

DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
BUDGET RATIFICATION MEETING
December 9, 2025

I. CALL TO ORDER

The meeting was called to order at 4:00 p.m. via videoconference.

Board members present were:

Richard Garcia, President, T106

Bob Price, Treasurer, G305

Joy Helcoski, Secretary, B106

Owner Joan Moore (H103) was in attendance.

Representing Basic Property Management (BPM) were Gary Nicholds and Eric Nicholds. Erika Krainz of Summit Management Resources transcribed the minutes from recording.

II. 2026 BUDGET RATIFICATION

Rich Garcia stated that the proposed budget does not require approval of the owners and is deemed approved by the owners in the absence of a veto at this meeting, whether or not a quorum is present.

Bob Price noted that the Association borrowed \$200,000 from Reserves in 2025 to pay the property insurance premium, which came in significantly higher than expected. The Reserve account is required to be reimbursed. Key items anticipated for the 2026 budget were probable increases to natural gas, electricity and water and the BPM management agreement includes a contractual annual increase.

Approximately 94% of the Operating expenses are fixed or otherwise outside the Board's control but it was possible to reduce the 2026 Operating Budget by approximately 1.3% compared to 2025. Inflation from October 2024 to October 2025 is projected at 2.9%. Including repayment of 50% of the funds borrowed from Reserves, dues revenue requirements increased by roughly 3.5%.

The annual Reserve contributions increased from 12% to 14% of dues revenue to strengthen long-term funding for major Capital projects.

Bob reviewed the key budget drivers and line-item details:

1. Insurance – 9% decrease. In 2025, insurance costs were significantly over budget because negotiations concluded after the budget had already been set. Actual premiums were approximately \$460,000. For 2026, there will be a decrease of more than 40%, with premiums projected to be \$290,000 – \$300,000.
2. Utilities - Increases are expected to continue into 2026.
3. Comcast/Cable & Internet – Notice was sent to owners regarding upcoming changes in bulk services. Survey results indicated the majority of owners support the continuation of bulk internet service. Effective January 1, 2026, the Association will

switch to a bulk internet package while retaining the current television package until necessary underground wiring upgrades are completed once the ground thaws. Owners will receive updates as the transition progresses.

4. Trash & Recycling – 25% increase. Colorado law will require phased implementation of recycling programs in the coming years. Costs are expected to increase due to additional dumpsters and more frequent pickups. The Association was awarded a grant for 2026 to help offset these expenses.
5. Management Contract - BPM voluntarily waived the contractual increase for 2026 due to the challenging budget year. Bob acknowledged and expressed appreciation for this concession.
6. Reserve Spending & Project Deferrals - The Reserve plan originally projected approximately \$800,000 in spending for 2026. To reduce pressure on the Reserve balance, several non-essential large projects will be deferred to 2027 and 2028. The adjusted Reserve expenditures for 2026 total approximately \$276,000 and include painting, patio slab repairs, carpeting, parking lot repairs (after minimal work in 2025), boiler and water tank replacements, a contingency allowance and income tax expense. The Association is projected to finish 2025 with more than \$1 million in Reserves. With increased contributions in 2026, the Association is on track to continue strengthening long-term funding. A new Reserve Study was recently completed and is under review by the Board.
7. Dues - Increases 2%, ranging from \$3/month for studios to \$11/month for three-bedroom units.
8. Budget Totals - Combined Operating and Reserve expenditures are \$2,457,500 and total projected income (dues, laundry, interest, fines) is \$2,585,500.

Since the 2026 Budget was not vetoed by the majority of the membership, it was deemed ratified.

III. ADJOURNMENT

The meeting was adjourned at 4:19 p.m.

Approved By: _____ Date: _____
Board Member Signature