

**COPPER JUNCTION CONDOMINIUM OWNERS ASSOCIATION  
ANNUAL MEETING OF THE MEMBERS  
September 1, 2019**

**I. CALL MEETING TO ORDER & INTRODUCTION OF ATTENDEES**

The Copper Junction Condominium Owners Association Annual Meeting of the Members was called to order at 9:11 a.m. in the Ponderosa Room of the Village Square Conference Center.

Board Members Present Were:

Ira Langenthal, Vice President, #403

Susan Canny, Secretary, #402

Owners Present Were:

Paula Parker, #202

Rich Rapp, #204

Mert & Reta Laresen, #205

Sheila & Robert McGinnis, #303

John Canny, #402

Loretta Langenthal, #403

Rusty & Julie Yul, #405

Gavin Malia, C1

Ron Levin, #301/302/307/206 (via teleconf.)

Building Manager Billy Krasowski was present. Erika Krainz of Summit Management Resources was recording secretary. Mike Kurth of Summit Bookkeeping joined at 10:13 a.m.

**II. QUORUM & PROXIES**

With membership represented in person or by proxy a quorum of 66.45% was confirmed.

**III. APPROVAL OF PREVIOUS YEAR'S MINUTES**

The following revisions were requested:

1. Page 2 Building Management Report – change “valves in the boiler room” to “valves in some of the units”.
2. Page 3 Other Matters – change “elevator will be down for a week” to “elevator will be down for several weeks”.
3. Page 4 Other Matters, third paragraph – change “other owners” to “he”. Add “He said he would get other owners and they would make it so that no one could purchase the entire space” after “claim to the place.”

**Motion:** Rusty Yul moved to approve the minutes from the September 2, 2018 Annual Meeting as amended. Loretta Langenthal seconded and the motion carried.

**IV. PRESIDENT'S REPORT**

In the President's absence, Susan Canny provided the report. There was a full Board last year after the Annual Meeting. Within a short period, two members resigned, leaving one Commercial representative and one Residential representative. The Board held a work session to discuss appointing other owners to fill the vacancies and decided to leave the Board at three members. She reviewed the governing documents and found there was a question regarding the eligibility of the Commercial member to serve on the Board. An opinion was sought from independent legal counsel, who determined that the Commercial Board member must be the owner, lessee or employee, and therefore the Commercial representative was not eligible. A

Special Meeting was called for the Commercial owners, and Ryan Oliver was nominated. It became clear that there were issues requiring more information, which was requested from the management company. The Finance Committee, with members Ira Langenthal and Paula Parker, were asked to provide recommendations. Ira Langenthal was appointed to the Board. Several attempts were made to hold a Board Meeting but the management company failed to send proper notice and terminated their contract for management of the Association in July. Susan Canny sent notice of a Board Meeting two weeks ago. The Board President did not attend and Ryan Oliver had a medical emergency. An informal meeting was held without quorum. There was discussion about legal representation, the website and finances. Susan Canny recognized Paula Parker and Ira Langenthal for their assistance. The Board will be proposing hiring of Mike Kurth with Summit Bookkeeping to handle the finances.

## V. BUILDING MAINTENANCE REPORT

Billy Krasowski reported the following:

1. The stone repair work was very successful and only one stone fell off since the repairs.
2. He found a company to repair the walkways last fall. The fourth floor walkway is set back slightly and has been dripping on the third floor walkway, eroding the concrete. It is not a structural problem but the concrete pans are damaged. Adding a gutter is being considered.
3. There was a catastrophic failure of the elevator. The pump failed and had to be rebuilt, resulting in the elevator being down for three weeks. A sensor on the door failed and was replaced. The elevator work has a soft start date of September 15<sup>th</sup>, but the schedule will be dictated by the delivery of the parts. The contractor has agreed to be finished by November 22<sup>nd</sup>.
4. The hot water heater failed in the fall.
5. A pump failed due to a loose wire, which was repaired.
6. Snow removal was challenging. There were a few ice dams but no drywall damage and minimal damage to the building.
7. The gate failed due to water intrusion in the motherboard. It was replaced and is now working.
8. Routine spring projects included painting, landscaping, flowers, cleaning and powerwashing.
9. The vending machine was removed by the provider.
10. All lightbulbs in the building were replaced with LEDs last summer but some had a yellowish cast and were replaced for consistency.
11. There was a problem with the heat tape and gutters last year. Two contractors were asked to provide bids for about 200' of heat tape. One bid of \$15,000 was received (and included a 10-year warranty) but the other contractor declined to bid. Billy would like to replace everything in the garage at once. The middle downspout by the walkways will be removed. A gutter draining to the downspout will be added under the fourth floor. The gutter that was torn down and one that was damaged will be replaced.
12. The luggage rack is in poor condition and could use updating.
13. The barbecue patio could use some attention. Kevin Flewell indicated he would fix it.
14. The exterior paint is starting to show age.
15. The windows will need to be replaced in the next few years.
16. The boiler is still operational but it is not efficient.

