt. The Board has consulted with the attorney to determine if there are any other options.

Brian Eickhoff asked if cable could be upgraded. Gary Nicholds said additional services could be added at owner expense through Comcast.

An owner did not think the excess loan funds should be used for other projects because the owners would have to pay interest on the balance.

Damien Ruiz asked about the term and cap on the loan. Gary Nicholds said the loan term was a ten years.

#### **IV. OWNER COMMENTS**

Brian Eickhoff said he received a violation regarding curtains and a cracked window. He requested a six-month extension to have the window replaced. The Board granted an extension to 7/31/11.

Kim Woodward said her screens had been replaced.

Lee Vroble said he received a notice about a missing screen but his screen was not missing.

Damien Ruiz said the common area in Building W was in poor condition and was affecting the resale values in the building. It was supposed to have been painted three years ago. Gary Nicholds confirmed that this area was at the top of the list for painting. Damien also said his car was blocked in last month and could not get any help from the Clubhouse staff. Gary Nicholds will address this issue.

#### **V. FINES & HEARINGS**

There were no owners present regarding fines.

#### **VI. MANAGER'S REPORT**

##### *A. Manager's Report*

1. There were sewer backups in Z and E Buildings.
2. The O Building boiler control had to be repaired.
3. The Fire Department was on site a few weeks ago to inspect all buildings and found no deficiencies.
4. Issued 15 parking violations and towed one truck from T Building.
5. Replaced carpet in ten stacks last year.

##### *B. Delinquency Report as of October 31, 2010*

Gary Nicholds provided a written report.

1. One unit is in foreclosure.

2. Liens have been filed on the delinquencies with the highest amounts but the Board needs to decide how aggressive they want to be.

Dru Griffin felt the Board should take a hard line instead of negotiating or making concessions. Sylvia Dowty said the actions were dictated by legal requirements. He recommended establishing of a firm policy, with some leeway for conditional situations, so all owners are treated the same. Paul Hage suggested an educational session for Board members explaining the foreclosure process. Gary Nicholds will research the parameters and recommended procedures for addressing foreclosures with the attorney Dan Wolf.

## **VII. TREASURER'S REPORT**

### **A. Year-End Profit and Loss as of December 31, 2010**

1. Total Income - \$1,554,381 actual vs. \$1,550,690 budget (0.2% over budget).
2. Total Expenses - \$1,541,953 actual vs. \$1,548,758 budget (0.4% under budget).
3. Total – \$12,428 actual versus \$1,932 budget.

The 2010 surplus will be rolled over into the 2011 Operating Budget.

Significant variances included Bad Debt (\$35,378 over budget), Interest (\$18,557 under budget), Snow Removal (\$9,751 under budget), and there was a \$5,404 unbudgeted expense associated with the purchase of the loader.

Year-to-date Reserve expenses were \$98,240 and revenue was \$356,402. Loan expenses for the year were \$451,825.

Glenn Johnson made a motion to approve the Treasurer's Report for December 2010. Sylvia Dowty seconded and the motion carried.

## **VIII. BUILDINGS, GROUNDS AND LANDSCAPING COMMITTEE**

Glenn Johnson said there were two dumpster enclosures that were damaged and need to be repaired. Gary Nicholds said he would call the contractor again. Glenn said he has been very pleased with the snow removal with the new equipment. Barb Johnson said the sidewalk plowing created two large bumps in the parking lot. Gary was asked to notify the Town about the cars being parked on the road when the lots are being plowed to prevent ticketing. Gary said the loader would be used to scrape the lots when weather permits. Gary will work on job descriptions for the Clubhouse office staff when there is time.

**IX. ARCHITECTURAL REVIEW COMMITTEE**

Cathy Brosius did not have anything to report. The property was toured and a list of violations was developed. The owners missing screens were given a deadline of 1/31/11. The units will need to be re-inspected for compliance in February.

**X. OLD BUSINESS**

A. *Review Security Inspection Book, Hallway Cleaning Schedule Book, Boiler Inspection Book, Public Comments (Buildings & Grounds Committee).*  
Glenn Johnson checked all books and all were in order.

B. *Project Status by Individual Projects for 2010*

1. Boiler Replacements – all boilers have been installed. All have been inspected and passed except for the Clubhouse.
2. Piping Project – completed.
3. Balconies – completed.
4. Siding – completed.
5. Exterior Doors – completed. There are still some punch list items that will have to be addressed in the spring. There will be a hold back of about 10% until all items (mainly painting and caulking) are completed.
6. Gutters – completed.
7. Asphalt Overlay – on hold due to weather. A few areas were patched temporarily to prevent damage to vehicles.

C. *Zone Valve Inspection Update*  
Julian Brodie said the zone valve inspections should have been completed today. He will do a final inspection of the 49 affected units. A mass email will be sent to all owners in the complex to make sure no units were missed.

D. *FHA Approval Status Project*  
Sylvia Dowty said the approval had been a slow process because 206 units must be classified as primary residence or second homes in order to make an application. There have been only 91 responses from owners with units in those categories.

E. *HOA Registration with the State of Colorado*  
All Associations are now required to register with the state by March 1, 2011. Susan Nicholds will handle the registration for the Association.

F. *Distribution of Regular Meeting Minutes*  
Owners should be notified that the Annual Meeting Minutes are available on the website or by email. Richard Garcia suggested sending a preprinted postcard to all owners.

**XI. NEW BUSINESS**

*A. Violation Notices Sent to Owners and Residents*

Notices were sent to all owners and residents who had violations. Owners have until January 31, 2011 to correct the violations.

*B. Parking Permits*

Parking permits are now available. Richard Garcia asked the Board if the passes should be issued for multiple years instead of being sent out annually. Lisa Watkins and Dru Griffin felt the passes would be a waste of money unless the regulations are enforced. The cost to issue new permits annually is \$1,340. Dru Griffin made a motion to honor the 2011 passes in 2012 as a test. Paul Hage seconded and the motion carried.

*C. Hallway Painting*

Gary Nicholds said all hallways were rated on a scale of 1 – 5 regarding the need for painting. About half are rated a 3 or worse. Gary suggested hiring an outside contractor for this work and having the in-house staff paint the ones rated at 2. He proposed painting all walls and ceilings the same color. Dru Griffin noted that there had to be some tracking mechanism and accountability to ensure that the Association was getting the labor hours included in the management contract and that in-house staff is not being paid to do the extra work during their regular hours. Gary Nicholds said he was setting up systems to prioritize and track projects and to track labor hours.

*D. Resolution of Owner Issues*

Gary Nicholds said he had instructed his staff to direct owner issues to Julian Brodie or Martin Ciniceros. Owners should not be directed to contact Board members directly. If an issue needs to be escalated, owners should contact Gary Nicholds or attend the next Board Meeting. Dru Griffin felt there should be someone at the Clubhouse who is empowered to solve problems. Gary said he would be working with the staff on improving customer service.

**XII. SET NEXT MEETING DATE**

The next Board Meeting will be February 16, 2011 at 7:00 p.m. in the Clubhouse.

**XIII. ADJOURNMENT**

A motion was made to adjourn at 9:51 p.m.

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_  
Board Member Signature

**Dillon Valley East  
Financial Summary  
As of December 31, 2010**

<b>Summary Balance Sheet</b>				
	<b>Operating</b>	<b>Reserve</b>	<b>Loan</b>	<b>Total</b>
Cash Accounts	64,136.19	621,527.97		685,664.16
Other Current Assets	83,318.85	1,196.34	1,196.34	85,711.53
Fixed Assets (net of depreciation)	37,970.78			37,970.78
<b>Total Assets</b>	<b>185,425.82</b>	<b>622,724.31</b>	<b>1,196.34</b>	<b>809,346.47</b>
Current Liabilities	81,928.34		1,196.34	83,124.68
Long Term Liabilities	216,167.64	1,196.34	1,262,590.47	1,479,954.45
Donated Capital	2.00			2.00
Retained Earnings	(125,099.98)	363,366.16	(810,765.32)	(572,499.14)
YTD Net Income	12,427.82	258,161.81	(451,825.15)	(181,235.52)
<b>Total Liabilities &amp; Equity</b>	<b>185,425.82</b>	<b>622,724.31</b>	<b>1,196.34</b>	<b>809,346.47</b>
<b>Operating Fund P&amp;L</b>				
	<b>Actual</b>	<b>Budget</b>	<b>Difference</b>	
December Total Income	128,090.68	129,049.19	(958.51)	
December Total Expense	141,105.71	129,806.50	11,299.21	
December Net Income	<u>(13,015.03)</u>	<u>(757.31)</u>	<u>(12,257.72)</u>	
YTD Total Income	1,554,381.32	1,550,690.15	3,691.17	
YTD Total Expenses	1,541,953.50	1,548,758.46	(6,804.96)	
YTD Net Income	<u>12,427.82</u>	<u>1,931.69</u>	<u>10,496.13</u>	
<b>Reserve Fund P&amp;L</b>				
	<b>Actual</b>			
December Total Income	29,731.17			
December Total Expense	<u>(441,474.20)</u>			
December Net Income	<u>471,205.37</u>			
YTD Total Income	356,401.90			
YTD Total Expenses	<u>98,240.09</u>			
YTD Net Income	<u>258,161.81</u>			
<b>LOAN Fund P&amp;L</b>				
	<b>Actual</b>			
December Total Income	0.00			
December Total Expense	<u>451,825.15</u>			
December Net Income	<u>(451,825.15)</u>			
YTD Total Income	0.00			
YTD Total Expenses	<u>451,825.15</u>			
YTD Net Income	<u>(451,825.15)</u>			

Major Variances YTD:

- Delinquency Fees are \$8135 over budget and Finance Charges on Past Due Accts are \$2351 over.
- Washer/Dryer income is \$6464 under budget.
- Interest on the loan is \$18,557 under budget.
- Depreciation expense is \$11,775 against \$0 amount budgeted.
- Bad Debt is \$35,378 against a \$0 amount budgeted.
- Basic maintenance is \$1806 under budget, Boiler maintenance is \$2176 over, Crown Resealing is \$2250 under, Damage Claims are \$18,656 under and Pest Control is \$6550 under.
- Repaint hallways is \$8729 under budget.
- Cable TV is \$4243 under, with Electric being \$1900 over and Natural gas \$4211 over budget.
- Office expense is \$2650 over budget and Directors Expense is \$9181 under.
- Snow removal is \$9751 under budget with Summer and Winter Grounds Maintenance \$5414 under.
- Water and Sewer is \$12,364 over budget.
- Truck/ATV expense is \$1398 over budget.
- There was \$5404 of unbudgeted expense associated with the purchase of the loader, primarily for registration and taxes.



## **Notes from the Pres.**

February 2011

### **Greetings**

#### **Zone Valves and Boilers**

All boilers have been replaced and due to the increased efficiency of the boilers, we are experiencing problems with several zone valves. A zone valve is the device that controls the flow of heating solution to each condominium. The problem we are experiencing is called “water hammer” which is a loud banging noise when the valve turns off. Property management has inventoried most condominiums and made corrections. There may be a few that were missed. Please help us identify missed valves by performing this simple test:

Turn up your thermostat to at least eighty (80) degrees for at least 15 seconds. Then set the thermostat down to your normal temperature setting. If you hear a loud bang, you have “water hammer”. If you experience “water hammer”, please notify either the clubhouse at 970-468-1371 or Basic Property Management at 970-668-0714 x7003. Our property management will need access to your unit to correct the problem. Owner’s who allowed the Association to replace their zone valve two years ago will not be charged. Zone valves not replaced by the Association will be replaced at the condominium owner’s expense.

#### **Parking Permits**

Please visit the clubhouse or our web site ([www.dillonvalley.org](http://www.dillonvalley.org)) to order new parking permits. The Board of Managers agreed to extend the period of the parking permits through year 2012 in a step to reduce expenditures.

#### **Ice and snow falling from roofs**

Please be careful when parking in your assigned space. Because of the accumulating snowfall, there is a possibility of snow and ice falling onto a hood of a vehicle that is parked under the eave of a building. So park your vehicle far enough from the building to allow snow and ice to fall to the pavement without landing on your vehicle. Our property management is attempting to knock down icicles but is unable to remove the snow from the roofs.

#### **Snow Removal from Parking Lots**

On the afternoon of the day before major snow removal, large signs will be posted at the entrance to the affected parking lots. Please remove your vehicle the following morning before 8:00 AM. You may park on either side of the clubhouse for the day, and then remove the vehicle after the snow has been removed. Please do not block doorways or garage entrances. The field to the south of the tennis court behind the clubhouse may also be used. If you plan to be gone for a few days, please check the weather report and have a friend or relative move your vehicle, or contact the clubhouse.

#### **Thermostat Setting**

We want to conserve energy, but due to the design of our buildings, we ask that you not lower your condominium temperature below 60 degrees. Several buildings have baseboard heaters on an exterior wall. If the heat in a unit is turned off, there is a possibility the pipes at the exterior wall freezing. The pipes do have a glycol mixture to prevent freezing, but a very cold temperature with a wind chill could test the limits.

**Meeting Minutes**

Meeting minutes will only be sent to owners by regular postal if requested. To request postal delivery of meeting minutes, please call Basic Property Management, 970-668-0714 Ext 7003. Annual Meeting minutes and notices of voting will continue to be sent by postal. The meeting minutes are posted on the Association's web site at [www.dillonvalley.org](http://www.dillonvalley.org). Click on "Minutes" to see a listing of current and past minutes.

Richard Garcia  
President  
Dillon Valley East Condominium Association

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION  
BOARD OF MANAGERS MEETING  
February 16, 2011  
Dillon, Colorado**

**I. CALL TO ORDER**

The meeting was called to order at 7:06 p.m. by Sylvia Dowty.

Board members present were Paul Hage, Sylvia Dowty, Dru Griffin, Glenn Johnson and Lisa Watkins. Richard Garcia participated via teleconference.

Representing Basic Property Management were Gary Nicholds, Julian Brodie, Eric Nicholds and Candy Ramage. Erika Krainz of Summit Management Resources was recording secretary.

Owners present were Lee Vroble (X302), Cathy Brosius (E106), Barb Johnson (S103/104), Laura Fletcher (I202), Jeff Schramm (I206) and Carl Henry (U202).

**II. APPROVAL OF PREVIOUS MEETING MINUTES**

Paul Hage made a motion to approve the minutes from the January 19, 2011 Board Meeting as presented. Lisa Watkins seconded and the motion carried.

**III. QUESTIONS AND COMMENTS FROM THE FLOOR/COMMENT BOX**

Jeff Schramm asked why the parking lots were not cleared today while the weather was warm. Gary Nicholds said they were working on the lots today but were not able to get to all of them.

Lee Vroble said there were still problems with noise from the heating system in X Building. Julian Brodie said he was still working on the issue.

Laura Fletcher asked management to contact the County to request plowing of Straight Creek Drive to get rid of the ruts and requested an estimate of potential cost savings if the Clubhouse staffing hours were cut back to weekends and evenings only. She also suggested having the insurance policy rebid.

Laura Fletcher asked how the \$150,000 net income from the 2011 Budget would be used. Candy Ramage said it would be used to build the Reserve Fund balance. Laura suggested paying down the loan instead. Paul Hage recommended building up the Reserve. Sylvia Dowty noted that lenders look at the Reserve Fund balance and may decline loans based on an inadequate funding level.

Laura Fletcher encouraged owners interested in trying to reduce expenses to contact her directly.

Jeff Schramm asked if the additional required insurance discussed during a previous meeting had been obtained. Sylvia Dowty confirmed that it had been.

Lee Vroble suggested including a summary of the Association insurance coverage in the minutes. Gary Nicholds said he would get this information from the insurance agent and provide it to Richard Garcia for inclusion in the President's Corner.

#### **IV. FINES & HEARINGS**

There were no owners present regarding fines.

#### **V. MANAGER'S REPORT**

##### *A. Manager's Report*

1. Both ATV's had to go in to the shop for repairs.
2. The Q Building heat pump was replaced.
3. Snow removal has been ongoing.

##### *B. Delinquency Report as of January 31, 2011*

Gary Nicholds provided a written report.

1. Unit A206 – \$12,779. The owner was deported but the unit is currently occupied by her husband and son. The unit has been in and out of foreclosure several times over the past four years. If the unit goes into foreclosure, the lender is only required to pay the Association six months of dues. The Association could foreclose and there should be enough equity to pay off the past due balance. The owner was offered a payment plan but has not complied. The owner has indicated that he will have paid off all he owes to the lender by next Friday and he will then set up a payment plan with the Association. If he does not cure his foreclosure by Friday, the Board will consider evicting him and selling the unit.
2. Unit Z201 – \$9,769. Started foreclosure proceedings.
3. Unit G106 - \$7,414. The Board can accelerate the dues payments, garnish the owner's bank account or lock out the owner. The unit value is currently less than the mortgage.
4. Unit E101 - \$6,324. The unit value is currently less than the mortgage.
5. Unit G205 – \$4,656. The unit is bank owned, is under contract and has paid in full.
6. Unit X206 – \$4,363.
7. Unit R203 - \$4,019. The owner recently paid \$1,000. The collection lawyer cannot represent the Association with this owner due to a conflict of interest.
8. Unit R105 - \$3,870. The owner cured the mortgage foreclosure and paid \$900 on 2/2/11.

Gary Nicholds suggested starting the foreclosure process once an owner is 91 days delinquent.

There was general discussion about evicting occupants. Filing an eviction costs at least \$1,000 if it is uncontested, and more if it is contested. Dru Griffin suggested filing an eviction notice for Unit A206 and if the owner cures the foreclosure to charge the fee to the owner. The Board agreed to file the eviction notice on Friday afternoon if the owner does not confirm that he has cured the foreclosure.

Gary Nicholds will do some research on garnishing bank accounts and/or wages and the legality of locking out owners with or without starting foreclosure proceedings, as well as any other possible options for the Association to collect on past due accounts.

## **VI. TREASURER'S REPORT**

### *A. Year-to-Date Profit and Loss as of January 31, 2011*

1. Total Income - \$143,300 actual vs. \$139,828 budget (2.5% over budget).
2. Total Expenses - \$126,242 actual vs. \$134,278 budget (6.0% under budget).
3. Net Income – \$17,058 actual versus \$5,550 budget, \$11,508 favorable to budget.

