

**COPPER JUNCTION
BOARD OF DIRECTORS MEETING
NOVEMBER 19, 2013**

MINUTES

1. **Call to Order.** The meeting was called to order at 3:05 p.m. by President George Hart.
2. **Affirmation of Attendance and Quorum.** Board members in attendance either in person or via conference call were George Hart, Susan Byers, Ron Levin, and Bev Levine. A quorum was established.

Also in attendance were owners Bob McGinnis (unit 303), Ira Langenthal (unit 403), Paul Barringer (unit 202), and Billy Krasowski, Building Manager for Copper Junction.

Representing Mountain Managers was Phil Wells.

3. **Owner Forum.** No comments at this time.
4. **Financial Report.**
 - A. The financial transition has not been a smooth one. Gaye has been ill and hired a CPA to finish the financials but he did not do this properly. Gaye is still working on them. Mountain Managers has received one check in the amount of \$138,000 however, there was no break down on which accounts this money came from. There is no access to bank accounts (no new signature cards). Requests have been made repeatedly for the past 5 months. A bonus was approved for Gaye at the HOA meeting. In view of the issues with transition, a motion was made to rescind the approval for the bonus due to the inadequacies in turning over funds, records, etc. Ira stated that the bonus is not for handling the transition; it's for services rendered over the years. The Board stated legal action could now be required to gain access to the HOA's money and financial records. Ira volunteered to talk to Gaye and ask for the requested information no later than 11/30/13. It was decided that documents could wait but access to bank accounts, money, must happen immediately. An e-mail will be sent to Ira by the Board outlining what needs to be accomplished and when. The motion on the table was seconded and called to a vote. The motion carried unanimously – no bonus.
 - B. 2013-2014 Operational Budget. The budget was presented at the HOA meeting and no changes have been made. It has been verified that the correct square footages were used to calculate dues amounts. Mountain Managers was asked to check on the amount budgeted for insurance (budgeted for \$12,037). It appears the HOA is currently paying \$17,052 and they want to make sure this is not under budgeted. Mountain Managers will also check the policy for coverage, deductibles, etc. The HOA is with Farmers but not with The Strong Agency. Mountain Managers will see if Bob Strong will provide a quote for Copper Junction. George will forward insurance agent contact information to Hadley.
 - C. Reserve Study. Murray Bain was hired to prepare the study which is very encompassing. The funding percentages are very helpful. It was noted that in 2016, the HOA will go to 0% funded. Replacement of all windows is on the reserve study for 2016. This may or may not be needed at that time. Funding is something that needs to be looked at for future projects. There was some discussion on what the balance in the reserve account should be. Ira was looking at the June 30th

financials. No information on the last quarter has been received. June financials are not really relevant to the current month. Once all financial information is received, Mountain Managers will transfer the reserve study information to their format and the spreadsheet will be reviewed and updated at least annually. The reserve study is a good budgeting tool that shows what the HOA could be looking at in the future for major capital expenses and where they stand with funding these projects. When the study is put together, it does not mean that each listed item is automatically done in the year listed. This is a working document and projects are moved forward or back as needed. Projects are done when they are needed; not necessarily when they are listed. There are a couple of items that should be added to the study, gate valves and the new lock system. Billy will also be reviewing the study to see if he sees other things that should be added.

When finalized, the budget and reserve study will be posted on the website. The site is already up and running and contains meeting minutes, governing documents, etc. A letter will be sent to owners with the minutes reminding them of how to access the website.

- D. Capital Expenditure Forecast. The new key system was discussed at length. The current Ving system is old and Copper will not support this system any longer. Copper will be going with Salto. George met with the Salto representative and agrees that it could be beneficial to be on the same system as Copper but the Salto system does not meet the building's needs. The Salto representative admitted he was not expecting so many different needs – he was expecting a standard hotel type of set up with a front desk that could set key codes and time frames. The system is excellent for Copper as it enables them to track housekeeping and maintenance personnel simply by swiping/reading their cards. Issuing keys is problematic for Copper Junction and Salto was asked if they could add a cipher component. Owners would then have both a key card and a pin or it could be re-coded so owners would need either a key card or a pin for unit access, not both. There would only be 1 pin code per door which is also a problem. A machine could be purchased and the code changed weekly but this is still not ideal. A key card would still be necessary to access the building.
- E. Going with Kaba vs. Salto has been researched. 8 exterior locks would be necessary to secure the building perimeter, plus the elevator and gate (HOA expense). Owners are responsible for unit doors. It would be recommended that owners select the same system for their units as the exterior doors but owners can use what ever system they wish. There would be one grand master for the fire department. If they cannot access a unit in an emergency, they will break down the door. Billy would be responsible for maintenance on the Kaba system. With Kaba, you would only need a pin code; no key cards would be necessary. Each owner will have a code that opens all exterior doors and the unit door. Codes are good for one year. If you rent, you can set different codes for the length of the stay through the Kaba website. There is an annual fee per lock of \$75-\$80 for website access. Owners can program a one time use code for deliveries, etc. Billy would have a device to read door information, enter new, etc. He would check each lock once a year for low batteries, etc. It was noted that with Salto, service calls are immediately answered. If Billy isn't available, what happens with lock outs, etc.? It was explained that the renter calls whoever they rented through and that person can set a new code remotely to grant them access.

