

**DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
BUDGET RATIFICATION MEETING
November 13, 2024**

I. CALL TO ORDER

The meeting was called to order at 7:06 p.m. by Richard Garcia via videoconference.

Board members participating were:

Richard Garcia, President, T106
Bob Price, Treasurer, G305

Willie Hoevers, Vice President, J206
Tammy Ramsay, Member, G101/N105/P303

Owners participating were:

Marisa Migliore, C301
Bob Huff, N203
Pete Dollive, P306
Mihaela Mihaylova, S302
Delgado, J104

Brandy & Ed Gallagher, 106G
Garrett Roder, P302
Laura Johns, R106
Nicole Cruz, S304

Representing Basic Property Management (BPM) was Eric Nicholds. Erika Krainz of Summit Management Resources was recording secretary.

II. 2025 BUDGET

The Board has approved the 2025 Budget. It does not require approval by the owners and will be deemed approved in the absence of a veto at the meeting by over 50% of the entire membership.

Bob Price said inflation has moderated a bit but material prices have not decreased. The infrastructure is aging and these items are expensive. Natural gas costs have decreased significantly, allowing for a year over year reduction to this line item. Nationwide insurance rates have seen double digit increases. Colorado insurance rates are 83% above the national average and DVE has seen a 60% increase from 2022 and 2023 and another 110% from 2023 to 2025. DVE cannot obtain insurance in the primary market. It is expected the premium for 2025 will increase at least 35% and possibly more. Re-roofing will start in the spring. No contract has been signed but preliminary bids point to a total cost of \$1.5 - \$2 million. The plan is to complete 25 buildings over a three year period.

About 94% of the budget is for the Management Contract, Water & Sewer, Cable, Common Area Insurance, Natural Gas, Trash and Electric.

The Board goal is to maintain a Reserve balance of \$1 million to provide funds for planned major improvements and replacement of assets identified in the 20-year plan and for unplanned catastrophic events. The roofing project will decrease the Reserves over the next three years from \$2.1 million to \$710,000 in 2027.

Effective January 1, 2025, dues will increase 11% in order to rebuild the Reserve balance.

Owner questions addressed the following topics:

1. Insurance Claims – There have been two claims for a fire in Building G involving nine units and water damage in Building S. The water claim was several hundred thousand dollars and the fire claim was also significant. The current policy is spread between three secondary market carriers. The information is posted on the website.
2. Investment – The Association funds are earning 2.5 – 3% because a portion of the money has to be kept liquid. Other opportunities are being explored and an investment strategy is being developed.
3. Trash – It is not known if the “Pay as You Throw” program will impact trash rates. Eric Nicholds noted that landfill rates will be increasing.
4. Dues – It is unlikely dues will decrease in 2027 after a \$2 million balance is built. Bob Price said funds will be spent in the interim. Projects and the balance will be evaluated annually and dues increases will be adjusted accordingly.
5. Reserve Study – There is a Reserve Study going out 10 – 15 years.
6. Roofing Project – The roof replacements were planned in Reserves but the timeline has been compressed.
7. Insurance – The owners are now responsible for insuring more of their unit interior but it did not have a significant impact on the Association policy.

Since the 2025 Budget was not rejected by over 50% of the membership, it was deemed ratified as presented.

III. ADJOURNMENT

The meeting was adjourned 7:44 p.m.

Approved By: _____ Date: _____
Board Member Signature