Significant variances included Delinquency Fees (\$733 over budget), Finance Charges on Past Due Accounts (\$301 over budget), Washer/Dryer Income (\$2,030 over budget), Loader Expense (\$500 under budget), Basic Maintenance (\$1,557 under budget), Damage Claims (\$833 under budget), Pest Control (\$1,667 under budget) and Clubhouse Expenses (\$1,332 under budget).

January Reserve expenses were \$273 and revenue was \$24,608. Loan expenses for the month were \$42,545.

Dru Griffin made a motion to approve the Treasurer's Report for January 2011. Lisa Watkins seconded and the motion carried.

## **VII. BUILDINGS, GROUNDS AND LANDSCAPING COMMITTEE**

Glenn Johnson asked about the repairs to the dumpster enclosures. Gary Nicholds said he had called the contractor and he will call again.

Glenn said the lights at the ends of P, R, S and T Buildings were not working. He was told that the wires had been damaged during the siding project. Julian Brodie said he could not repair the wiring until spring because of the snow. Gary Nicholds said he would try to identify the cause of the problem and if it was caused by the contractor, he will be expected to make the repairs. Lisa Watkins said the T Building light was trying to come on and Julian confirmed that was probably a bulb issue but the other buildings had no power to the outlets.

Lisa Watkins requested additional sanding on the sidewalks.

Glenn Johnson thanked the staff for moving the slush in the parking lots today.

#### **VIII. ARCHITECTURAL REVIEW COMMITTEE**

Cathy Brosius did not have anything to report.

#### **IX. OLD BUSINESS**

A. *Review Security Inspection Book, Hallway Cleaning Schedule Book, Boiler Inspection Book, Public Comments (Buildings & Grounds Committee).*

Glenn Johnson checked all books. The hallways were not vacuumed last week because the staff was busy chipping ice.

B. *Project Status by Individual Projects for 2011*

Gary Nicholds said there was no change from last month's report.

C. *HOA Registration with the State of Colorado*

Management is in the process of doing the registration. It was determined that this Association is not required to register because it was formed prior to 1992.

D. *Zone Valve Inspection Update*

Julian Brodie said the zone valve project was 99% completed. There is only one owner he has not been able to contact for permission to enter the unit.

E. *FHA Approval Status Project*

Sylvia Dowty reported that she received one more owner response but she is still about 100 short of the required number. She will start a phone campaign. She encouraged owners to remind their neighbors to return the form.

F. *Violation Notices Sent to Owners and Residents*

Gary Nicholds said parking violations were being aggressively enforced and some owners were very unhappy. He asked the Board for direction on towing when cars are not moved for plowing. He wants to make sure there is consistency. He was directed to be aggressive with the blatant violations.

#### **X. NEW BUSINESS**

A. *Front End Loader*

Gary Nicholds said over the past few years this Association has traded use of equipment with other properties managed by Basic and has also rented out the loader on a daily basis (\$150/day) to Colorado Mountain Maintenance. Sylvia Dowty pointed out that when the Board originally discussed purchase of the loader, it was with the understanding that some of the costs would be offset by rentals. Dru Griffin suggested creating a formal document that has to be signed when it is rented. Gary said he would create a document and would require a

copy of the renter's insurance policy. He will discuss issue of liability with the Association's attorney. Dru Griffin felt \$150/day for rental was too low. Gary Nicholds said there was a verbal agreement for \$150/hour with Colorado Mountain Maintenance based on past history.

Paul Hage made a motion to increase the rental rate on the loader to \$250/day effective May 1, 2011. Glenn Johnson seconded and the motion carried. The Board agreed they would still be willing to swap equipment at no charge with other Basic properties.

Dru Griffin made a motion to authorize renting the loader only to Colorado Mountain Maintenance, to allow Eric Nicholds to drive it for use at Summerwood in exchange for use of other Summerwood equipment and for the Board to consider any other rental requests on a case-by-case basis. Paul Hage seconded and the motion carried.

*B. Boiler Usage Data*

Candy Ramage provided an analysis of the boiler expenses. The savings were about \$6,000 due to the lower gas rates and \$6,000 (17%) due to lower usage.

*C. Laura Fletcher's Request for Publishing Email Address*

Dru Griffin made a motion not to publish the email address provided by Laura Fletcher. Rich Garcia seconded. After discussion, the Board agreed not to make a final decision until Laura Fletcher has been contacted by phone. Dru Griffin withdrew his motion and volunteered to call her.

Paul Hage explained that the Board is charged with running the Association and needs to deal with the owners in a straightforward manner. The Board has access to the pertinent budgeting information. The Board is mainly concerned about a division being created among the membership that could occur if the email address in question is published. Paul Hage suggested asking Laura Fletcher to serve on a committee.

**XI. SET NEXT MEETING DATE**

The next Board Meeting will be March 15, 2011 at 7:00 p.m. in the Clubhouse.

**XII. ADJOURNMENT**

A motion was made to adjourn at 9:02 p.m.

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_  
Board Member Signature

## Notes from the Prez

### Greetings

As we approach spring, the daily occurrence of snow melting and water freezing at night is with us. Please be careful as you step out to the parking lots in the morning. And please park your vehicle far enough from building overhangs to allow snow and ice buildup to fall onto the pavement and not onto the hood of your vehicle.

Thanks to all owners and residents who have responded to the violation notices we sent out in January. If you received a violation and did nothing in the way of correcting the item or contacting us, you will receive a second warning, then either a fine or bill for the Association to correct the violation.

We expect heavy wet snows in March and may be placing signs at the entrance of your parking lot informing you of snow removal operations the next day. You may park your vehicle during snow removal on either side of the clubhouse. If you park on Straight Creek Drive, you may receive a parking ticket from Summit County or be towed. If you expect to be gone for a few days, please leave your vehicle keys with a friend, neighbor, or the clubhouse.

The Association may not be able to qualify for FHA backing of new owner purchases. A new rule is in effect by the FHA. In order for the FHA to support a loan, the condominium association must be more than 50% owner occupied. We sent out a questionnaire to all owners and had little response. If an owner attempts to sell his unit and the buyer is denied a loan to purchase into Dillon Valley East, it may be because the Association cannot prove we are more than 50% owner occupied.

What is "Owner Occupied"? It is your principal place of residence. It is where you tell the IRS you live full time. If you own the condominium, but live somewhere else and are the principal user, that does not qualify as "owner occupied". If you own the condominium, but live somewhere else and your kid(s) live in it, that does not qualify as "owner occupied".

Do you have your new parking permit? If not please visit the clubhouse for a new one or go on-line to apply for one at [http://dillonvalley.org/forms/form\\_parking\\_permits.htm](http://dillonvalley.org/forms/form_parking_permits.htm). Only owners may apply for parking permits.

Richard Garcia  
President  
Dillon Valley East Condominium Association



**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION  
BOARD OF MANAGERS MEETING**

**March 16, 2011  
Dillon, Colorado**

**I. CALL TO ORDER**

The meeting was called to order at 7:03 p.m. by Richard Garcia.

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

Representing Basic Property Management were Gary Nicholds, Julian Brodie, Eric Nicholds and Candy Ramage. Erika Krainz of Summit Management Resources was recording secretary.

Owners present were Lee Vroble (X302), Laurel and Don Gardey (Z202), Tom Lorenz (X103) and Carl Henry (U202).

**II. APPROVAL OF PREVIOUS MEETING MINUTES**

Sylvia Dowty made a motion to approve the minutes from the February 16, 2011 Board Meeting as presented. Paul Hage seconded and the motion carried.

**III. QUESTIONS AND COMMENTS FROM THE FLOOR/COMMENT BOX**

There were no questions or comments.

**IV. FINES & HEARINGS**

There were no owners present regarding fines.

**V. MANAGER'S REPORT**

*A. Manager's Report*

1. All boilers passed County inspection but still need to pass the State inspection.
2. There have been unidentifiable problems with the F Building boiler.
3. Steam cleaned the baseboard heaters in about half of the buildings.
4. There was a problem with the Z Building boiler. One boiler is currently heating the building and the hot water.
5. Looking at replacing some of the doorbells for uniformity.
6. Chipping ice is ongoing.
7. R and S Building lights are now working. P and Q Building lights will require more research.

*B. Delinquency Report as of February 28, 2011*

Gary Nicholds provided a written report. Unit A206 owes \$12,324. The owner moved out voluntarily. The unit is on the market and there has been an offer.

Gary Nicholds was directed to disconnect the cable television in the units with the twelve highest delinquent balances. He will ask the attorney what else the Association can do.

**VI. TREASURER'S REPORT**

*A. Year-to-Date Profit and Loss as of February 28, 2011*

1. Total Income - \$286,979 actual vs. \$281,672 budget (1.9% over budget).
2. Total Expenses - \$260,556 actual vs. \$269,269 budget (3.2% under budget).
3. Total - \$26,423 actual vs. \$12,403 budget, \$14,020 favorable to budget. Paul Hage noted that after deducting the budgeted Balance Sheet items, the actual net income was \$3,493 versus a budgeted net income of (\$9,964).

Significant variances included Delinquency Fees (\$1,152 over budget), Finance Charges on Past Due Accounts (\$471 over budget), Washer/Dryer Income (\$2,141 over budget), Loader Expense (\$743 over budget), Basic Maintenance (\$4,203 over budget), Boiler Maintenance (\$1,827 over budget) Damage Claims (\$1,667 under budget), Pest Control (\$3,333 under budget), Clubhouse Expenses (\$879 under budget), Common Area Insurance (\$2,440 under budget), Natural Gas (\$960 under budget), Water/Sewer (\$1,546 under budget) and Snow Removal (\$1,419 under budget).

February Reserve expenses were \$0 and revenue was \$24,616. Year-to-date loan expenses have been \$50,926.

Glenn Johnson made a motion to approve the Treasurer's Report for February 2011. Lisa Watkins seconded and the motion carried.

**VII. BUILDINGS, GROUNDS AND LANDSCAPING COMMITTEE**

Glenn Johnson thanked Julian Brodie for repairing the exterior building lights. Lisa Watkins requested placement of a sand bucket by the entrance of T Building. Glenn noted that the dumpster enclosures still had not been repaired. Gary Nicholds said he left a message for Timberline yesterday.

Richard Garcia reminded owners not to park close to the buildings in order to avoid damage to vehicles from falling ice.

## **VIII. ARCHITECTURAL REVIEW COMMITTEE**

Cathy Brosius was not present.

## **IX. OLD BUSINESS**

- A. *Review Security Inspection Book, Hallway Cleaning Schedule Book, Boiler Inspection Book, Public Comments (Buildings & Grounds Committee).*  
Glenn Johnson checked all books. The hallways did not get vacuumed last week because the staff was busy with snow removal. In reviewing the Security Inspection book, he discovered that management did not have keys to some of the units that have recently sold.
- B. *Project Status by Individual Projects for 2011*  
Gary Nicholds said he was waiting for warmer weather to do some painting and caulking. Some glass side panels in several doors need to be replaced as the seals have failed. The asphalt work will not be done until spring. Paul Hage suggested forming a committee to get new bids from several asphalt contractors; the price of oil has increased significantly since the previous bid was obtained.
- C. *Zone Valve Inspection Update*  
Julian Brodie said the zone valve project had been completed.
- D. *FHA Approval Status Project*  
Sylvia Dowty reported that she had received about 100 responses, which is only about half of the required number. She and Erin Griffin will start a phone campaign.

## **X. NEW BUSINESS**

- A. *Procedure for Checking on Units with Single Occupants*  
Lee Vroble suggested establishing a procedure for checking on individuals who live alone in their units. Richard Garcia said he would support a Senior Citizen Outreach Program. He said a flyer could be distributed soliciting owner participation. He recommended identifying the participants in the unit files in the Clubhouse rather than on their parking tags. The Clubhouse staff could do a weekly phone call or owners could be asked to call the Clubhouse. Lee Vroble will get a copy of the procedures used by the Senior Center. Richard will include information about this program in the President's Notes.
- B. *Real Estate Familiarization Tour*  
Paul Hage said the Association should sponsor a tour of the property for Realtors in the spring to highlight the infrastructure improvements (boilers, balconies, siding etc.). Lee Vroble commented that the tax records still indicate that the buildings have wood shingle roofs.
- C. *Bonuses for Basic Property Management Staff*

Paul Hage said bonuses were budgeted but had not yet been appropriated. Paul Hage made a motion to appropriate \$8,000 for employee bonuses from the Director Expenses line item. Sylvia Dowty seconded and the motion carried.

*D. Parking Passes*

Owners must display the new parking passes as of 4/1/11. The new passes will be valid for two years.

**XI. SET NEXT MEETING DATE**

The next Board Meeting will be April 20, 2011 at 7:00 p.m. in the Clubhouse.

**XII. ADJOURNMENT**

A motion was made to adjourn at 8:00 p.m.

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_  
Board Member Signature

**Dillon Valley East  
Financial Summary  
As of February 28, 2011**

<b>Summary Balance Sheet</b>				
	<b>Operating</b>	<b>Reserve</b>	<b>Loan</b>	<b>Total</b>
Cash Accounts	69,633.77	663,547.23	149,865.76	883,046.76
Other Current Assets	101,572.24	0.00	0.00	101,572.24
Fixed Assets (net of depreciation)	100,761.35			100,761.35
<b>Total Assets</b>	<b>271,967.36</b>	<b>663,547.23</b>	<b>149,865.76</b>	<b>1,085,380.35</b>
Current Liabilities	68,390.37		0.00	68,390.37
Long Term Liabilities	216,044.36	0.00	1,463,382.14	1,679,426.50
Donated Capital	2.00			2.00
Retained Earnings	(38,892.68)	614,596.29	(1,262,590.47)	(686,886.86)
YTD Net Income	26,423.31	48,950.94	(50,925.91)	24,448.34
<b>Total Liabilities &amp; Equity</b>	<b>271,967.36</b>	<b>663,547.23</b>	<b>149,865.76</b>	<b>1,085,380.35</b>

  

<b>Operating Fund P&amp;L</b>			
	<b>Actual</b>	<b>Budget</b>	<b>Difference</b>
February Total Income	143,778.17	141,844.58	1,933.59
February Total Expense	133,837.39	134,991.02	(1,153.63)
February Net Income	9,940.78	6,853.56	3,087.22
<b>Balance Sheet Budgeted Items</b>	<b>11,550.50</b>	<b>11,051.83</b>	<b>498.67</b>
	<b>(1,609.72)</b>	<b>(4,198.27)</b>	<b>2,588.55</b>
YTD Total Income	286,979.47	281,672.50	5,306.97 +1.9%
YTD Total Expenses	260,556.16	269,269.32	(8,713.16) -3.2%
YTD Net Income	26,423.31	12,403.18	14,020.13
<b>Balance Sheet Budgeted Items</b>	<b>22,929.97</b>	<b>22,057.58</b>	<b>872.39</b>
	<b>3,493.34</b>	<b>(9,654.40)</b>	<b>13,147.74</b>

Major Variances YTD:

- Delinquency Fees are \$1152 over budget and Finance Charges on Past Due Accts are \$471 over.
- Washer/Dryer income is \$2141 over budget.
- Loader expense is \$743 over budget.
- Basic Maint. is \$4203 over budget with completion of the zone valve project, Boiler Maint. is \$1827 over, Damage Claims are \$1667 under and Pest Control is \$3333 under.
- Clubhouse expenses are \$879 under budget.
- Common area insurance is \$2440 under.
- Natural gas is \$960 under and Water/Sewer is \$1546 under.
- Snow removal is \$1419 under.

## Notes from the Pres.

Greetings

Your Board of Managers is researching the implementation of a Senior Outreach Program. There are seniors in our community and we would like to perform a wellness check every so often. A plan we have in mind would have a resident senior call the clubhouse each week to check in and let us know all is well. If we do not hear from them, a call would be made. If no response in 24 hours, a visit by our manager would be made to see if all is well. We would need a verified key to the condominium and emergency contact information. After we solidify our plan, a message would be sent to all residents with instructions on how to register for this program. If you have suggestions, please share them with me at email: [richard.garcia@DillonValley.org](mailto:richard.garcia@DillonValley.org).

A second warning to violators is going out the week of March 27<sup>th</sup>. This warning is a follow-up to notice sent in January. Violators have until April 30<sup>th</sup> to correct the situation or have a fine assessed to them. The warnings are being sent to the unit owner's. If the violator is a renter/tenant, the owner is responsible for contacting their tenant. Ultimate responsibility rests with the condominium owner.

For once, we do not have large scale projects planned for the summer. However, we are looking at parking lot repair and possible widening of a few to allow head-in parking towards the grass. Painting of buildings has become an easy project compared to boiler and heat valve replacements. And yes, painting of buildings will continue. In April, we will let everyone know which buildings will be painted.

**Thank You** to dog owners who been picking up after their pet. We are seeing fewer droppings with the snow melting.

Enjoy the Spring Season.

Richard Garcia  
President  
Dillon Valley East Condominium Association

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION  
BOARD OF MANAGERS MEETING  
April 20, 2011  
Dillon, Colorado**

**I. CALL TO ORDER**

The meeting was called to order at 7:00 p.m. by Sylvia Dowty.

Board members present were Paul Hage, Sylvia Dowty, Glenn Johnson, Dru Griffin and Bob Price.

Representing Basic Property Management were Gary Nicholds, Julian Brodie, Eric Nicholds and Candy Ramage. Erika Krainz of Summit Management Resources transcribed the minutes from recording.

Owners present were Jill Debs (X106), Lee Vroble (X302), Cathy Brosius (E106) and Erin Griffin (O206).

**II. APPROVAL OF PREVIOUS MEETING MINUTES**

Bob Price made a motion to approve the minutes from the March 16, 2011 Board Meeting as presented. Paul Hage seconded and the motion carried.

**III. QUESTIONS AND COMMENTS FROM THE FLOOR/COMMENT BOX**

Jill Debs presented the following concerns:

1. Rules and Regulations need to be enforced across the board.
2. All vehicles need to have a proper parking permit.
3. The owner of Unit 206 does not know what is going on with his tenants. Julian Brodie responded that the owner had been fined for the tenant's cigarette butt littering.
4. There is still noise in the heating system. Julian Brodie will follow up.
5. Owners need to pick up after their pets.