17. The “wish list” includes enclosing the garage or adding a roof over a section. Removing snow is not an issue but ice formation is a constant problem. Billy suggested getting a professional opinion.

Owner comments addressed adjusting the gates and sending notification to the owners regarding the time when the elevator will be out of service.

## VI. FINANCIAL REPORT

### A. *Dues/Assessment*

There was lengthy discussion regarding the percentage of ownership for each unit. Changes were made to the total square footage in the building when the leasehold was bought out in 1999. The original condominium documents show the basement of C2 as a crawlspace, but it was built out as a full basement. The owners of the commercial spaces agreed to some changes per a letter dated January 25, 1999. The “Old Way” percentages were used for assessments from the date of the buyout to the end of fiscal year 2015 or 2016. When Wildernest took over management of the property, they noticed the discrepancy and assessments were changed to the “Current Way”. The Board questioned which allocation was correct. A committee was unable to find any documentation that explained the reason for the change. The committee is recommending going back to the “Old Way” percentages for assessments.

Gavin Malia said he supported the effort to determine the correct allocations but he never received anything to substantiate the numbers, such as a revised condominium map. Ron Levin explained that a new survey was done for the building but there were some significant variances. There are some LCE areas that are not accounted for and some units are now larger due to modifications. The original documents are from 1972 and they reflect a crawlspace rather than a full basement under C2. The key actions will be to correct the original map and the related documents to clear up inaccuracies.

**Motion:** Ira Langenthal moved to accept the comments of the Board regarding the CAM and to accept the assessments based on the column labeled “Old Way”, to be effective January 1, 2020. Julie Yul seconded. In discussion, Ron Levin noted that some owners have sauna spaces and they are paying \$8/sq.ft. for the lease of that space. He felt the elevator assessment should be based on the total square footage, including the sauna space. Julie Yul withdrew her second to the motion.

Discussion ensued regarding the leased sauna spaces. Rusty Yul suggested that the spaces should be sold to generate income for the Association. Susan Canny said there are leases for the spaces that were signed by the Board that entitle the lease holders to use the space until 2070, with periodic increases to the lease cost. The Board voted to give the owners who held the leases the first option to purchase the space at a negotiated price, and then to open the offering to other owners. Rusty Yul said this decision was never communicated to the general owner population. He did not think the Board had the legal right to sell Association property without approval of the membership. He pointed out that half of the Board members have sauna space leases, the rent is only \$8/sq.ft. and the agreements in place were not approved by the membership. He felt the

rental fee should be equal to other rental space at Copper Mountain. Susan Canny said the maximum annual increase is defined in the lease.

Gavin Malia noted that the Board cannot change the dues allocations arbitrarily. He requested that the Board seek legal counsel, complete the condominium map update and distribute the finalized map to the owners.

*B. Elevator Costs/Schedule*

The total contract for the elevator work is \$165,086. The total amount paid out to date is \$89,543. The July financial report reflects \$55,000 of that amount.