A decision needs to be made now. Copper needs a deposit by 1/1/14 from anyone going with the Salto system. Salto may be good for Copper (tracking personnel) but Kaba is designed for resort property rentals. Security will still be there with the Kaba system. A card reader will be purchased and it will be possible to see who accessed any door. The estimate for Kaba locks for unit doors is \$450 to \$500 each. Mountain Managers noted that another of their complexes received an estimate from Kaba for 36 doors at \$205 each. It may be possible to get a lower price if purchased in bulk. No units at Copper Junction are managed by Copper; 45% are VRBO.

Each Board member was asked to state if they were for or against the Salto system. Susan abstained since the commercial spaces are not affected. All others voted "no" on Salto. Salto costs will be compared with Kaba and on January 1st, Copper will be informed of the HOA's decision. Unless there is a change after further cost analysis, the decision will be "no" on Salto. It was noted that perimeter doors may need panic bars. Kaba and/or the fire department will determine which doors must have the bars.

5. **Old Business.**

Tiger gas lock-in rate is \$3.90 as of today. Rates have been going down but may go up when the weather gets colder. George is an advocate of locking in the rate for gas in order to have a fixed amount for the budget. Once locked, usage is the only variable. Locks are generally for a 12 month period. Mountain Managers will contact Tiger Gas and find out what the current rate/trend is. It was resolved to lock in at \$3.90 unless there are some mitigating circumstances. Mountain Managers will confirm with George. (Subsequent to the meeting the gas rate was locked at \$3.90.)

6. **New Business.**

Attorney Wilton Anderson was in attendance to discuss several items.

Leases: Last year Richmond Sprouse prepared a modification to existing lease documents in response to some concerns expressed by the Board. Wilton was aware of the document and in agreement with Mark Richmond's actions. Ira has a copy of the document and will e-mail to the Board and Mountain Managers. Paul noted that since 2002, Crystal Sports has been paying copper based on the full square footage, including the basement crawl space. Wilton explained that if they want to buy vs. lease, this would require additional work and probably involve amending declaration, condo map, etc. It's not really a viable option for the HOA to sell vs. lease.

Balconies: These have been enclosed. They are still a limited common element and who is responsible for windows was questioned. Wilton checked the Declaration and explained that an LCE assigned solely to a unit is an owner responsibility. If an owner does not take care of issues that affect building appearance or could lead to damage to other units (leaks, broken glass, etc.), the HOA has the authority to have the work done and bill the owner. If a leak originates from a common area (roof) that would be an HOA expense.

Collection Policy: Richmond Sprouse drew up a collection policy that meets all the new legal requirements. This is posted on the website as part of the "Governing Documents".

Wilton stated that forms for the 1st notice and payment plans were also drawn up and included.

8. **Schedule Next Board Meeting.** The next Board meeting will be Tuesday, 1/14/14, 4:00 p.m. at Mountain Managers.
9. **Adjournment.** There being no further business, a motion was made, seconded, and passed to adjourn the meeting at 5:54 p.m.

At 5:58 p.m. the Board went into executive session. In accordance with CCIOA 38-33.3-308, "The minutes of all meetings at which an executive session was held shall indicate that an executive session was held, and the general subject matter of the executive session." The general subject matter was discussion with attorney Wilton Anderson on the HOA's inability to obtain financial documents.

Executive session adjourned at 6:38 p.m.

Respectfully submitted:

Judy Freese, Recording Secretary (minutes prepared from a tape recording of the meeting)

APPROVED:

Approved at the 1/14/14 Board Meeting

George Hart, President