**IV. FINES & HEARINGS**

There were no owners present regarding fines.

**V. MANAGER'S REPORT**

*A. Manager's Report*

1. Boilers are being prepared for state inspection.
2. Doorbell plates have been installed.
3. Parking spot numbers have been installed.
4. Steam cleaning of all common areas has been completed.
5. Caulking of baseboards and trim is in progress.
6. Lawn equipment has been readied for spring and summer.
7. There have been 60 parking violation warnings issued.

8. Repaired leak in boiler room by the pool.
9. Weekly vacuuming of the common areas has been completed and is ongoing.
10. Exterior light replacement has been completed except for Buildings P and Q.
11. Trash is being picked up as the snow melts.
12. All sod that was plowed up over the winter has been replaced.
13. Pet scoops have been purchased for use by staff and owners.
14. All ice melt and sand buckets have been removed.
15. A stove and dishwasher was installed in Unit A206 at no cost.

*B. Delinquency Report as of March 31, 2011*

In the discussion of delinquencies Sylvia Dowty noted that banks are somewhat reluctant to foreclose on some properties. The complexities involved in foreclosure have also made it difficult for buyers of some properties. She said Unit A206 is not yet up for sale.

Gary Nicholds provided a written report.\*

1. A unit owes \$12,966 in dues. The Association initiated a lawsuit/motion of default.
2. A unit owes \$12,678. Mortgage foreclosure. The sale date is set for 4/22/11 although this will probably be continued.
3. A unit owes \$8,956. The attorney has sent a demand letter. This unit is owner occupied.
4. A unit owes \$7,549. The attorney has sent a demand letter. The unit is empty.
5. A unit owes \$7,285. Mortgage foreclosure. The sale date is set for 5/20/11.
6. A unit owes \$5,111. Paid \$150 on 3/25/11.
7. A unit owes \$4,693. The attorney has sent a demand letter. This unit is owner occupied.
8. A unit owes \$4,337.
9. A unit owes \$3,939. Filed lien on 4/18/11.
10. A unit owes \$3,867.
11. A unit owes \$1,969.

\* Note: Owners names and unit numbers are not disclosed for privacy issues. An owner may schedule an appointment with Basic Property Management to view these records.

There was further discussion about other options that can be pursued from a legal standpoint. Garnishment of bank accounts or foreclosure could cost in the thousands of dollars with no guarantee the Association would be successful in its efforts. A question was raised regarding the attorney's recommendations and other options. The following points were noted:

1. It is not legal to lock people out of the unit.



2. Gary Nicholds will check with the attorney about rescinding parking permits and/or towing vehicles of delinquent owners.
3. Cutting off the cable has been discussed in the past. There are concerns that Comcast may not allow this to be done. Gary Nicholds will contact Debbie Curd, the bulk account representative for Comcast.
4. Erin Griffin will look into reporting delinquent owners to credit bureaus and will discuss this matter with Bob Price.
5. The process of foreclosure and garnishing wages/bank accounts and the costs involved will be reviewed. Cathy Brosius suggested getting recommendations from CAI.

## VI. TREASURER'S REPORT

### A. Year-to-Date Profit and Loss as of March 31, 2011

1. Total Income - \$427,815 actual vs. \$421,509 budget (1.5% over budget).
2. Total Expenses - \$388,270 actual vs. \$402,899 budget (3.6% under budget).
3. Total - \$39,546 actual versus \$18,610.
4. Allowance for Balance Sheet Budget Items - \$33,786 actual vs. \$33,156 budget.
5. Net income - \$5,760 vs. (\$14,546 budgeted loss for a \$20,306 favorable variance to the budget.

Paul Hage noted that the principal on the mortgage and truck loans do not appear on the Operating report but are on the Balance Sheet.

Major year to date variances included:

1. Delinquency Fees - \$1,930 over budget.
2. Finance Charges on Past Due Accounts - \$662 over budget.
3. Washer/Dryer Income - \$2,148 over budget.
4. Loader Expense - \$884 over budget.
5. Basic Maintenance - \$4,530 over budget for the zone valve project.
6. Boiler Maintenance - \$3,309 over budget.
7. Damage Claims - \$2,500 under budget.
8. Pest Control - \$4,750 under budget.
9. Clubhouse Expenses - \$2,119 under budget.
10. Common Area Insurance - \$3,660 under budget.
11. Snow Removal - \$2,819 under budget.
12. Grounds Maintenance - \$2,915 under budget.
13. Natural gas is \$1,014 over and Water/Sewer is \$2,318 under.

March Reserve expenses were \$0 and revenue was \$24,630. The year-to-date Reserve net income was \$73,581. Year-to-date loan expenses have been \$50,926.

Bob Price questioned a \$790 charge for loader maintenance. Julian Brodie was not sure what the expense was for but noted that a battery charger and grease gun were purchased last month for the loader.

Bob Price asked why Boiler Maintenance was over budget. Julian Brodie explained he had encountered some problems while making repairs in the boiler rooms. Bob stated that these costs, if associated with the boiler project, should come out of the loan and not be charged to the Operating account.

There was brief discussion regarding the price of natural gas and if the Association should consider locking the price with Asgard. Gary Nicholds said he would discuss the Board's concerns with Karen Befort, the Asgard representative, and get back to the Board.

Glenn Johnson made a motion to approve the Treasurer's Report for March 2011. Bob Price seconded and the motion carried.

#### **VII. BUILDINGS, GROUNDS AND LANDSCAPING COMMITTEE**

Glenn Johnson expressed concern about potential safety issues related to the dumpster enclosures that have not yet been repaired. Gary Nicholds said he had contacted Timberline once and they indicated they would be making the repairs as soon as the snow melts. He will contact Timberline again tomorrow and remind them of the specific dumpsters that need to be repaired and ask them to do so as soon as possible.

There was concern expressed about the number of cigarette butts around the property and near one unit in particular. Both Julian Brodie and Gary Nicholds indicated that they were sensitive to these concerns and they will be paying close attention to the behavior of the tenants.

#### **VIII. ARCHITECTURAL REVIEW COMMITTEE**

Cathy Brosius had no report.

#### **IX. OLD BUSINESS**

- A. *Review Security Inspection Book, Hallway Cleaning Schedule Book, Boiler Inspection Book, Public Comments (Buildings & Grounds Committee).*  
Glenn Johnson stated he had inspected the books and everything appears to be in order.
- B. *FHA Approval Status*  
Sylvia Dowty reported that she had received about 102 responses, which is only about half of the required number. She needs 101 additional responses. There

was brief discussion about the requirements for FHA certification and if this topic should be included on the agenda for the Annual Meeting.

## **X. NEW BUSINESS**

### *A. Conflict of Interest Policy*

Discussion on this topic was tabled since Richard Garcia placed this item on the agenda but was not present at this meeting. Efforts will be made to get other examples of Conflict of Interest Policies from schools and other Associations. Bob Price discussed what was mentioned in the new government laws regarding policy requirements. This will also be researched.

### *B. Front End Loader User Policy*

Gary Nicholds stated that he had drafted a policy for use of the loader and he will send it to all Board members for review.

### *C. Proposed Senior Citizen Outreach Policy*

Gary Nicholds said he had been in touch with Kirstie Taylor, LCSW, from the Summit County Community Center regarding senior citizen outreach. Kirstie has been working with Catherine Grohusky, who is Director of Seniors at the Community Center. They are currently researching what other communities are doing. What is tentatively planned is something similar to the Summit County Alert system. They will include Gary Nicholds and Lee Vroble in their discussions. The intent is to not “reinvent the wheel” and to develop something that will work for not only Dillon Valley East but for all senior citizens of Summit County.

### *D. Proposed Bed Bug Policy*

It was brought up that at the Annual Meeting owners voted in favor of having the Association pay for elimination of bed bugs. Year to date very little has been spent on eradication of bed bugs, although in past years Dillon Valley East has spent between \$13,000 – 18,000 on eradication. Sylvia Dowty shared what was being done at another complex where she owns property. The Association there started charging owners/renters because they were not complying with the measures that needed to be taken to eradicate the problem. After further discussion it was decided to track the expenses associated with eliminating bed bugs. The Association will look at policies and procedures for dealing with bed bugs and will present them at the Annual Meeting.

### *E. Parking Permits*

The issue of parking at Dillon Valley East was discussed at length. Bob Price stated that the Rules and Regulations should be enforced equally for everyone and that all cars should be properly permitted. Various options for not complying with the rules were discussed. Some options mentioned included use of a Denver boot, employing a security company, issuing warnings and fines and towing. Following further discussion, it was decided that effective Monday, May 16, 2011

all cars must have parking permits or temporary permits. Vehicles found without proper permits will be given a warning and four days to come into compliance before being towed. A notice will be drafted and placed on all doors in the complex, sent out by email, included in the minutes and included in the President's Corner. The notice will give tenants fair warning of the upcoming parking regulations enforcement.

*F. Fuel Log*

Gary Nicholds said there was a fuel log in each of the trucks indicating when fuel is purchased. They are available for inspection by any interested Board member.

*G. Security and Safety*

There was a brief discussion concerning children playing in the driveways and around the dumpsters and the inherent problems that exist. There was also concern expressed about individuals congregating in the driveways, especially late at night. It was noted that security is difficult to control. Lee Vroble expressed concern about occupancy density and the number of people in some of the units, which lead to some of these security concerns. Gary Nicholds said he would seek advice from Sheriff John Minor about these security issues and provide a report at the next Board Meeting.

**XI. SET NEXT MEETING DATE**

The next Board Meeting will be May 18, 2011 at 7:00 p.m. in the Clubhouse.

**XII. ADJOURNMENT**

A motion was made to adjourn at 8:55 p.m.

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_  
Board Member Signature

**Dillon Valley East  
Financial Summary  
As of March 31, 2011**

<b>Summary Balance Sheet</b>				
	<b>Operating</b>	<b>Reserve</b>	<b>Loan</b>	<b>Total</b>
Cash Accounts	98,427.99	688,177.66	140,802.10	927,407.75
Other Current Assets	86,401.53	0.00	0.00	86,401.53
Fixed Assets (net of depreciation)	100,761.35			100,761.35
<b>Total Assets</b>	<b>285,590.87</b>	<b>688,177.66</b>	<b>140,802.10</b>	<b>1,114,570.63</b>
Current Liabilities	67,665.23		0.00	67,665.23
Long Term Liabilities	217,412.72	0.00	1,454,318.48	1,671,731.20
Donated Capital	2.00			2.00
Retained Earnings	(39,034.70)	614,596.29	(1,262,590.47)	(687,028.88)
YTD Net Income	39,545.62	73,581.37	(50,925.91)	62,201.08
<b>Total Liabilities &amp; Equity</b>	<b>285,590.87</b>	<b>688,177.66</b>	<b>140,802.10</b>	<b>1,114,570.63</b>
<b>Operating Fund P&amp;L</b>				
	<b>Actual</b>	<b>Budget</b>	<b>Difference</b>	
March Total Income	141,053.83	139,836.25	1,217.58	
March Total Expense	126,759.98	133,629.59	(6,869.61)	
March Net Income	14,293.85	6,206.66	8,087.19	
<b>Balance Sheet Budgeted Items</b>	<b>10,855.72</b>	<b>11,098.13</b>	<b>(242.41)</b>	
	3,438.13	(4,891.47)	8,329.60	
YTD Total Income	427,815.31	421,508.75	6,306.56	1.5%
YTD Total Expenses	388,269.69	402,898.91	(14,629.22)	-3.6%
YTD Net Income	39,545.62	18,609.84	20,935.78	
<b>Balance Sheet Budgeted Items</b>	<b>33,785.69</b>	<b>33,155.71</b>	<b>629.98</b>	
	5,759.93	(14,545.87)	20,305.80	

Major Variances YTD:

- Delinquency Fees are \$1930 over budget and Finance Charges on Past Due Accts are \$662 over.
- Washer/Dryer income is \$2148 over budget.
- Loader expense is \$884 over budget.
- Basic Maint. is \$4530 over budget with completion of the zone valve project, Boiler Maint. is \$3309 over, Damage Claims are \$2500 under and Pest Control is \$4750 under.
- Clubhouse expenses are \$2119 under budget.
- Common area insurance is \$3660 under.
- Natural gas is \$1014 over and Water/Sewer is \$2318 under.
- Snow removal is \$2819 under and the total of other Grounds Maintenance items is \$2915 under.

## Notes from the Pres.

May 2011

Greetings and Welcome to Spring

### **Kids**

Days are longer and the weather is perfect for being outdoors. Parents - Please discourage your children and adult friends from playing in the parking lot, trash bins, or on top of the boiler rooms at the end of the building. There is risk of injury or death while playing in those locations. If your child or adult friend or you cause damage to other people's property, you may be held liable for all damages. Drivers – Please be on the lookout for children at play and especially for kids darting out between cars.

### **Parking Problems**

We are experiencing parking problems. Please observe our Rules and Regulations about parking. Several residents on 1<sup>st</sup> floors chose to park on the parking lot to their west. If you are one of them, you will receive a warning and possible tow.

Here is a message being posted at all entry-ways.

In accordance with DVE Rules and Regulations approved on April 21, 2010 (Article V – Motor Vehicles), the Board of Managers would like to notify all owners/occupants that this rule will be strictly enforced.

Effective May 16<sup>th</sup> 2011 all vehicles **MUST** have a valid DVE parking permit displayed. Any vehicle not displaying a parking permit will be subject to a \$50.00 fine and will **be towed after 4 days at owners' expense.**

All visitors are required to display a temporary permit, available at the Clubhouse. Additionally, all occupants with an extra vehicle must obtain a temporary parking permit and park in the Clubhouse parking lot.

Other reasons for being towed are parking your vehicles in a parking lot not assigned to your building and parking in front of the dumpster.

Contact the clubhouse for a copy of the DVE Rules & Regulations.

For questions, please call 970-468-1371. Thank you for your cooperation and compliance with our association's rules and regulations.

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION  
BOARD OF MANAGERS MEETING**

**May 18, 2011  
Dillon, Colorado**

**I. CALL TO ORDER**

Richard Garcia called the meeting to order at 7:00 p.m.

Board members present were Richard Garcia, Paul Hage Glenn Johnson, Dru Griffin and Lisa Watkins. Bob Price participated via teleconference.

Owners present were Cathy Brosius, Carl Henry and Erin Griffin.

Representing Basic Property Management were Gary Nicholds, Julian Brodie, Eric Nicholds and Candy Ramage. Kyle Wiseman of Summit Management Resources transcribed the minutes.

Summit County Sheriff John Minor was a guest at the meeting.

**II. APPROVAL OF PREVIOUS MEETING MINUTES**

Paul Hage made a motion to approve the minutes from the April 20, 2011 Board Meeting as presented. Glenn Johnson seconded and the motion carried.

**III. QUESTIONS AND COMMENTS FROM THE FLOOR/COMMENT BOX**

Gary Nicholds introduced Sheriff John Minor and asked him to comment on the issue of assembling in the parking lots. Sheriff Minor asserted that all people have the right to assemble peacefully, but that disorderly conduct would not be permitted.

Paul Hage asked Sheriff Minor to elaborate on the rights of the Board to enforce rules and how to handle complaints. His response was to seek out advice before staffing a security guard in order to better understand the liability for any potential incident.

Richard Garcia asked who should call the Police when there are noise complaints. Sheriff Minor recommended having the person who is complaining call Dispatch. Richard Garcia noted that some homeowners are reluctant to call the Police for fear of retaliation from the offender. Sheriff Minor responded that callers are not obligated to sign a complaint and they can remain anonymous if they so choose.

Dru Griffin asked the Sheriff to elaborate on laws regarding occupancy levels. His response was that the Association could create a rule limiting occupancy.

Julian Brodie had no comments from the box, but the following concerns were discussed:

1. Parking issues at building T – This issue was resolved by Julian Brodie.
2. Increase number of parking permits for three-bedroom units - The Board discussed ideas for expanding the parking lots. Paul Hage and Bob Price proposed

that is someone from the community wanted to present a viable plan to allow 3-bedroom units to have three parking spaces, then the Board would consider it for presentation during the Annual meeting in September. Dru Griffin suggested issuing three parking permits for three bedroom units to give tenants a fair chance of obtaining a parking spot. Carl Henry noted that three bedroom owners pay more dues for parking lot-related maintenance so they should be given three permits. Erin Griffin asked the Board if the entire Association membership would be responsible for paying for an expansion. The Board responded that the entire Association would be responsible for any expansion of common areas. Paul Hage said that increasing parking spaces would only make a difficult situation worse without a viable plan to actually increase the number of parking spaces available in lots where there are 3-bedroom units.

3. Banning children from parking lots - Sheriff Minor addressed the Board regarding this point. He said the Police and Social Services would handle issues regarding child endangerment or neglect. All other issues should be handled by the parents.
4. Employees should walk the complex instead of driving - Gary Nicholds said it would take too long and be inefficient for workers to walk. He also said that ATVs are used whenever possible. Lisa Watkins said that when driving, trash is often missed. Gary Nicholds responded that he has advised his staff to have a critical eye on the trash but that it is not possible to get everything.

#### **IV. FINES & HEARINGS**

There were no owners present regarding fines.

#### **V. BASIC PROPERTY MANAGEMENT REPORT**

##### *A. Manager's Report*

1. Aerated ground and fertilized the lawn.
2. Window wells were cleaned.
3. Short-term parking lot was cleaned.
4. Netting is up for the tennis courts.
5. The dumpster enclosures by Buildings S and U were repaired. Lisa Watkins noted that the T Building dumpster needed repair.
6. A heat pump was replaced in the boiler room of building 'N'.
7. A water leak started in Unit A-304 and affected Units A-204 and A-104. The issue has been turned over to the insurance company.
8. There was a water leak in F Building from a bath tub over-flow drain. The renter claimed that Julian Brodie worked on the plumbing but Julian said this was not true.

Bob Price suggested calculating the man-hours for various tasks and asked Julian Brodie to present his findings in the Manager's Report as percentages. Gary Nicholds responded that the workers sign a daily log and it should be possible to provide this information.

##### *B. Delinquency Report as of March 31, 2011*



Gary Nicholds provided a written report.