## VII. FINANCE COMMITTEE DETAILED DISCUSSION

*A. Conclusions/Recommendations*

In 2017, there were concerns about deficits on the financial report. In December 2017, there was about \$42,000 owed to Reserves for a loan to Operating. The property management company was directed to make a transfer but never followed through. As of June 30, 2019, there was \$27,130 in Operating cash and \$125,000 in Reserves. The property management company indicated that \$80,000 of the Reserve balance was for boiler replacement. As of July 31, 2019, the Operating cash balance was \$13,398 and the Reserve balance was \$72,000, after payment of the \$55,000 for the elevator.

Two scenarios for the 2020 Budget were drafted. Version 1 without a lease buyout would have a 7.25% dues increase, repay the \$41,448 loan from Reserves and bring the Working Capital balance back to \$50,000. Version 2 included the same repayment and Working Capital replenishment but included a lease buyout and would have a 12% dues increase. It was noted that it is unlikely the leases will be bought out before the end of the year, so Version 2 would not be a viable option. Ira Langenthal calculated that the amount needed to get the Association solvent would be \$250,000, with \$150,000 to be paid by the end of September and the additional \$100,000 paid by the end of the year.

**Motion:** Rusty Yul moved to approve a \$250,000 Special Assessment, with \$150,000 due by September 30, 2019 and \$100,000 due by December 31, 2019, with the payments based on the "Current Way" column of dues assessment on the spreadsheet, and to implement a 10% overall dues increase for the 2020 Budget. Gavin Malia seconded and the motion carried unanimously.

Rusty Yul reiterated that the sauna lease fees should be increased. There was a suggestion to form a committee to provide suggestions for the buyouts of all leases. Gavin Malia again recommended seeking legal counsel and completing the update of the condominium map. Rusty Yul, Gavin Malia, Ron Levin and Ira Langenthal volunteered to serve on the committee, with Gavin Malia serving as Chair. Ron Levin requested that the Board table signing of a new lease for the space on the third floor until this matter is resolved.

- B. *Update on August 16<sup>th</sup> Board Meeting*  
Proper notification of the meeting was sent but there was not a quorum and no official business was conducted. Questions were answered in an informal discussion.

## VIII. OTHER MATTERS

A. *Legal Representation*

The Board is recommending hiring attorney Mark Paine, who works with a firm that specializes in Association matters.

**Motion:** Gavin Malia moved to authorize the Board to work with Mark Paine for legal representation. Rusty Yul seconded and the motion carried unanimously.

B. *Accounting Services*

**Motion:** Rusty Yul moved to support the Board decision to hire Summit Bookkeeping to handle the Association finances. The motion was seconded. In discussion, Gavin Malia requested that the Board continue to seek professional property management. The motion carried unanimously.

C. *Management Company*

**Motion:** Gavin Malia moved for the new Board to discuss hiring a professional property management company at the next Annual Meeting. Rusty Yul seconded and the motion carried.

D. *Renter Pets*

Ron Levin asked if there was an issue with renters bringing pets.

**Action Item:** Susan Canny will survey the owners by email to determine who allows renter pets.

E. *Board Constitution*

Gavin Malia requested that the Board revisit the restriction that prohibits Commercial agents serving on the Board and to consider an amendment to the Bylaws.

F. *Parking*

There are 15.5 spaces allocated to the Association in the lower Ten Mile parking structure.

**Action Item:** Susan Canny will send Gavin Malia a summary of the parking pass policy.

## IX. ELECTION OF DIRECTORS

There was one Commercial seat and two Residential seats up for election for one and three-year terms. Nobody has been nominated for the Commercial seat.

**Motion:** Rusty Yul nominated Ira Langenthal for the three-year term. Susan Canny seconded and the motion carried.

**Motion:** Rusty Yul moved to elect Ira Langenthal. John Canny seconded and the motion carried.

**Motion:** Susan Canny nominated Rusty Yul for the one-year term. The motion was seconded and carried.

**Motion:** Susan Canny moved to elect Rusty Yul. Mert Laresen seconded and the motion carried.

**X. SET NEXT MEETING DATE**

The next Annual Meeting will be held on Sunday, September 6, 2020 at 9:00 a.m.

**XI. ADJOURNMENT**

**Motion:** Susan Canny moved to adjourn the meeting at 12:51 p.m. The motion was seconded and carried.

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

DRAFT