

**COPPER JUNCTION
BOARD OF DIRECTORS MEETING
AUGUST 19, 2015**

MINUTES

1. **Call to Order.** The meeting was called to order at 7:05 p.m.
2. **Affirmation of Attendance and Quorum.** Board members in attendance were George Hart, Ron Levin, Bev Levine, and Kevin Flewell. A quorum was established. Building Manager Billy Krasowski was also in attendance.

Representing Mountain Managers were Phil Wells, Judy Freese, and John Hammersmith (Hammersmith, Inc.), new owner of Mountain Managers

3. **Discussion Topics**

- A. Elevator. Billy spoke about some of the issues that have occurred over the past year. The elevator was rarely out of service for long periods and the service contract is excellent but the equipment is old and it is not always possible to find an exact match for replacement parts. When the pump failed, a replacement could not be found and the old pump had to be rebuilt in Denver. There is no guarantee on how long it will last. Bids have been received from Thyssen for complete elevator replacement (\$71,000) and for replacement of the power pack (\$21,000). There is not enough time to replace the elevator before the start of the season but it would be possible to replace the power pack (motor, pump, and valve). Thyssen has agreed in writing to lower the cost of the power pack to \$20,000. The new equipment would be compatible with any new upgrade in the future. If the HOA decides to proceed with the new elevator in the spring, the probable reduction in total cost would be approximately \$17,000 bringing the total down to \$54,000. With a new, upgraded elevator, the service agreement would drop by over \$200 per month. Billy has spoken with someone he knows that was previously employed by Otis and is now an independent elevator consultant and some comparisons are being made. Billy will be following up on this.

Following discussion the Board resolved to proceed with installation of the new power pack this year at a cost of \$20,000. The Board will continue to research options regarding modernization of the elevator, the time frame, and how any future upgrades will be funded.

- B. Vacant Commercial Space. Kevin talked about the vacant CJ1 space. The space has two levels and both levels will be gutted to create a "white box". The lower level has been done but new drywall has not yet been installed. The goal is to have a turn key space for a new restaurant. Negotiations are on-going with a prospective buyer but no final plans have been submitted. There are also plans to re-do the patio and pedestrian walkway including a snow melt system under the patio. Preliminary engineering plans and schematics are being drawn up and any plans will be submitted to the HOA for review. This is still in the research and planning phase. If the restaurant lease goes through quickly, the patio area may be delayed until spring.
- C. Gate. Billy has been trying to contact Dave Moss with the Village Company but has not had a response. Billy will provide Ron with the phone numbers and Ron will follow up with contracting with the Village Company to do the work.

- D. 2015-16 Budget was briefly reviewed. Kevin questioned the 10% increase in dues noting that there is another probable water/sewer increase coming. The Metro District will be holding another meeting on 8/28 and more information will be available after that time. Kevin noted that some HOA's are considering sub-metering so people pay for what they use. He has been talking to someone who would be able to see if there are any options for Copper Junction. George would be interested but due to the complex having a domestic hot water heater, sub-metering may not be feasible. Kevin can provide contact information and a short tour of the building would be necessary.

George noted that a 10% increase in dues was a big jump. It was explained that this was necessary to come close to balancing the budget. The current budget is primarily based on annualized figures for 2014-15 with the exceptions of increases in common utilities (10%), cable/Internet (4%), and insurance (7%). The budget is based on the current reserve structure (\$20,200 goes to reserves annually). The reserve study needs to be looked at as well as the budget numbers. The Board did not have copies of the latest reserve study and this was emailed during the meeting. It will also be posted on the website. Owners will need to ratify the budget at the 9/6/15 HOA meeting. If this is not done, another meeting will have to be held for this purpose. A budget comparison will be done and forwarded to the Board so they can see what the trend has been over the past several years. Kevin noted that he would like to see more break down on the financials with regard to what commercial pays for vs. residential including a more comprehensive explanation. It was noted that before Kevin was on the Board and before Phil assumed management there was very little financial information in place and the financials of today are a big improvement. In the future, Hammersmith, Inc. will be contributing to financial preparation and there may be some changes.

The Board will review the budget and reserve study and vote via email to approve/change the 2015-16 operational budget. Another conference call can be held if necessary.

- E. Questions for John Hammersmith. John noted that there will be very little change. Current staff will remain in place but additional personnel will be added. There are four CPA's on the Hammersmith accounting staff and the accounting software may change.
- F. HOA meeting. Ron has agreed to run for re-election and will be listed as a declared candidate. George and Kevin will be in attendance; Ron will not know until a couple of days before the meeting if he will be able to attend.

4. **Adjournment** was at 8:15 p.m.

Respectfully submitted:

Judy Freese, Recording Secretary

APPROVED:

Approved via email

9/7/15

George Hart, President

Date