1. An owner in arrears of \$11,424. Received priority lien of \$2,052 from the lender.
2. An owner in arrears of \$13,403. Mortgage foreclosure. Wrote off \$11,035 on 5/11/2011.
3. An owner in arrears of \$8,956. The attorney has sent a demand letter. This unit is owner occupied.
4. An owner in arrears of \$7,549. The attorney has sent a demand letter. The unit is empty.
5. An owner in arrears of \$7,759. Mortgage foreclosure. The sale date is set for 5/20/11.
6. An owner in arrears of \$5,367. Paid \$150 on 5/12/11.
7. An owner in arrears of \$5,236. Paid \$400 on 5/04/2011.
8. An owner in arrears of \$4,878. Bank owned.
9. An owner in arrears of \$4,099. Filed lien on 4/18/11.
10. An owner is in arrears of \$3,398.
11. An owner is in arrears of \$2,628.
12. An owner is in arrears of \$1,055. Payment plan of \$404 per month
13. An owner is in arrears of \$869. Legal bills.
14. An owner is in arrears of \$740. Mortgage foreclosure sale date 7/15/2011

\* Note: Owners names and unit numbers are not disclosed for privacy issues. An owner may schedule an appointment with Basic Property Management to view these records.

Richard Garcia and Gary Nicholds agreed that consulting a lawyer would be necessary in order to determine what actions can be taken on delinquencies.

## **VI. TREASURER'S REPORT**

### *A. Year-to-Date Profit and Loss as of April 30, 2011*

1. Total Income - \$569,434 actual vs. \$561,345 budget (1.4% over budget).
2. Total Expenses - \$505,222 actual vs. \$530,985 budget (5% under budget).
3. Total - \$65,212 actual versus \$30,360 budget.

### *B. Balance Sheet as of April 30, 2011*

1. Budgeted Items - \$45,178 actual vs. \$44,300 budget.
2. Net Income - \$20,035 actual vs. (\$13,940) budgeted loss for a \$33,975 favorable variance to budget.

Significant year-to-date variances included:

1. Delinquency Fees were \$25,73 over budget and Finance Charges on Past Due Accounts were \$1,162 over budget.
2. Washer/Dryer income was \$2,356 over budget.

3. Loader expense was \$1,187 over budget. Truck and ATV expense was \$1,029 under budget.
4. The unbudgeted expense associated with the Unit A206 foreclosure was \$1,305
5. Basic Maintenance was \$2,447 over budget due to the zone valve project, Boiler Maintenance was \$1,548 under budget, Damage Claims was \$3,333 under budget and Pest Control was \$6,417 under budget.
6. Clubhouse expenses were \$1,266 under budget.
7. Common Area Insurance was \$4,880 under budget.
8. Director's Expense was \$5,952 under budget.
9. Natural Gas was \$2,250 over budget, Water/Sewer was \$3,091 under budget and Trash Removal was \$3,202 under budget.
10. Snow Removal was \$2,819 under budget.

Glenn Johnson asked what the Reserve Fund balance should be. Paul Hage projected the projected income would be about \$300,000 by the end of the year. About \$160,000 of that increase would be spent and the remaining would be placed in the Reserves. The Reserve fund as of April 30<sup>th</sup> was at \$645,596.29

Bob Price made a motion to approve the Treasurer's Report for May 2011. Lisa Watkins seconded and the motion carried.

#### **VII. BUILDINGS, GROUNDS AND LANDSCAPING COMMITTEE**

Glenn Johnson reported that the dumpster enclosures would be painted soon. He also indicated his wife would be planting flowers in the garden boxes by mid-June.

#### **VIII. ARCHITECTURAL REVIEW COMMITTEE**

Cathy Brosius reported no activity.

#### **IX. OLD BUSINESS**

*A. Review Security Inspection Book, Hallway Cleaning Schedule Book, Boiler Inspection Book, Public Comments (Buildings & Grounds Committee).*

Glenn Johnson saw a note in Unit R102 regarding a water leak but upon inspection it had been resolved. One week for hallway cleaning was missed because the staff was aerating and fertilizing the lawn areas.

*B. Proposed Senior City Outreach policy*

Richard Garcia presented a policy that outlines actions in order to provide outreach to seniors. Dru Griffin asked if the Association would be liable if the service were to be stopped. Richard Garcia responded that an attorney would be consulted. Paul Hage suggested a six-month trial period.

C. *Front End Loader User Policy*

Gary Nicholds reported positive feedback from the policy draft previously sent out. A motion was made to approve the Front End Loader Policy. Paul Hage suggested waiting on approving the policy until the Rental Agreement Policy was completed.

D. *Bedbugs*

Glenn Johnson and Richard Garcia attended a seminar on bedbug removal and reported some ideas for battling bedbugs. A trained dog can be hired to find bedbugs; the cost for this service should be obtained.

**X. NEW BUSINESS**

A. *Conflict of Interest Policy*

Paul Hage explained the policy was created by reviewing other Association's policies. Richard Garcia recommended the third version presented by Paul Hage. Dru Griffin suggested the third statement be adjusted so that no vote will take place unless a quorum is established at the meeting. The Board agreed on this amendment.

B. *Gas Costs*

Gary Nicholds obtained information from Asgard Energy and reported an increase for June of \$4.80 per decatherm. He also determined the cost to lock in prices for six months at \$4.95 or \$4.80 for a year. Bob Price will do more research to see if there would be a good time to lock in a portion of the supply and if it would be appropriate to lock in a price. (Note: A decatherm is a measurement of heat. A decatherm is equal to one million BTU.)

C. *Clubhouse Roof Replacement*

Gary Nicholds reported on three bids that included: shingles and ice shield. However, the life span of shingles provided by the three bidders were different. Bob Price suggested the bids be standardized so that contractors are all bidding on the same thing. The bids ranged from \$46,000 to \$53,000. Richard Garcia assigned Bob Price, Dru Griffin and Gary Nicholds to a committee to create specs and to conduct a phone vote.

D. *Parking Lots*

Gary Nicholds reviewed options for asphalt repair and suggested handling the contract in the same way as the Clubhouse roof. Dru Griffin suggested hiring a consulting firm to create specs so that all contractors are bidding on the same thing. Gary Nicholds will contact an engineer. Richard Garcia appointed an Asphalt Committee consisting of Paul Hage and Dru Griffin to assist Gary Nicholds.

E. *Realtor Rally*

Richard Garcia appointed a committee of Sylvia Dowty, Lisa Watkins and Paul Hage to work on this project.

**XI. SET NEXT MEETING DATE**

The next Board Meeting will be June 15, 2011 at 7:00 p.m. in the Clubhouse.

**XII. ADJOURNMENT**

A motion was made to adjourn at 9:20 p.m.

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_  
Board Member Signature

**Dillon Valley East  
Financial Summary  
As of April 30, 2011**

<b>Summary Balance Sheet</b>				
	<b>Operating</b>	<b>Reserve</b>	<b>Loan</b>	<b>Total</b>
Cash Accounts	76,536.07	712,780.63	122,758.13	912,074.83
Other Current Assets	126,912.36	0.00	0.00	126,912.36
Fixed Assets (net of depreciation)	100,761.35			100,761.35
<b>Total Assets</b>	<b>304,209.78</b>	<b>712,780.63</b>	<b>122,758.13</b>	<b>1,139,748.54</b>
Current Liabilities	61,371.54		0.00	61,371.54
Long Term Liabilities	216,835.08	0.00	1,444,965.44	1,661,800.52
Donated Capital	2.00			2.00
Retained Earnings	(39,211.16)	614,596.29	(1,262,590.47)	(687,205.34)
YTD Net Income	65,212.32	98,184.34	(59,616.84)	103,779.82
<b>Total Liabilities &amp; Equity</b>	<b>304,209.78</b>	<b>712,780.63</b>	<b>122,758.13</b>	<b>1,139,748.54</b>
<b>Operating Fund P&amp;L</b>				
	<b>Actual</b>	<b>Budget</b>	<b>Difference</b>	
April Total Income	141,995.51	139,836.25	2,159.26	
April Total Expense	120,229.83	128,086.06	(7,856.23)	
April Net Income	21,765.68	11,750.19	10,015.49	
<b>Balance Sheet Budgeted Items</b>	<b>11,391.88</b>	<b>11,144.66</b>	<b>247.22</b>	
	<b>10,373.80</b>	<b>605.53</b>	<b>9,768.27</b>	
YTD Total Income	569,434.44	561,345.00	8,089.44	1.4%
YTD Total Expenses	504,222.12	530,984.97	(26,762.85)	-5.0%
YTD Net Income	65,212.32	30,360.03	34,852.29	
<b>Balance Sheet Budgeted Items</b>	<b>45,177.57</b>	<b>44,300.37</b>	<b>877.20</b>	
	<b>20,034.75</b>	<b>(13,940.34)</b>	<b>33,975.09</b>	

Major Variances YTD:

- Delinquency Fees are \$2573 over budget and Finance Charges on Past Due Accts are \$1162 over.
- Washer/Dryer income is \$2356 over budget.
- Loader expense is \$1187 over budget. Truck and ATV expense is \$1029 under.
- Unbudgeted expense associated with foreclosed unit A206 is \$1305.
- Basic Maint. is \$2447 over budget with completion of the zone valve project, Boiler Maint. is \$1548 under, Damage Claims are \$3333 under and Pest Control is \$6417 under.
- Clubhouse expenses are \$1266 under budget.
- Common area insurance is \$4880 under.
- Director's expense is \$5952 under.
- Natural gas is \$2250 over, Water/Sewer is \$3091 under and Trash Removal is \$3202 under.
- Snow removal is \$2819 under and the total of other Grounds Maintenance items is \$2042 under.

<b>Reserve Fund P&amp;L</b>	
<b>Actual</b>	
April Total Income	24,602.97
April Total Expense	<u>0.00</u>
April Net Income	<u><u>24,602.97</u></u>
YTD Total Income	98,457.34
YTD Total Expenses	<u>273.00</u>
YTD Net Income	<u><u>98,184.34</u></u>
<b>LOAN Fund P&amp;L</b>	
<b>Actual</b>	
April Total Income	0.00
April Total Expense	<u>3,097.41</u>
April Net Income	<u><u>(3,097.41)</u></u>
YTD Total Income	0.00
YTD Total Expenses	<u>59,616.84</u>
YTD Net Income	<u><u>(59,616.84)</u></u>

## **Notes from the Pres.**

### Greetings

Thank You Dog Owners. Our maintenance people found fewer land mines (dog droppings) this season than last. Of course, there are the few dog owners that make it look bad for the rest. If anyone sees a dog owner who is not picking up after their pet and can identify the condominium unit, then please make a report to the clubhouse.

The hot tub should reopen soon. Someone threw a rock through a glass wall next to the tub and glass went into the tub. The glass wall will be replaced with a non-glass wall.

All our boilers have been replaced and are more efficient than the old ones. If the price of natural gas had not gone up, we would be saving a lot of money. It is comparable to buying a car with good fuel mileage. You may get 30+ miles per gallon, but you are paying a higher price per gallon. As far as getting a tax credit for the Association moving to more efficient boilers, check with your professional tax consultant. Our investigations say you cannot.

The clubhouse will be receiving a new roof this summer. The clubhouse will remain operational during this time. For your safety, do not wear soft sole sandals or walk barefoot around the clubhouse exterior. There is bound to be a few nails lying on the ground.

Summit County Sheriff John Minor presented information about security and safety to the Board of Managers during the May Board meeting. We, the Board of Managers and Basic Property Management, were advised not to be a security patrol to the property or between residents. Instead, if there is a problem between residents, the resident being harmed or bothered should make a call to the Sheriff by calling 970-668-8600. For emergencies, call 911. Often, a resident is reluctant to call the Sheriff in fear of retaliation. If a Sheriff's deputy responds, a report is generated. If you are threatened by someone for your action, then you should make another report. The second report escalates the matter to a severe class and appropriate action may be taken by the Sheriff.

Free help for potential home buyers and owners is available at [www.caionline.org/homeowners](http://www.caionline.org/homeowners). We are a member of Community Association Institute and receive a lot of useful information about operating an Association. When you visit the site, look around a bit. There is a lot of useful information there. Almost all the information is in downloadable .PDF format that most PC's understand.

Since May 1<sup>st</sup>, 85 warnings for parking, window treatments, and junk on balconies and in hallways were issued. Most residents are cooperative. Problems arise when a renter ignores the warnings and the owner suddenly receives a fine in the mail. This often happens when the clubhouse is unaware of a rental situation. If you rent your unit, please let the clubhouse know. Then we can notify you if your renter receives a warning or fine. There some owners who do not report rental income to the IRS and do not want to be identified. To those few we say "Too bad".

*Dillon Valley East Condominium Association  
Treasurers Report*

Do you rent your unit or are you a renter? Do you have insurance coverage for your items and furnishing? HO-6 insurance is available for renters to cover personal items. And insurance is available for owners and non-resident owners. Check with an insurance agent. In case of damage from water, electrical, fire, or sewage backup, the Association has insurance for common area and limited common area. Meaning, the structural buildings, hallways, parking lots, and grass areas. If a neighbor has a water leak and causes damage to your unit, it is up to you and your neighbor to come to agreement for repair or replacement expenses. And be sure to let your insurance agent know that the association has a \$10,000 deductible and you want coverage for that amount. If damage is done to common and limited common areas by something you did, the association may assess you for the deductible.

Richard Garcia  
President  
Dillon Valley East Condominium Association



**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION  
BOARD OF MANAGERS MEETING**

**June 15, 2011  
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, Sylvia Dowty, Glenn Johnson, Paul Hage, Lisa Watkins and Bob Price.

Representing Basic Property Management were Gary Nicholds, Julian Brodie, Eric Nicholds and Candy Ramage. Erika Krainz of Summit Management Resources was recording secretary.

Owners present were Lee Vroble (X302), Cathy Brosius (E106) and Darren Weaver (A104).

Tom Clayton of Colorado Asphalt and Paving Association was a guest at the meeting.

**II. APPROVAL OF PREVIOUS MEETING MINUTES**

Bob Price made a motion to approve the minutes from the May 18, 2011 Board Meeting as presented. Glenn Johnson seconded and the motion carried.

**III. ASPHALT PRESENTATION**

Tom Clayton, Colorado Asphalt Pavement Association, reviewed the asphalt situation. He rated all 16 parking lots and provided recommendations and suggestions. Most of the pavement falls in the "fair to poor" category and he recommended addressing those areas in the worst condition this year before there is a complete failure of the surface. There are several areas with drainage issues, one due to drainage from the highway that may be a CDOT responsibility. He recommended adding a line item in the budget for ongoing parking lot maintenance.

**IV. QUESTIONS AND COMMENTS FROM THE FLOOR/COMMENT BOX**

Darren Weaver stated that there was damage to his unit in May due to a faucet that was left on in a unit above. The management company for the offending unit, Wildernest, did a quick restoration but he still has holes in his ceiling and walls. The offending unit owner's insurance company denied liability. Richard Garcia said it would be the responsibility of the owner of the offending unit since the damage was due to negligence. He recommended taking photos of the damage and contacting the unit owner. Gary Nicholds was asked to contact Wildernest to get the process started.

**V. FINES & HEARINGS**

There were no owners present regarding fines.

## **VI. MANAGER'S REPORT**

### *A. Manager's Report*

1. Repaired sprinkler systems throughout the complex.
2. Getting ready for the State safety inspection on the boilers.
3. Two hot water storage tanks need to be replaced.
4. Working on the ground water around the foundation of the Y Building.
5. The boiler controller failed in G Building. The replacement part should be delivered tomorrow. Julian Brodie was directed to purchase an extra controller to keep in inventory.
6. Fertilized the grass.

Gary Nicholds will create a spreadsheet with tasks completed and the time spent on each. Paul Hage requested a written copy of the Manager's Report for review during future meetings.

### *B. Delinquency Report as of May 31, 2011*

Gary Nicholds provided a written report. Gary said he has been trying to identify options to force owners to pay their dues but the attorney has indicated that his suggested actions were not legal. Paul Hage pointed out that \$11,000 was written off last month but the delinquent balance only decreased by less than \$1,000 overall.

## **VII. TREASURER'S REPORT**

### *A. Year-to-Date Profit and Loss as of May 31, 2011*

1. Total Income - \$711,191 actual vs. \$701,181 budget (1.4% over budget).
2. Total Expenses - \$630,904 actual vs. \$658,604 budget (4.2% under budget).
3. Total - \$80,288 actual versus \$42,578 budget, \$37,710 favorable to budget.

Including Balance Sheet budgeted items, the actual net income was \$24,159 versus a budgeted deficit of \$12,914.

As of the end of May the Reserve Fund income was \$123,050 and Expenses were \$1,217 for Net Income of \$121,833. Year-to-date Loan expenses were \$6,560.

Discussion ensued regarding the boiler expenses. Bob Price noted that work to complete the systems should be charged against the loan but repairs to existing systems should be charged to the Operating account.

Sylvia Dowty made a motion to approve the Treasurer's Report for May 2011. Bob Price seconded and the motion carried.

## **VIII. BUILDINGS, GROUNDS AND LANDSCAPING COMMITTEE**

Glenn Johnson reported that several owners, including himself, his wife, Cathy Brosius and Sylvia Dowty, assisted with planting flowers around the complex. He commented that the painting around the Clubhouse has been a very nice improvement. Gary Nicholds asked the

Board to look behind the garage; the area has been cleaned up. He suggested adding a fence to provide a screen for stored items.

Sylvia Dowty reiterated the importance of updating the property amenities such as the clubhouse restrooms.

Paul Hage recommended updating the Reserve Study.

Sylvia Dowty noted that if an owner does not pay a Special Assessment and sells their unit, the new owner is responsible for the payment. Bob Price suggested reducing annual dues and levying an annual Special Assessment for operating expenses to reduce the delinquent balance. Gary Nicholds was directed to research the legality of this proposal.

#### **IX. ARCHITECTURAL REVIEW COMMITTEE**

Cathy Brosius said she had not received any applications but she noticed that some owners had installed white patio doors. The owners should be given 30 days to paint them and if the work is not done, the owners should be fined. Richard Garcia will include a reminder of the door replacement regulations in the next President's Letter.

Cathy Brosius noted that there were numerous new violations related to storage of items on decks. There is also a box truck parked in her lot. Gary Nicholds said he and Martin Cenicerros would start doing property tours again next week. Cathy thought there had also been a significant increase in the number of rental tenants with dogs.

#### **X. OLD BUSINESS**

A. *Review Security Inspection Book, Hallway Cleaning Schedule Book, Boiler Inspection Book, Public Comments (Buildings & Grounds Committee).*

Glenn Johnson checked all books. The Security inspection was not done this month. All other inspections were completed.

B. *Proposed Senior Outreach Policy*

Richard Garcia will work on this policy for next month's meeting.

C. *Front End Loader User Policy*

Gary Nicholds said this policy was presented last month and there were no objections. Paul Hage said both the User and Rental Policies should include a requirement to name the Association as additional insured.

D. *Front End Loader Rental Policy*

This policy will be sent to all Board members so it can be approved at the next meeting.

E. *Conflict of Interest Policy*

There was discussion about item #3 in the policy related to a quorum. The Board members did not feel it needed to be changed. Sylvia Dowty made a motion to approve the Conflict of Interest Policy as presented. Bob Price seconded and the motion carried.

*F. Natural Gas Cost*

Gary Nicholds will check with the gas representative about locking the price. Bob Price recommended locking some percentage within the next 30 days. Paul Hage made a motion to authorize Gary Nicholds and Bob Price analyze gas prices and to lock in the gas rate at the appropriate time. Glenn Johnson seconded and the motion carried.

*G. Clubhouse Roof Replacement*

Gary Nicholds said he had sent the roof specifications and information to four or five contractors. He noted that the Town of Dillon did not require a permit for simple shingle replacement. He will get a price to have a roof inspector inspect the roof installation at the midpoint of the project and at completion. The bids are due no later than July 1<sup>st</sup>. The Committee will review the bids once received and provide a recommendation to the Board.

*H. Parking Lot Committee Report*

Paving specifications have been sent to contractors based on the information received from Tom Clayton. The bids are due no later than July 1<sup>st</sup>. Gary Nicholds has also requested separate bids for seal coating. The Committee will review the bids once received and provide a recommendation to the Board.

*I. Realtor Rally Report*

The Realtor Rally will be Thursday, June 16<sup>th</sup> from 11:00 a.m. – 2:00 p.m. Sylvia Dowty created a flyer and will collect email addresses so she can send information to interested realtors. Paul Hage recommended showing the realtors items that they would not normally see or notice, such as the new boiler rooms, the loader and the other equipment, the new balconies and the new exterior doors.

**XI. NEW BUSINESS**

*A. Establish Nominating Committee*

The Annual Meeting will be September 17<sup>th</sup>. Glenn Johnson and Lisa Watkins agreed to serve as the Nominating Committee. The terms of Richard Garcia, Bob Price and Paul Hage all expire and all three incumbents agreed to run again.

*B. Employee Bonus*

Paul Hage said the Board voted to approve a bonus in February but it had not yet been drawn. He said he proposed rescinding the approval if it is not appropriated by the end of the month. Gary Nicholds and Julian Brodie will determine how much to award.

**XII. SET NEXT MEETING DATE**

The next Board Meeting will be July 20, 2011 at 7:00 p.m. in the Clubhouse.

**XIII. ADJOURNMENT**

Bob Price made a motion to adjourn at 9:04 p.m. Sylvia Dowty seconded and the motion carried.

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_  
Board Member Signature

## Notes from the President

### Greetings

A big Thank You to all who received notices about different colored window shades, illegally parked vehicles, broken screens, etc. and took corrective actions. A reminder about the color of patio door frames, window frames, and screens: The patio doorframes, window frames, and screens must be an almond color. If you attempted to save money and ignored the Rules, or did not know the Rules, and purchased a white colored window or patio door, then you will need to either replace it or paint it. It is in the Rules that all owners agreed to abide by with the purchase of a condominium.

Soon, several parking lots will be receiving a new surface. Problem with the new surface is the sticky black tar that gets on your shoes and trailed into the hallways and condominiums. Our staff will attempt to lay down either sheets of paper or sacrificial carpet to allow you to remove your shoes before entering your unit or walking on hallway carpets.

Snow is melting rapidly and the water table is rising in new locations. Residents in the lower levels are advised to check their bottom entry way and closets for water. If you discover water, please notify the clubhouse. The Association is not responsible for personal items damaged by water entering the building, so make sure you have insurance or plan for the worst.

Our Annual Meeting will be on September 17, 2011 in the clubhouse, starting at 10:00 AM. Owners are encouraged to attend. Following the meeting, lunch will be served. Nominations for three Board seats are being accepted. Terms are for 3 years. You may nominate someone or yourself by contacting Basic Property Management, Glenn Johnson, or Lisa Watkins. The nominee must be in good standing with the Association (Current with dues and fines). Terms for Bob Price, Paul Hage, and Richard Garcia will expire. Paul Hage and Richard Garcia have accepted to be nominated. As of June 15th, Bob Price was undecided

Contacts for Nominations are:

Basic Property Management 970-668-0714  
Glenn Johnson 303-210-2600  
Lisa Watkins 970-333-9092

Sincerely,  
Richard Garcia  
President  
Dillon Valley East Condominium Association

**Dillon Valley East  
Financial Summary  
As of May 31, 2011**

**Summary Balance Sheet**

	<b>Operating</b>	<b>Reserve</b>	<b>Loan</b>	<b>Total</b>
Cash Accounts	106,920.64	736,429.56	114,089.21	957,439.41
Other Current Assets	109,627.38	0.00	0.00	109,627.38
Fixed Assets (net of depreciation)	100,761.35			100,761.35
<b>Total Assets</b>	<b>317,309.37</b>	<b>736,429.56</b>	<b>114,089.21</b>	<b>1,167,828.14</b>

Current Liabilities	60,415.55		7,050.32	67,465.87
Long Term Liabilities	215,815.44	0.00	1,435,806.63	1,651,622.07
Donated Capital	2.00			2.00
Retained Earnings	(39,211.16)	614,596.29	(1,262,590.47)	(687,205.34)
YTD Net Income	80,287.54	121,833.27	(66,177.27)	135,943.54
<b>Total Liabilities &amp; Equity</b>	<b>317,309.37</b>	<b>736,429.56</b>	<b>114,089.21</b>	<b>1,167,828.14</b>

**Operating Fund P&L**

	<b>Actual</b>	<b>Budget</b>	<b>Difference</b>	
May Total Income	141,861.09	139,836.25	2,024.84	
May Total Expense	126,681.81	127,618.64	(936.83)	
May Net Income	15,179.28	12,217.61	2,961.67	
<b>Balance Sheet Budgeted Items</b>	<b>10,950.87</b>	<b>11,191.42</b>	<b>(240.55)</b>	
	4,228.41	1,026.19	3,202.22	

YTD Total Income	711,191.47	701,181.25	10,010.22	1.4%
YTD Total Expenses	630,903.93	658,603.61	(27,699.68)	-4.2%
YTD Net Income	80,287.54	42,577.64	37,709.90	
<b>Balance Sheet Budgeted Items</b>	<b>56,128.43</b>	<b>55,491.78</b>	<b>636.65</b>	
	24,159.11	(12,914.14)	37,073.25	

Major Variances YTD:

- Delinquency Fees are \$3080 over budget and Finance Charges on Past Due Accts are \$1674 over. Dues income is 2419 over.
- Washer/Dryer income is \$2779 over budget.
- Loader expense is \$998 over budget. Truck and ATV expense is \$1555 under.
- Unbudgeted expense associated with foreclosed unit A206 is \$1305.
- Basic Maint. is \$2026 over budget. Boiler Maint. is \$1869 under, Damage Claims are \$4167 under and Pest Control is \$7833 under.
- Clubhouse expenses are \$755 under budget.
- Director's expense is \$7616 under.
- Legal Fees are 3027 over.
- Natural gas is \$2671 over, Water/Sewer is \$3864 under and Trash Removal is \$4540 under.
- Snow removal is \$2819 under and the total of other Grounds Maintenance items is \$6746 under.

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION**  
**BOARD OF MANAGERS MEETING**  
**July 20, 2011**  
**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, Dru Griffin, Paul Hage and Bob Price.

Representing Basic Property Management were Gary Nicholds, Julian Brodie, Eric Nicholds and Candy Ramage. Erika Krainz of Summit Management Resources was recording secretary.

Owners present were Lee Vroble (X302), Cathy Brosius (E106) and Carl Henry (U202). Troy Richard (B102) participated via teleconference. Charles Johnson of Colorado Mountain Maintenance was a guest at the meeting.

**II. APPROVAL OF PREVIOUS MEETING MINUTES**

Paul Hage made a motion to approve the minutes from the June 15, 2011 Board Meeting as presented. Bob Price seconded and the motion carried.

**III. QUESTIONS AND COMMENTS FROM THE FLOOR/COMMENT BOX**

There were no questions from the floor or comment box.

**IV. FINES & HEARINGS**

There were no owners present regarding fines.

**V. MANAGER'S REPORT**

*A. Manager's Report*

1. Replaced two circuit breakers in C Building boiler room.
2. Mowed and trimmed weeds.
3. Replaced light bulbs.
4. Replaced 13 pressure relief valves on boilers and 10 on storage tanks in preparation for the State inspection.
5. Replaced a hot water storage tank in BB Building.
6. The outdoor lights on the ends of the buildings are not working because the circuit boards cannot handle the weather. Julian Brodie will reinstall the old light fixtures.

*B. Delinquency Report as of June 30, 2011*

Gary Nicholds provided a written report. There are 14 units with delinquent balances over \$1,000. It appears that the only legal option for the Association is to proceed with foreclosure. Gary commented that Special Assessment amounts that are delinquent can be treated separately in the collection process from the delinquent dues. Paul Hage recommended finding an aggressive attorney to pursue these issues. Cathy Brosius



pointed out there was language in the Bylaws indicating that after payment is 30 days delinquent, owners can be denied access to their unit. She recommended incorporating this information into the delinquency letter. Richard Garcia said the attorney had recommended against actually pursuing this course of action because it would not hold up in court, but the section could be included in the letter. She volunteered to research some debt restructuring programs for individuals who are experiencing financial difficulties. Candy Ramage was asked to provide a report that shows the amount of delinquent dues as a percentage of total expenses for this complex as compared to other properties. Dru Griffin suggested providing the delinquency list to the Clubhouse so delinquent owners and their guests would be denied access to the amenities.

## **VI. TREASURER'S REPORT**

### **A. Year-to-Date Profit and Loss as of June 30, 2011**

1. Total Income - \$851,215 actual vs. \$841,017 budget (1.2% over budget).
2. Total Expenses - \$750,476 actual vs. \$784,784 budget (4.4% under budget).
3. Total – \$100,740 actual versus \$56,234 budget, \$44,506 favorable to budget.

Including Balance Sheet budgeted items, the actual net income was \$33,618 versus a budgeted deficit of \$10,496.

As of the end of June the Reserve Fund income was \$147,643 and Expenses were \$1,073 for Net Income of \$146,570. Year-to-date Loan expenses were \$69,833.

There was general discussion about the hot water storage tanks. The Board agreed that the purchase cost should be charged against the Reserves.

Candy Ramage provided an explanation of a change she made to the accounting for the loan expenses and repayment. The end result was a \$60,000 increase to the balance available for asphalt replacement.

Bob Price made a motion to approve the Treasurer's Report for June 2011. Richard Garcia seconded and the motion carried.

## **VII. BUILDINGS, GROUNDS AND LANDSCAPING COMMITTEE**

Glenn Johnson was not present to provide a report.

## **VIII. ARCHITECTURAL REVIEW COMMITTEE**

Cathy Brosius said a few owners had contacted her about some projects. One owner wanted to install a fireplace and another wanted to replace doors and windows. Contact information for a window contractor will be posted on the website. There are some non-compliant doors and windows. In J Building one owner has installed a white-framed double hung window and another has a white patio door that needs to be painted. There have been some issues with

reinstallation and finishing of trim after door and window replacement. Owners should ask their contractor about possible rebates or tax incentives for energy efficient replacements.

## **IX. OLD BUSINESS**

- A. *Review Security Inspection Book, Hallway Cleaning Schedule Book, Boiler Inspection Book, Public Comments (Buildings & Grounds Committee).*  
Glenn Johnson was not present to provide a report.
- B. *Proposed Senior Outreach Policy*  
The issue was tabled until the fall. Gary Nicholds will check with the Senior Center about the potential for a global program.
- C. *Front End Loader Rental Agreement and Use Policy*  
Paul Hage made a motion to accept the Rental Agreement and Use Policy, incorporating a requirement to have Dillon Valley East listed as an additional insured using the property's legal name in the renter's policy. Dru Griffin commented that users should be required to have some type of heavy equipment operation training. Bob Price seconded and the motion carried.
- D. *Natural Gas Price Lock*  
The natural gas price was locked for 50% of the total usage for one year at approximately \$4.62/decatherm from 8/1/11 – 7/31/12 and 50% at market value.
- E. *Clubhouse Roof Replacement*  
Bob Price reviewed the proposal for replacement of the Clubhouse roof. The amount budgeted was \$30,000 but all the bids came in higher. Four bids were received ranging in price from \$35,720 - \$52,900 depending on the quality of the shingle. The low bid was for materials that are generally used for metal roofing and Bob did not recommend acceptance of this bid. The roofing team recommended awarding the job to Five Sons Roofing out of Englewood at a cost of \$37,684. It will be a near "top of the line" roof system from GAF, using GAF Timberline HD shingles with a 30 year warranty and GAF Storm Shield HT Ice and Water Shield. Additional work will include repairing and replacing roof venting sufficient for the roof size, ridge venting and installation of hip and ridge shingles, installing starter shingles and installing 24 gauge drip edge. It is likely there will be some repairs needed to the roof decking and at least one of the trusses. They will make these repairs on a time and materials basis for \$75/hour. Bob noted that the tool shed could be re-roofed at the same time at a cost of \$3,667.
- Paul Hage made a motion to approve the bid from Five Sons Roofing for \$37,684 and to approve the additional amount not to exceed \$3,667 for the tool shed. Dru Griffin seconded and the motion carried.
- Gary Nicholds will check the insurance policy to make sure it lists the correct asphalt shingle roofing material for the building.
- F. *Parking Lot Committee Report*

M&M, A-Peak and Columbine Hills were asked to bid on the asphalt project and Gary Nicholds has received bids from two of them. He will prepare bid packets for the Board next week.

*G. Realtor Rally Report*

Richard Garcia said the rally turnout was very small. On the positive side, the entire property was nicely spruced up in anticipation of the event.

**H. Nominating Committee**

Glenn Johnson and Lisa Watkins were not present to provide a report. The self-nomination deadline has passed.

**X. NEW BUSINESS**

*A. Reserve Fund*

Paul Hage said he updated a spreadsheet listing the major projected expenses going out ten years. It was originally based on a Reserve Study that was done in 2003. He asked the Board to provide feedback regarding additional items and priorities. Richard Garcia will forward the original 2003 report to all Board members. Paul Hage will head up the Reserve Fund Committee with members Dru Griffin and Bob Price. They will meet with Gary Nicholds and Julian Brodie to refine the spreadsheet.

Gary Nicholds was asked to get pricing for glycol; all the new boiler systems will need to be recharged before next winter.

*B. Fleet and Clubhouse Cost Analysis*

Paul Hage requested an analysis for the Association's fleet of vehicles. He also requested an estimate of the cost for staffing the Clubhouse.

**XI. SET NEXT MEETING DATE**

The next Board Meeting will be August 17, 2011 at 7:00 p.m. in the Clubhouse.

**XII. ADJOURNMENT**

Bob Price made a motion to adjourn at 8:37 p.m. Paul Hage seconded and the motion carried.

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_  
Board Member Signature

**Dillon Valley East  
Financial Summary  
As of Jun 30, 2011**

**Summary Balance Sheet**

	<b>Operating</b>	<b>Reserve</b>	<b>Loan</b>	<b>Total</b>
Cash Accounts	80,390.65	761,165.94	153,016.49	994,573.08
Other Current Assets	106,174.36	0.00	0.00	106,174.36
Fixed Assets (net of depreciation)	100,761.35			100,761.35
<b>Total Assets</b>	<u>287,326.36</u>	<u>761,165.94</u>	<u>153,016.49</u>	<u>1,201,508.79</u>
Current Liabilities	65,863.48		2,711.84	68,575.32
Long Term Liabilities	159,938.13	0.00	1,482,728.00	1,642,666.13
Donated Capital	2.00			2.00
Retained Earnings	(39,216.95)	614,596.29	(1,262,590.47)	(687,211.13)
YTD Net Income	100,739.70	146,569.65	(69,832.88)	177,476.47
<b>Total Liabilities &amp; Equity</b>	<u>287,326.36</u>	<u>761,165.94</u>	<u>153,016.49</u>	<u>1,201,508.79</u>

**Operating Fund P&L**

	<b>Actual</b>	<b>Budget</b>	<b>Difference</b>	
June Total Income	140,079.24	139,836.25	242.99	
June Total Expense	125,020.83	126,180.19	(1,159.36)	
June Net Income	15,058.41	13,656.06	1,402.35	
<b>Balance Sheet Budgeted Items</b>	<u>11,240.36</u>	<u>11,238.42</u>	1.94	
	3,818.05	2,417.64	1,400.41	
YTD Total Income	851,215.39	841,017.50	10,197.89	1.2%
YTD Total Expenses	750,475.69	784,783.80	(34,308.11)	-4.4%
YTD Net Income	100,739.70	56,233.70	44,506.00	
<b>Balance Sheet Budgeted Items</b>	<u>67,122.01</u>	<u>66,730.20</u>	391.81	
	33,617.69	(10,496.50)	44,114.19	

**Major Variances YTD:**

- Delinquency Fees are \$4174 over budget and Finance Charges on Past Due Accts are \$1674 over. Dues income is 902 over.
- Washer/Dryer income is \$1112 over budget.
- Loader expense is \$998 over budget. Truck and ATV expense is \$1555 under.
- Unbudgeted expense associated with foreclosed unit A206 is \$1305.
- Boiler Maint. is \$1261 under budget, Damage Claims are \$4640 under and Pest Control is \$9500 under.
- Clubhouse expenses are \$1532 under budget.
- Legal Fees are 3293 over. Insurance is \$7319 under.

- Natural gas is \$1654 over, Water/Sewer is \$4637 under and Trash Removal is \$5877 under.
- Snow removal is \$2819 under and the total of other Grounds Maintenance items is \$1755 under.

**Reserve Fund P&L**

	<b>Actual</b>
June Total Income	24,592.61
June Total Expense	800.00
June Net Income	23,792.61
YTD Total Income	147,642.65
YTD Total Expenses	1,073.00
YTD Net Income	<u>146,569.65</u>

**LOAN Fund P&L**

	<b>Actual</b>
June Total Income	0.00
June Total Expense	311.84
June Net Income	<u>(311.84)</u>
YTD Total Income	0.00
YTD Total Expenses	69,832.88
YTD Net Income	<u>(69,832.88)</u>

## **Notes from the Pres.**

Greetings

After 38 years, our clubhouse is receiving a new roof. Not bad, considering the drastic climate changes during a year. Several of our parking lots will be repaired next month. We have bids from three pavement companies and should have a decision by August 12<sup>th</sup>. Money for these two projects is coming from the balance of our loan and the Reserve Fund. We are almost caught up on large expenditures for a few years. Our Reserve Fund is looking good and we want to continue increasing it for future expected items that will need to be replaced due to age.

Our Annual Meeting will be September 17<sup>th</sup>, in the clubhouse beginning at 10:00 A.M. Lunch will be provided. Beverage and light breakfast will be available before the meeting.

Are you thinking of updating your unit and replacing that old free standing fireplace? Be careful and have a professional do it for you and be sure to check with the Regional Building Department. You may wind up having to install a chimney liner to meet current building code. If you ignore building code and damage is caused by your new fireplace, you will be liable for building damage and personal property loss of others.

You do not need a building permit to replace an existing window or patio door. Just be sure to select a color of almond or beige. White is not permitted. If you select white, prepare to either replace the window/patio door or paint it.

Richard Garcia  
President  
Dillon Valley East Condominium Association

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION  
BOARD OF MANAGERS MEETING  
August 17, 2011  
Dillon, Colorado**

**I. CALL TO ORDER**

The meeting was called to order at 7:03 p.m. by Richard Garcia.

Board members present were Richard Garcia, Glenn Johnson, Sylvia Dowty, Paul Hage and Bob Price.

Representing Basic Property Management were Gary Nicholds, Julian Brodie, Eric Nicholds and Candy Ramage. Erika Krainz of Summit Management Resources transcribed the minutes from recording.

Owners present were Lee Vroble (X302), Cathy Brosius (E106), Jeff Schramm (I205) and Jack Regan (A204).

**II. APPROVAL OF PREVIOUS MEETING MINUTES**

Bob Price made a motion to approve the minutes from the July 20, 2011 Board Meeting as presented. Sylvia Dowty seconded and the motion carried.

**III. QUESTIONS AND COMMENTS FROM THE FLOOR/COMMENT BOX**

Jeff Schramm asked if owners were informing the Clubhouse when they have new renters. There have been parking issues with the occupants of Unit I204. Richard Garcia said there was no requirement for owners to provide tenant information because it is not possible to enforce it. Any parking violations should be reported to management. Any suspected criminal activity should be reported to the Sheriff. Paul Hage asked the staff to help by providing a copy of the rules if new tenants appear not to be aware of them.

Jack Regan said there was a leak in his unit A204. His insurance company paid for the repairs but he had to pay the deductible. It appears the leak originated in A304. He asked if the Association had been reimbursed for the damage to the common area, some of which still has not been repaired. Gary Nicholds responded that the Association has "bare walls" coverage. The unit owners must carry contents insurance. The owner of A304 had contents insurance but it only covered him and not his tenant. Gary is trying to reach the owner of A304 about reimbursement for the costs to repair the common area damages since they were caused by his tenant. The holes in the wall in the common area will be repaired but an insurance claim will not be filed because the expense will be less than the deductible. Sylvia Dowty said the unit was just put on the market; she suggested filing a mechanics lien for the damage costs. Paul Hage recommended sending the bill for all related repairs to both the owner of A304 and to State Farm. Gary will get a bid for repairing the holes in the wall in the common area.

**IV. FINES & HEARINGS**

There were no owners present regarding fines.

## **V. MANAGER'S REPORT**

### *A. Manager's Report*

1. Routine summer lawn maintenance is ongoing.
2. Julian Brodie worked with the state boiler inspector.

### *B. Delinquency Report as of July 31, 2011*

Gary Nicholds provided a written report. The total delinquent balance was about \$100,000, which equates to 5.1% of the total dues.

Bob Price felt the Association should take a harder line with the delinquent owners. He suggested suing them and putting notices in the newspaper. Gary Nicholds was asked to discuss this issue with the attorney who handles the collections for the Association. He said he would also contact two attorneys (Hindman Sanchez and Lauren Orton) in Denver who specialize in association issues.

## **VI. TREASURER'S REPORT**

### *A. Year-to-Date Profit and Loss as of July 31, 2011*

1. Total Income - \$993,983 actual vs. \$980,854 budget (1.3% over budget).
2. Total Expenses - \$863,655 actual vs. \$911,022 budget (5.2% under budget).
3. Total - \$130,328 actual versus \$69,832 budget.

Including Balance Sheet budgeted items, the actual net income was \$52,162 versus budgeted \$8,184.

As of the end of June the Reserve Fund income was \$172,253 and Expenses were \$5,269 for boiler tanks and carpet resulting in Net Income of \$166,984. Year-to-date Loan expenses were \$70,633.

Bob Price suggested dropping collision coverage on the 1997 truck.

Sylvia Dowty made a motion to approve the Treasurer's Report for July 2011. Bob Price seconded and the motion carried.

## **VII. BUILDINGS, GROUNDS AND LANDSCAPING COMMITTEE**

Glenn Johnson said the totem poles in front of the Clubhouse were in need of painting. Barbara Johnson will do the painting. The Board recommended doing it this fall. Flowers were planted along the exterior wall by the swimming pool. The trees at the end of the driveways by the road have been trimmed to improve visibility.

Lee Vroble said there was an area of dead grass in front of X102 and X103. He thought the sprinklers might not be functioning properly.



### **VIII. ARCHITECTURAL REVIEW COMMITTEE**

Cathy Brosius said there had not been any new requests. Bob Price said all owners who request permission to replace doors or windows should fill out the form for the files. Management was asked to enforce the window and door frame and curtain color rules.

### **IX. OLD BUSINESS**

#### *A. Clubhouse Roof Replacement*

Gary Nicholds said the work was finished last week. The only surprise was the amount of rotten plywood. All work was done in accordance with the specifications in the contract. The heat tape was all reattached but has not yet been tested.

#### *B. Parking Lot Committee Report*

Paul Hage said bids were obtained for parking lot maintenance including patching with infrared, overlays and crack sealing. The bidders were A-Peak (\$259,773), Columbine Hills (\$263,440) and MM (\$266,236). A-Peak is a local company and comes highly recommended. The work will be partially funded from the remaining loan proceeds with the balance coming from the Reserves. Paul recommended approval of the A-Peak bid and to have the work done as soon as possible because material costs are increasing. Bob Price made a motion to accept the A-Peak bid. Sylvia Dowty seconded and the motion carried.

There are some areas where it should be possible to create more parking. Paul would like to begin developing a plan for expanding the parking.

Cathy Brosius commented that the drainage ditch at the end of E Building needed to be cleaned out before any paving work is done because water is accumulating and causing heaving of the surrounding area.

#### *C. Nominating Committee*

Glenn Johnson said he and Lisa Watkins had identified four candidates for the three positions: Richard Garcia, Cathy Brosius, Paul Hage and Bob Price. Nominations are now officially closed.

#### *D. Reserve Study*

Paul Hage said he would start reviewing the Study and getting some pricing next week.

### **X. NEW BUSINESS**

#### *A. 2012 Budget*

Paul Hage will begin work on the 2012 budget. The Board agreed to meet on Wednesday, December 14, 2011 to review it with any interested homeowners.

### **XI. SET NEXT MEETING DATE**

The next Board Meeting will be September 17, 2011 following the Annual Meeting, which will start at 10:00 a.m.

**XII. ADJOURNMENT**

Sylvia Dowty made a motion to adjourn at 8:34 p.m.

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_  
Board Member Signature

**Dillon Valley East  
Financial Summary  
As of Jul 31, 2011**

**Summary Balance Sheet**

	<b>Operating</b>	<b>Reserve</b>	<b>Loan</b>	<b>Total</b>
Cash Accounts	59,486.89	785,479.30	149,504.65	994,470.84
Other Current Assets	146,315.59	0.00	0.00	146,315.59
Fixed Assets (net of depreciation)	100,761.35			100,761.35
<b>Total Assets</b>	<b>306,563.83</b>	<b>785,479.30</b>	<b>149,504.65</b>	<b>1,241,547.78</b>
Current Liabilities	62,642.24	3,898.69	0.00	66,540.93
Long Term Liabilities	152,798.33	0.00	1,482,728.00	1,635,526.33
Donated Capital	2.00			2.00
Retained Earnings	(39,206.95)	614,596.29	(1,262,590.47)	(687,201.13)
YTD Net Income	130,328.21	166,984.32	(70,632.88)	226,679.65
<b>Total Liabilities &amp; Equity</b>	<b>306,563.83</b>	<b>785,479.30</b>	<b>149,504.65</b>	<b>1,241,547.78</b>

**Operating Fund P&L**

	<b>Actual</b>	<b>Budget</b>	<b>Difference</b>	
July Total Income	142,815.88	139,836.25	2,979.63	
July Total Expense	112,867.57	126,238.28	(13,370.71)	
July Net Income	29,948.31	13,597.97	16,350.34	
<b>Balance Sheet Budgeted Items</b>	<b>11,285.65</b>	<b>11,238.42</b>	<b>47.23</b>	
	<b>18,662.66</b>	<b>2,359.55</b>	<b>16,303.11</b>	
YTD Total Income	993,982.81	980,853.75	13,129.06	1.3%
YTD Total Expenses	863,654.60	911,022.08	(47,367.48)	-5.2%
YTD Net Income	130,328.21	69,831.67	60,496.54	
<b>Balance Sheet Budgeted Items</b>	<b>78,166.23</b>	<b>78,015.85</b>	<b>150.38</b>	
	<b>52,161.98</b>	<b>(8,184.18)</b>	<b>60,346.16</b>	

Major Variances YTD:

- Delinquency Fees are \$4952 over budget and Finance Charges on Past Due Accts are \$2574 over. Dues income is \$3386 over.
- Washer/Dryer income is \$2641 over budget.
- Loader expense is \$998 over budget. Truck and ATV expense is \$3010 under.
- Unbudgeted expense associated with foreclosed unit A206 is \$1305.
- Crown Resealing is \$4775 under budget (but will probably catch up), Damage Claims are \$5473 under and Pest Control is \$11,167 under.
- Clubhouse expenses are \$2688 under budget.
- Legal Fees are \$3005 over. Insurance is \$8539 under.
- Natural gas is \$2277 over, Electric is \$1366 over, Water/Sewer is \$5409 under and Trash Removal is \$6544 under.
- Snow removal is \$2819 under and the total of other Grounds Maintenance items is \$2440 under.

*Dillon Valley East Condominium Association  
Board of Managers Meeting*

<b>Reserve Fund P&amp;L</b>	
	<b>Actual</b>
July Total Income	24,610.32
July Total Expense	4,995.65
July Net Income	<u>19,614.67</u>
YTD Total Income	172,252.97
YTD Total Expenses	5,268.65
YTD Net Income	<u>166,984.32</u>
<b>LOAN Fund P&amp;L</b>	
	<b>Actual</b>
July Total Income	0.00
July Total Expense	0.00
July Net Income	<u>0.00</u>
YTD Total Income	0.00
YTD Total Expenses	70,632.88
YTD Net Income	<u>(70,632.88)</u>

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION**  
**BOARD OF MANAGERS MEETING**  
**September 17, 2011**  
**Dillon, Colorado**

**I. CALL TO ORDER**

The meeting was called to order at 1:06 p.m. by Richard Garcia.

Board members present were Richard Garcia, Sylvia Dowty, Paul Hage and Lisa Watkins.

Carl Henry (U202) was a guest at the meeting.

Representing Basic Property Management were Gary Nicholds, Martin Cenicerros and Candy Ramage. Erika Krainz of Summit Management Resources was recording secretary.

**II. APPROVAL OF PREVIOUS MEETING MINUTES**

Paul Hage made a motion to approve the minutes from the August 17, 2011 Board Meeting as presented. Sylvia Dowty seconded and the motion carried.

**III. QUESTIONS AND COMMENTS FROM THE FLOOR/COMMENT BOX**

There were no questions or comments from the floor or comment box.

**IV. FINES & HEARINGS**

There were no owners present regarding fines.

**V. MANAGER'S REPORT**

*A. Manager's Report*

Gary Nicholds provided a summary of completed and pending projects:

1. The Clubhouse roof was replaced.
2. All the parking lot asphalt needs repair. The Clubhouse parking lot crack sealing, seal coating and striping was just completed. Buildings AA, BB, H and I have been saw cut through the middle. The cuts will be excavated next week and concrete drain pans will be poured. The lots will then be patched, repaired and overlaid. If weather permits the parking lots at Buildings B, C, J, F and G will also have concrete pans installed, asphalt patching and an overlay. The asphalt in the rest of the lots is in decent condition and will be crack sealed. The sealcoating was only done for the Clubhouse lot as it is mainly an aesthetic improvement. Next year the Board will look at expanding some of the parking lots wherever it is possible.
3. The Association hosted a Real Estate Open House this summer. Efforts were made to improve the appearance of the property. Half of the Clubhouse interior was repainted and the other room will also be done in the future.
4. The garage is being organized and the area behind the garage was cleaned up.
5. Management recognizes there is a dandelion problem. The lawn was mowed every week on Tuesdays or Wednesdays. The grass was treated with weed and

feed but the weather did not cooperate. The product used will be reexamined for next year.

6. All new boilers have passed inspection. Winter preventative maintenance will be done next week. The water pump pressure needs to be regulated to address noise issues in the walls and ceilings.
7. A loader was purchased last year and saved the Association \$18,000 – 20,000 in rental fees.
8. Gary is working with the insurance agent on a bulk policy for several Associations. It might not lower the premium but the coverage will improve.

*B. Delinquency Report as of August 31, 2011*

Gary Nicholds provided a written report. He has contacted Orten, Cavenough, Richmond and Holmes, a law firm in Denver with a delinquency and foreclosure specialist.

**VI. BUILDINGS, GROUNDS AND LANDSCAPING COMMITTEE**

Glenn Johnson was not present to provide a report.

**VII. ARCHITECTURAL REVIEW COMMITTEE**

Cathy Brosius was not present to provide a report.

**VIII. OLD BUSINESS**

*A. Clubhouse Roof Replacement*

The Clubhouse roof replacement project has been completed.

*B. Parking Lot Committee Report*

The parking lot repairs are underway. How much can be accomplished will depend on the weather.

*C. Reserve Study*

Paul Hage said there had been two meetings to work on the Reserve Study. They will plug in some new cost estimates. In the process of replacing the boilers, some may not have been refilled with glycol. Gary Nicholds will have them tested. The cost to add glycol to each boiler will be about \$1,000. Paul said this could be funded with leftover asphalt money that is not spent this year, assuming all lots will not be completed this year.

*D. 2012 Budget*

Paul Hage will work on a draft 2012 Budget with Candy Ramage and will present it to the rest of the Board for review.

**Treasurer's Report**

The Treasurer's Report can be found in the Annual Meeting Minutes for 2011.

**IX. NEW BUSINESS**

*A. Election of Officers*

Paul Hage made a motion to elect Richard Garcia as President. Sylvia Dowty seconded and the motion carried.

Paul Hage made a motion to elect Sylvia Dowty as Vice President. Lisa Watkins seconded and the motion carried.

Lisa Watkins made a motion to elect Paul Hage as Treasurer. Sylvia Dowty seconded and the motion carried.

Paul Hage made a motion to elect Lisa Watkins as Secretary. Sylvia Dowty seconded and the motion carried.

*B. Building A Holes in Walls*

Gary Nicholds said the holes were repaired at a cost of \$1,100. He has contacted the insurance company and the unit owner. The holes in the unit wall are the unit owner's responsibility.

*C. Wireless*

Gary Nicholds said Cobianet is a company that can provide secure wireless service with free installation for the entire complex with a number of "à la carte" usage payment options. They offer a 30 day free trial. He will get more information and have the representative David Dean attend a Board meeting to make a presentation. It is being tested at another property in Dillon.

*D. B Building Punch Code Lock Request*

The owners in one stack in B Building requested permission to install a punch code lock on their stack because they all rent short term. Paul Hage suggested having all of them sign an agreement and to charge them a fee up front to cover the cost to revert back to the original system. The Board will make a motion on this request at the next meeting once they have obtained additional information.

*E. Short Term Parking Lot*

An owner asked Sylvia Dowty if it would be possible to pay to store his sailboat in the short term parking lot over the winter. There is a camper that has been parked in the lot for over a year. Richard Garcia directed Martin Cenicerros to tell the owner to move it within ten days. Carl Henry asked if the Board had considered charging for longer term parking. Richard Garcia said it had but determined there were liability issues.

*F. Management Contract*

Sylvia Dowty, Lisa Watkins and Paul Hage were appointed to work with Gary Nicholds on the Basic Property Management contract.

**X. SET NEXT MEETING DATE**

The next Board Meeting will be October 19, 2011.

**XI. ADJOURNMENT**

Paul Hage made a motion to adjourn at 1:34 p.m.

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_  
Board Member Signature



**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION  
ANNUAL MEETING  
September 17, 2011  
Dillon, Colorado**

**I. ROLL CALL AND CERTIFICATION OF PROXIES**

The meeting was called to order at 10:07 a.m. by Richard Garcia.

Board members present were:

Richard Garcia, President, T106	Sylvia Dowty, Vice President, Y101
Lisa Watkins, Secretary, T305 BB203/N305/Q205/Z104	Paul Hage, Treasurer,

Homeowners present were:

Linda Banziger, B101	David Bittner, D302
Deborah Burg, S301	Anthony Dobrski, O203/T302
Bryan Fabel, B302	Antolii Gancev, E304
Elaine Garcia, T106	Margaret Garver, R106
Bimleshwar Gupta, AA201	Matthew Hage, F303
Clifford Hamburg, S303	Laura Hartman, R201
Carl Henry, U202	Frances & Charles Kachadoorian, Q305
Thomas Lorenz, X103	Cesar Munoz, J102
Dolores Nelson, N306	Mark O'Brien, S205
Joyce Oleson, R101	Martha Pirnat, X301
Jeff & Rachel Plachko, G202	Richard Sears, E301
Barbara Slater, E201/I305	Paul Tronnier, A106
Leo Vroble, X302	Edith Webster & Chris Heer, X204/X303
Gail Wepfer, I102	Ann Woods, P303
Nicole Wyckoff, B106	Russell Young, AA301/Q101

Representing Basic Property Management were Gary Nicholds, Candy Ramage and Martin Cenicerros. Erika Krainz of Summit Management Resources was recording secretary.

**II. DETERMINATION OF QUORUM**

A quorum was reached with 40 units represented in person and 88 proxies received.

**III. PROOF OF NOTICE**

Notice of the meeting was sent in accordance with the Bylaws.

**IV. APPROVE PREVIOUS MEETING MINUTES**

Anthony Dobrski made a motion to approve the minutes of the September 18, 2010 Annual Meeting as presented. Thomas Lorenz seconded and the motion carried.

## V. REPORTS OF OFFICERS

### A. *Real Estate Report*

Sylvia Dowty presented the Real Estate report. Prices have continued a downward spiral. Dillon Valley as a whole has suffered many short sales and foreclosures. Dillon Valley has been traditionally a first home area and many purchased when the market was high and are now in financial difficulties. There are seven Dillon Valley East units on the market. There were 13 sales last year, (5) one bedroom units, (5) two bedroom units and (3) three bedroom units. There are some indications that the market is nearing the bottom and it is hoped it will stabilize around beginning of 2012. She anticipated it would be at least five years until there is reasonable annual appreciation in unit values. It is still a desirable neighborhood and the prices are right.

### B. *President's Report*

Richard Garcia provided a Power Point presentation with photographs of completed projects and some areas that need attention. Highlights included:

1. Window and door frames need to be almond or beige, not white.
2. Owners who replace their original fireplaces need to have a building permit and use a licensed contractor.
3. The Clubhouse roof had to be completely replaced. A ridge vent was added to improve circulation and to reduce moisture in the eaves.

## VI. FINANCIAL REPORT

### A. *2010 Year End Financial Status*

Paul Hage reviewed the Profit and Loss as of December 31, 2011:

1. Income - \$1,554,381 actual vs. \$1,550,690 budget (0.2% over budget).
2. Expenses - \$1,541,954 actual vs. \$1,548,758 budget (0.4% under budget).
3. Net Income - \$12,428.

Reserve income in 2010 totaled \$356,402 and expenses were \$98,240, mainly for the loader and emergency Clubhouse roof work. The net income for the year was \$258,162.

### B. *Year-to-Date Profit and Loss as of August 31, 2011*

1. Total Income - \$1,135,725 actual vs. \$1,120,690 budget (1.3% over budget).
2. Total Expenses - \$1,079,032 actual vs. \$1,123,235 budget (3.9% under budget).
4. Net Income - \$56,693

Savings were realized in Trash, Pest Control, Water and Sewer and Insurance. Washer/Dryer income was over budget. The Association should finish the year with a surplus. It is the Board's goal to avoid the need for a dues increase next year.

Paul Hage said there was discussion about metering water in Dillon Valley. Each building would be metered individually but water costs would still be allocated among all owners as it is now, not by building. Paul mentioned that the Association pays more for water and sewer than natural gas at this point. The water metering could potentially

impact future budgets. If there is a surplus that is carried over to next year, it could be used to lower dues or be refunded as a credit against dues in February or March.

C. *2011 Year-End Surplus*

Paul Hage made a motion to authorize transfer of any 2011 year-end surplus to the 2012 Operating Budget. Thomas Lorenz seconded and the motion carried.

D. *Reserve Fund Status*

Year-to-date income for the Reserve Fund was \$197,871 and expenses totaled \$54,305 resulting in net income of \$142,566. The most significant expense was for emergency repair of the Clubhouse roof (\$48,000).

Paul Hage anticipated finishing the year with a Reserve balance of about \$700,000. The upcoming capital expense list is being updated. The building painting cycle will need to be started again in three years. A professional Reserve Study was done in 2003 and they recommended painting on a five year cycle. The cost will be about \$75,000 per year for the painting and siding replacement as needed. The mowers are \$35,000 each and at least one will need to be replaced in the next few years. Paving is underway but has been hampered by the weather. The Board will be looking at the lots to determine if the parking striping can be changed to increase the number of spaces. The Clubhouse needs updating. Roof replacement will be a large expense in the next ten to fifteen years. The roofs will be professionally inspected.

The Association took out a loan with Alpine Bank for \$1,500,000 last year and started paying against the principal in February. The loan term is 15 years at 6% (it is an adjustable rate). The loan was taken to address failing boilers and leaks in the domestic water piping. Inflation is a concern down the road; it could cause the rate to skyrocket. Paul Hage recommended keeping the Reserve healthy and keeping up the property.

Thomas Lorenz made a motion to approve the Financial Report as presented. Chris Heer seconded and the motion carried.

E. *Owner Comments and Questions*

1. Nicole Wyckoff (B106) noted that paying down the loan balance would reduce the interest.
2. Anthony Dobrski (T302) asked where the Reserve funds were held. Paul Hage said it was invested in a T-Bill. Anthony asked if the loan could be renegotiated. Paul said it could be but the Association would probably have to pay refinancing fees. He noted that the Association is a commercial entity and does not qualify for the same low rates as individual homeowners.
3. Richard Sears (E301) asked if the loader was rented out. Paul Hage said there was a policy for rental to ensure it is available for use by this Association when needed and that any renters know how to operate the equipment. It can only be rented for snow removal. It was purchased in excellent condition from the Town of Silverthorne. The rental income is credited Loader Expense in the Operating Fund.

4. Martha Pirnat (X301) asked about the status of delinquencies. Paul Hage said most Associations are fighting higher rates of delinquencies than ever before. The problem is that Associations do not have much legal recourse. The Association can file a lien on the property or foreclose but both options cost the Association money and the process can take up to two years. If the unit goes to foreclosure the Association only has legal rights to six months of back dues. Richard Garcia said the total delinquent balance was currently over \$100,000. The Board is trying to identify an aggressive attorney to pursue collection. Colorado law protects the homeowners so it is difficult. The majority of the delinquent balance is attributable to about ten owners. Anthony Dobrski suggesting using a collection agency. Paul said that had been considered but the Board wanted to try to work with an attorney who would retain a smaller percentage. Dave Bittner noted that the delinquent owners usually do not have any funds to pay their outstanding balances.

## **VII. COMMITTEE REPORTS**

### *A. Buildings and Landscape*

Richard Garcia read a report from Glenn Johnson. The parking lots were plowed adequately during this past winter of heavy snow. Owners were asked to move their cars more frequently to facilitate plowing. Metal diverters were installed on some roofs to alleviate ice build up on the front steps. The mowing was well done this summer and the flowers were well cared for and watered. He thanked the Basic Property Management staff for their support.

Lee Vroble commented that weeds were a big problem. He asked the Board to budget for weed killer in addition to fertilizer. Richard Garcia said the fertilizer used this year included a weed killer but it was applied at the wrong time and the weather did not cooperate. He noted that the product had to be carefully selected because of dogs and children.

## **VIII. MANAGEMENT COMPANY REPORT**

### *A. Basic Property Management*

Gary Nicholds provided a summary of completed and pending projects:

1. The Clubhouse roof was replaced.
2. All the parking lot asphalt needs repair. The Clubhouse parking lot crack sealing, seal coating and striping was just completed. Buildings AA, BB, H and I have been saw cut through the middle. The cuts will be excavated next week and concrete drain pans will be poured. The lots will then be patched, repaired and overlaid. If weather permits the parking lots at Buildings B, C, J, F and G will also have concrete pans installed, asphalt patching and an overlay. The asphalt in the rest of the lots is in decent condition and will be crack sealed. The sealcoating was only done for the Clubhouse lot as it is mainly an aesthetic improvement. Next year the Board will look at expanding some of the parking lots wherever it is possible.

3. The Association hosted a Real Estate Open House this summer. Efforts were made to improve the appearance of the property. Half of the Clubhouse interior was repainted and the other room will also be done in the future.
4. The garage is being organized and the area behind the garage was cleaned up.
5. Management recognizes there is a dandelion problem. The lawn was mowed every week on Tuesdays or Wednesdays. The grass was treated with weed and feed but the weather did not cooperate. The product used will be reexamined for next year.
6. All new boilers have passed inspection. Winter preventative maintenance will be done next week. The water pump pressure needs to be regulated to address noise issues in the walls and ceilings.
7. A loader was purchased last year and saved the Association \$18,000 – 20,000 in rental fees.
8. Gary is working with the insurance agent on a bulk policy for several Associations. It might not lower the premium but the coverage will improve.

Bimleshwar Gupta commented that when the parking lot at his building was restriped last year, an extra space was added that made all the other spots too narrow, especially in the winter. Gary Nicholds will work with the paving contractor on the striping plan.

Antolii Gancev asked if there were regular inspections of the roofs. Gary Nicholds said he regularly looked for loose shingles and flashing issues on his driving tours of the property. Richard Garcia said the attics were not inspected on a regular basis, only when problems arise. There have not been any indications of roof failures on any of the regular buildings. Antolii suggested implementing a regular roof inspection program.

Martha Pirnat asked how the Open House went. Sylvia Dowty said there was not much of a turnout but she received a large number of calls the week before and after and she has become the “go to” person for the property among Realtors. This will allow Sylvia to inform Realtors about the improvements that have been made that are not visible.

Chris Heer said there was erosion of the stairs by the patios. In addition, some downspouts were removed by building entrances and the draining water is eroding the concrete.

Bimleshwar Gupta said the numbers on the nameplates were wearing. Gary Nicholds will add this to his list.

Deborah Burg asked if the door replacement project had been completed. Gary Nicholds confirmed that it was but there have been some issues with abuse. The paint will be touched up in the spring.

Bryan Fabel requested addition of a directional sign to the lock boxes or laundry for renters.

**IX. ELECTION OF MANAGERS**

The terms of Bob Price, Richard Garcia and Paul Hage expired this year and all three indicated their willingness to run again. Cathy Brosius was also nominated. Sylvia Dowty presented biographical information for Bob Price and Lisa Watkins presented biographical information for Cathy Brosius, who were both unable to attend the meeting in person. Richard Garcia and Paul Hage provided biographical information. Secret ballots were tallied and Bob Price, Richard Garcia and Paul Hage were elected to the Board.

**X. NEW BUSINESS**

*A. Staffing Changes*

Margaret Garver thanked all the staff and Board members for their efforts on the Association's behalf. She asked why Erin Griffin and Julian Brodie had been let go. She felt they had been very good staff members. Gary Nicholds said the decision was not easy but it was a business decision that was made in the best interest of the company and Dillon Valley East. Thomas Lorenz agreed with Margaret and suggested awarding both former employees a separation bonus. David Bittner felt the owners should let the management company do their job. Delores Nelson asked if the positions had been filled. Gary said one had been and the other would be.

*B. Parking*

Chris Heer said many cars had expired or illegible parking permits or none at all. She felt owners should help to monitor the parking. Gary Nicholds said he appreciated the owner assistance and that owners should call the Clubhouse about parking issues. She suggested an occasional notification to owners to remind them who and where to call.

*C. Employee Rental Unit*

Lee Vroble asked what the status of the employee rental unit was now that Julian Brodie is no longer living there.

*D. Wireless for all Units*

Bimleshwar Gupta asked if there was any consideration given to adding wireless for the entire property. Richard Garcia said this had been considered in the past. With the new technology that is available, it is now becoming feasible. Antennae could be mounted on the light posts in the parking lots. The Board will research this idea. There is wireless available in the Clubhouse. Gary Nicholds said he would be sharing information about a new option called Cobianet with the Board.

**XI. SET NEXT MEETING DATE**

The next Annual Meeting was set for Saturday, September 22, 2012 in the Dillon Valley East Clubhouse.

**XII. ADJOURNMENT**

David Bittner made a motion to adjourn at 12:09 p.m.

Approved By: \_\_\_\_\_

Board Member Signature

Date: \_\_\_\_\_

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION  
BOARD OF MANAGERS MEETING  
October 19, 2011**

**I. CALL TO ORDER**

The meeting was called to order at 7:04 p.m. by Richard Garcia in the Dillon Valley East Clubhouse.

Board members present were Richard Garcia, Glenn Johnson, Paul Hage, Lisa Watkins and Bob Price.

Representing Basic Property Management were Gary Nicholds, Bill Cadwallader, Eric Nicholds and Candy Ramage. Erika Krainz of Summit Management Resources was recording secretary.

Owners present were Lee Vroble (X302), Cathy Brosius (E106) and Jason Connolly (O303).

Guests present were David Dean from Cobianet, Steve DeRaddo from Neil Garing Insurance and Lauren Holmes and Hal Kyles from Orten Cavanagh Richmond & Holmes, LLC.

**II. APPROVAL OF PREVIOUS MEETING MINUTES**

Glenn Johnson made a motion to approve the minutes from the September 17, 2011 Board Meeting as presented. Paul Hage seconded and the motion carried.

**III. QUESTIONS AND COMMENTS FROM THE FLOOR/COMMENT BOX**

Jason Connolly suggested that the Board distribute a bi-lingual flyer reminding owners not to leave their cars idling for more than a few minutes. He was also concerned about the escalation of dues. He suggested cost savings measures such as reduced staffing in the Clubhouse and forming committees to take on certain responsibilities. Paul Hage said there was a high probability that there will not be a dues increase for 2012. He noted that some expenses were beyond the Association's control so it was difficult to forecast out several years. Richard Garcia said a flyer would be sent to all residents about idling cars. He added that it was challenging to get owners to participate on committees or on the Board.

**IV. NEW BUSINESS**

*A. Legal Presentation by Orten Cavanagh Richmond & Holmes, LLC*

Hal Kyles and Lauren Holmes of Orten Cavanagh Richmond & Holmes, LLC provided an overview of their services for pursuing collections. They offer either a "pay as you go" fixed fee schedule or a contingency program. Hal Kyles compared the cost of some of the work being done by the current attorney with their rate schedule. A recent foreclosure cost the Association over \$7,000; their fixed fee would have been less than half that amount for an uncontested foreclosure. With the contingency or "shared risk" program the Association is not billed for attorney fees unless the attorneys are successful in collecting money. The Association would pay costs such as filing or service fees. The regular attorney fees, delinquent dues that are collected, late fees and



interest would be split 70/30 between the Association and the legal firm. The shared risk requires a \$175/month retainer. With the retainer, there is a \$30/hour fee reduction.

Foreclosure is not the only option for pursuing amounts due. The Association can seek a personal judgment or garnish wages and/or bank accounts. A personal lawsuit is effective for collecting from owners who live in-state. It is also less expensive than foreclosure. Receivership is a good option for out of state owners. In a judicial foreclosure there is always the chance that the first mortgage holder will come in behind the Association and foreclosure since their process is quicker.

The Association can suspend a delinquent owner's rights to the Clubhouse and pool as long as it is specified in the Association documents, but the owner cannot be locked out of the units or and the Association cannot tow their car.

Bob Price asked for some assurances that they would do a better job than the current attorney. Hal Kyles said he had a very competent staff, established processes and a "tool kit" that allows him to do everything possible under Colorado law to collect. There is also a full time dedicated owner account specialist (phone collector). Nothing can be done in the case of a Chapter 11 bankruptcy. He said the 70/30 split would not increase. Paul Hage asked about their success rate. Hal Kyles said they started the shared risk program in January 2010 and most new clients have selected that program. He has had a significant number of clients who switched from shared risk to the fixed fee because the attorneys were so successful in collecting and the clients felt they were paying too much to the attorneys. The Association could switch programs after one year. All accounts must be under the same program.

Hal Kyles noted that they would not do judicial foreclosures under the shared risk program. Those cases would be billed for the work as it is performed.

The \$175/month retainer is a flat fee regardless of the number of cases turned over to the attorney.

Bob Price made a motion to engage the services of Orten Cavanagh Richmond & Holmes, LLC to work on collection of delinquent dues. Paul Hage seconded and the motion carried with Lisa Watkins abstaining.

*B. Insurance Presentation by Neil Garing Insurance*

Steve DeRaddo of Neil Garing Insurance provided an overview of his firm. He represents numerous insurance companies, which enables him to get multiple competitive bids. The agency insures about 800 Associations. He is active with Community Associations Institute and is the past President of the Denver division. He can provide a Master insurance program. The benefits would include shared blanket limits of coverage, cost savings and less administrative work. He can also provide a master umbrella policy with limits up to \$250 million. Each Association needs to have an individual D&O policy. He is working on a master program with an effective date of April 1, 2012. He provided a quote for an individual policy along with a comparison of coverage. His policy would be less expensive and would provide higher coverage limits.

He recommended that the Associations get a professional replacement cost analysis. The D&O policy is currently with Traveler's, which is the same as he would recommend. There is also optional coverage being offered for excess/umbrella liability for \$5 million, which would cover general liability and D&O. The insurance coverage would be dictated by the provisions in the Association Declarations. The manager and management company are included as an additional insured under the D&O policy. The premium for the package would be \$76,322 which also provides some additional coverage over our existing policies and he anticipated that the master policy premium would be 10 – 12% lower with more coverage. He also recommended a Worker's Comp policy for \$275/year that would be applicable if a contractor has a lapse in coverage and experiences an accident on site.

C. *Wireless Internet Presentation by Cobianet*

David Dean of Cobianet provided a summary of wireless options. They offer two types of service. The first is a bulk rate service for Associations with property-wide coverage and guaranteed signal strength to every unit. They offer free installation, a free 30-day evaluation period, free technical support and a month-to-month contract. The bulk rate would be \$10/unit/month. The second type of service is an à la carte option. This would also provide property-wide coverage but owners could sign up individually at a higher cost. There would be multiple transmitters for each building and a fiber line along the I-70 border, which Cobianet would provide and install at their expense. The cost for individual usage (with a maximum of three devices per password) would be \$4/unit/day or \$10/unit/week or \$20/unit/month and owners would manage their accounts individually. The service would be comparable to Comcast or Qwest. There is no bandwidth limitation but they do give priority to browser traffic. It is a secure system. The lines would be run in buried conduit and there would be radios about the size of a shoe box on posts with common power. They would handle bringing power to their equipment.

D. *Plumbing Presentation by Mac Services*

Gary Nicholds introduced Mac Trench of Mac Services. He toured all the boiler rooms and provided a report. Gary wants to make sure that they are in good shape for the winter. There are still some code violations that are being addressed. Three hot water tanks need to be replaced. Some of the new boilers had some safety issues. He will develop an 18 point inspection list for the technicians.

**V. FINES & HEARINGS**

There were no owners present regarding fines.

**VI. MANAGER'S REPORT**

A. *Manager's Report*

The report was not reviewed since it was previously sent to all Board members.

B. *Delinquency Report as of September 30, 2011*

Gary Nicholds provided a written report. The total delinquent balance was about \$110,534. He will get a status report on the units that are already with the attorney. The

new attorney will be asked how the current attorney should be notified that the Association is switching services.

## **VII. TREASURER'S REPORT**

### *A. Year-to-Date Profit and Loss as of September 30, 2011*

1. Total Income - \$1,277,176 actual vs. \$1,260,526 budget (1.3% over budget).
2. Total Expenses - \$1,102,516 actual vs. \$1,154,847 budget (4.5% under budget).
3. Net Income – \$174,660 actual versus \$105,679 budget.

Including Balance Sheet budgeted items, the actual net income was \$74,024.

Glenn Johnson made a motion to approve the Treasurer's Report for September 2011. Lisa Watkins seconded and the motion carried.

## **VIII. BUILDINGS, GROUNDS AND LANDSCAPING COMMITTEE**

Discussion was tabled until the next Board Meeting due to time constraints.

## **IX. ARCHITECTURAL REVIEW COMMITTEE**

Discussion was tabled until the next Board Meeting due to time constraints.

## **X. OLD BUSINESS**

### *A. Review Security Inspection Book, Hallway Cleaning Schedule Book, Boiler Inspection Book and Public Comments*

Glenn Johnson checked all books and reported that all were in order.

### *B. Parking Lot Committee Report*

All crack sealing has been completed. The contractor chose not to do the overlay and concrete pans due to the cold temperatures. The potholes will be patched and the remaining work will be done in the spring as soon as weather permits.

### *C. Reserve Study*

Paul Hage reviewed a draft of the plan for Reserve spending through 2021. It is still a work in progress.

## **XI. NEW BUSINESS**

### *A. Working Capital*

Paul Hage said he paid two months of dues at closing for all his units but Richard Garcia thought some owners had paid three months of dues. Richard said there was no written policy. There is conflicting information in the Association documents; the Declarations specify three months and the Bylaws specify up to six months but documents indicate those amounts "may" be collected. Recently, the Association has been collecting six months of dues. Further discussion was tabled until the next Board

Meeting. The Board directed Candy Ramage to collect three months at closing until the Board has an opportunity to make a decision.

*B. Request for Permission to Install Combination Lock at Building Entrance*

An owner approached Gary Nicholds and Richard Garcia at the Annual Meeting about installing a combination lock at the entrance to his building. All other owners in the stack are in agreement with this proposal and it would be done at their expense. Paul Hage said there should be written agreement from all three owners. If the original lock has to be reinstalled, this would also be at the expense of the owners. The Association should collect enough funds up front to install the new lock as well as to reinstall the original lock if necessary.

Paul Hage made a motion to authorize the installation of the combination lock. Glenn Johnson seconded and the motion carried. Bob Price said the tenants should be required to sign a hold harmless statement for the Association, Board and management company.

*C. Upcoming Expenses*

Paul Hage said the expense for the water tanks should be charged to the Reserve Fund. Any work to the Manager's apartment should be charged to the Repair and Maintenance account.

The scoop for the loader should also be charged to Operating.

**XII. SET NEXT MEETING DATE**

The Board will meet Thursday, 10/27/11 at 6:00 p.m. at the Basic Property Management office to review the 2012 Budget.

The next Board Meeting will be November 16, 2011 at 7:00 p.m. in the DVE Clubhouse.

**XIII. ADJOURNMENT**

Bob Price made a motion to adjourn at 9:18 p.m. Glenn Johnson seconded and the motion carried.

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_  
Board Member Signature

## Notes from the President

### Greetings

#### Good News for All

Our dues for 2012 will not increase unless something goes wrong between now and the first of the year. And a small refund may be sent to all owners.

**Bad News for Some:** We have engaged a legal firm to look after our delinquencies and make all attempts possible to collect. Some of our owners made poor financial decisions or were placed in a bad financial state by the economy. It is not news that our economy has plummeted and many have had time to adjust their life style and living location. We have worked with several owners to encourage them to become current with their dues and our method is not working. The Association, you, is owed more than \$100,000 and we can no longer work this way. The Association can no longer subsidize a few who are not paying their dues.

#### Budget for 2012

The budget for 2012 will be placed before the Board of Managers during the next meeting on November 16<sup>th</sup>. Owners may inspect the budget by contacting Basic Property Management at 970-668-0714 between the hours of 9:00 AM and 6:00 PM, Monday's through Friday's for a copy. Owners may make comments about the budget in writing or during the January 18<sup>th</sup> meeting. The 2012 Budget may be rejected by a 66% vote of the ownership.

You may send comments to:

Basic Property Management  
PMB 294  
P.O. Box 10,000  
Silverthorne, CO 80498

Or send email to:

[Richard.garcia@dillonvalley.ort](mailto:Richard.garcia@dillonvalley.ort)

#### Snow Removal

During heavy snow days, look for large orange signs posted at the entrance of your parking lot notifying all of snow removal taking place the next day. The signs will be posted by 3:00 PM the day before snow removal. Vehicles may be temporarily parked at the parking lots on either side of the clubhouse. Attempts will be made to have a vehicle removed during snow removal. If the vehicle is not removed by the owner, the vehicle will be towed at the owner's expense. If you will be out of town and snow is expected, please let the clubhouse know and give them a key or a contact that will move the vehicle for you before snow removal begins.

#### Room Temperature

Please do not lower your room temperature below sixty (60) degrees. Many of our heating pipes are on an exterior wall and can freeze if the room temperature drops drastically. We have antifreeze in the heating system, but do not want to take risk of a unit without heat for several days.

### **Warming Up Your Vehicle**

Please be considerate of your neighbors after starting your vehicle in the cold. We understand that it takes time to clear your windshield and side windows and then drive off. But to start your vehicle and leave it idling while you prepare inside your warm unit is un-neighborly and a good way to create enemies. So, please allow your vehicle to idle only while you are loading it and clearing snow from it. It is a proven fact that driving a vehicle shortly after starting will warm it faster.

### **New Property Manager**

David Thompson is our new property manager. David has been a resident of Summit County and a business owner. He is well versed in financials and mechanics. David is also fluent in Spanish. He may be contacted through the clubhouse at 970-468-1371.

### **Clubhouse Holiday Hours**

Thanksgiving Day	9:00 AM – 3:00 PM
Christmas Eve	9:00 AM – 3:00 PM
Christmas Day	Closed
New Year's Eve	9:00 AM – 3:00 PM
New Year's Day	12:00AM – 9:00 PM

### **No Board Meeting in December**

We will not have a formal Board meeting during December unless a special circumstance arises. Our next Board meeting will be on November 16<sup>th</sup> followed by a meeting January 18<sup>th</sup>.

Be Safe and Enjoy the Holiday Season

Sincerely,

Richard Garcia  
President  
Dillon Valley East Condominium Association

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION  
BOARD OF MANAGERS MEETING  
November 16, 2011**

**I. CALL TO ORDER**

The meeting was called to order at 7:03 p.m. by Richard Garcia in the Dillon Valley East Clubhouse.

Board members present were Richard Garcia, Glenn Johnson, Paul Hage, Lisa Watkins and Sylvia Dowty. Bob Price was not present but assigned his proxy to Richard Garcia.

Representing Basic Property Management were Gary Nicholds, Bill Cadwallader, Eric Nicholds, Candy Ramage and David Thompson. Erika Krainz of Summit Management Resources transcribed the minutes from recording.

Owners present were Cathy Brosius (E106) and Tom Nickerson (R303).

**II. APPROVAL OF PREVIOUS MEETING MINUTES**

Paul Hage made a motion to approve the minutes from the October 19, 2011 Board Meeting as presented. Sylvia Dowty seconded and the motion carried.

**III. QUESTIONS AND COMMENTS FROM THE FLOOR/COMMENT BOX**

There were no questions or comments from the floor or comment box.

**IV. FINES AND HEARINGS**

There were no owners present regarding fines.

**V. MANAGER'S REPORT**

*A. Collections Update*

A copy of the status report from attorney Hal Kyles was included in the meeting packet. The previous Association attorney has been notified of the change to the new attorney and has been asked to provide any necessary files.

Paul Hage made a motion to invalidate the previously established payment plan and to authorize the attorney to pursue payment in full from the owner of I202. Sylvia Dowty seconded and the motion carried.

*B. Property Manager's Report*

David Thompson reviewed his report of projects.

1. Completed his orientation for the property.
2. Completed routine maintenance for the Clubhouse and grounds.
3. Painting the hallway stacks and cleaning the carpets, prioritizing by condition.
4. Plowed one time.
5. Worked on heat issues and adjusted the boilers. The recirculating pump in Z Building is being worked on.

6. Installed a temporary door in A Building.

David Thompson was asked to email his maintenance report to all Board members by the 10<sup>th</sup> of each month.

Gary Nicholds said there might be an interested buyer for the 1997 Ford F-350 diesel truck. It has several maintenance issues that would be very expensive to repair. Paul Hage made a motion to sell the truck for the best possible price. Sylvia Dowty seconded and the motion carried.

## **VI. TREASURER'S REPORT**

### *A. Year-to-Date Profit and Loss as of October 31, 2011*

1. Total Income - \$1,418,170 actual vs. \$1,400,362 budget (1.3% over budget).
2. Total Expenses - \$1,239,912 actual vs. \$1,281,725 budget (3.3% under budget).
3. Total – \$178,258 actual versus \$118,637 budget.

Including Balance Sheet budgeted items, the actual net income was \$66,433.

### *B. Reserve Fund Status*

Year-to-date Reserve Fund income was \$246,097 and expenses were \$64,753 resulting in net income of \$182,344. Reserve expenses included the Clubhouse roof and boiler work. Loan Fund expenses to date were \$106,641 for asphalt, boiler work and replacement of some security doors.

Sylvia Dowty made a motion to approve the Treasurer's Report for October 2011. Glenn Johnson seconded and the motion carried.

## **VII. BUILDINGS, GROUNDS AND LANDSCAPING COMMITTEE**

Glenn Johnson thanked the staff for moving the totem poles into the garage so they could be repainted. The Committee would like to put some artificial poinsettia plants in the pool area for the holidays. The Board authorized the purchase of live poinsettia plants for the Clubhouse. Decorated trees will also be put up.

## **VIII. ARCHITECTURAL REVIEW COMMITTEE**

There was no Architectural Review Committee activity.

## **IX. OLD BUSINESS**

### *A. Review Security Inspection Book, Hallway Cleaning Schedule Book, Boiler Inspection Book and Public Comments*

Glenn Johnson said he had not checked the books. He will review the procedures with David Thompson.



*B. Parking Lot Committee Report*

All the patching and crack sealing was completed for the lots that will not be overlaid. The lots that will have concrete pans added or will be overlaid will be done in the spring. Paul Hage will meet with Gary Nicholds and Candy Ramage to reconcile the invoices for the completed work.

*C. 2012 Budget*

A copy of the 2012 Budget was emailed to all Board members. The budget as written includes no dues increase. There is a projected surplus for the current year of approximately \$60,000, which may be rebated to the owners. The budget includes a \$46,000 increase in the water bill for next year since the rate is almost doubling for the second half of the year. Gas was increased and pest control was decreased. The budget as written results in net income of approximately \$7,000. There were some negative retained earnings identified in the audit that will be made up over the next three years.

Paul Hage made a motion to approve the 2012 Budget as presented with no change to the dues structure. Sylvia Dowty seconded and the motion carried. Richard Garcia said the homeowners could rescind the Board approval of the budget with a 66% majority vote on January 18, 2012.

Paul Hage noted that the water rate was scheduled to increase in July 2012 and by July 2013 water meters will be installed. Water will then be billed on a metered rate. The Board will need to get an idea of actual consumption prior to the installation of meters for budgeting purposes and may want to pursue some water conservation initiatives.

*D. Working Capital*

Currently, three months of dues are collected for the Working Capital reserves at closing. At some time in the past, either two or six months of dues were collected. The Association documents indicate this fee "may" be collected and do not specify the amount. The money is refunded to owners when they sell, unless they are delinquent, in which case the Association can retain the funds. There was general discussion regarding the amount that should be collected.

Glenn Johnson made a motion to collect three months of dues from buyers at closing for Working Capital. Sylvia Dowty seconded and the motion carried. The Board agreed that owners who previously paid six months at closing should be refunded for three months.

**X. NEW BUSINESS**

*A. Ratification of Email to Switch Insurance to Neil Garing*

Lisa Watkins made a motion to switch the Association insurance to Neil Garing. Paul Hage seconded and the motion carried.

*B. Property Management Contract*

Paul Hage said the Committee met with Gary Nicholds and developed a new contract. In exchange for a three-year contract term, Gary agreed to operate with the intent to hold the management fees fixed for that period. If there is some unforeseen

circumstance, the contract rate can be renegotiated. Exhibit A listing all current employees was eliminated. Exhibit B, the list of employee responsibilities, will be renamed as Exhibit A. Bob Price recommended including a conflict of interest statement. Paul said the Board passed a conflict of interest policy earlier this year that applies to both the Board and managing agent. He proposed referencing this policy as Exhibit B instead of including additional wording in the contract. The policy includes consequences for Board members and should be modified to include consequences for the managing agent.

Paul Hage made a motion to adopt the management contract with Basic Property Management for a three-year term as discussed. Sylvia Dowty seconded and the motion carried.

Paul Hage requested addition of a list of current employees in the monthly Management Report.

*C. Parking*

Lisa Watkins requested posting of a notice reminding occupants about the parking regulations on the bulletin boards. Gary Nicholds said parking rule enforcement would be stepped up.

**XI. SET NEXT MEETING DATE**

The next Board Meeting will be January 18, 2012 at 7:00 p.m. in the DVE Clubhouse.

**XII. ADJOURNMENT**

Paul Hage made a motion to adjourn at 8:06 p.m.

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_  
Board Member Signature

Treasurer's Report for November, 2011

**Dillon Valley East  
Financial Summary  
As of Oct 31, 2011**

**Summary Balance Sheet**

	<b>Operating</b>	<b>Reserve</b>	<b>Loan</b>	<b>Total</b>
Cash Accounts	111,957.98	833,586.97	113,496.16	1,059,041.11
Other Current Assets	188,063.91	0.00	0.00	188,063.91
Fixed Assets (net of depreciation)	100,761.35			100,761.35
<b>Total Assets</b>	<b>400,783.24</b>	<b>833,586.97</b>	<b>113,496.16</b>	<b>1,347,866.37</b>
Current Liabilities	125,867.69	36,646.52	0.00	162,514.21
Long Term Liabilities	135,862.21	0.00	1,482,728.00	1,618,590.21
Donated Capital	2.00			2.00
Retained Earnings	(39,206.95)	614,596.29	(1,262,590.47)	(687,201.13)
YTD Net Income	178,258.29	182,344.16	(106,641.37)	253,961.08
<b>Total Liabilities &amp; Equity</b>	<b>400,783.24</b>	<b>833,586.97</b>	<b>113,496.16</b>	<b>1,347,866.37</b>

**Operating Fund P&L**

	<b>Actual</b>	<b>Budget</b>	<b>Difference</b>	
Oct Total Income	141,569.12	139,836.25	1,732.87	
Oct Total Expense	118,239.56	126,878.56	(8,639.00)	
Oct Net Income	23,329.56	12,957.69	10,371.87	
<b>Balance Sheet Budgeted Items</b>	<b>11,427.11</b>	<b>11,428.77</b>	<b>(1.66)</b>	
	11,902.45	1,528.92	10,373.53	
YTD Total Income	1,418,169.83	1,400,362.50	17,807.33	1.3%
YTD Total Expenses	1,239,911.54	1,281,725.42	(41,813.88)	-3.3%
YTD Net Income	178,258.29	118,637.08	59,621.21	
<b>Balance Sheet Budgeted Items</b>	<b>111,825.60</b>	<b>112,158.55</b>	<b>(332.95)</b>	
	66,432.69	6,478.53	59,954.16	

Major Variances YTD

- Delinquency Fees are \$6072 over budget and Finance Charges on Past Due Accounts are \$3426 over. Dues income is \$4837 over.
- Washer/Dryer income is \$3687 over budget.
- Loader expense is \$2974 under budget. Truck and ATV expense is \$2017 under.
- Unbudgeted expense associated with foreclosed unit A206 is \$1305
- Crown Resealing is \$4775 under budget. Damage Claims are \$7573 under , and Pest Control is \$15,667 under. Basic Maintenance is \$9708 over and Boiler maintenance is 922 over.
- Clubhouse expenses are \$4856 under budget.
- Legal Fees are \$2573 over. Insurance is \$6746 over. Director's expense is \$3975 under.
- Natural gas is \$2905 over, Electric is \$2632 over, Water/Sewer is \$7782 under and Trash Removal is \$9992 under.
- Snow removal is \$1637 under and the total of other Grounds Maintenance items is \$1314 under.