05/14/22 Major Anderson HOA Board Meeting

Saturday May 14, 2022

9:00 AM

Attendees (virtual) Take role

* Carol Wright
* Andy Brown
* Michael Lattanzi
* Ray Haworth
* Brian Bastian
* Alice Franks
* Pam McCoy
* Gerard Brushaber
* John Bruxton

Proxied:

* Ron Horn
* Bev Clark
* Brian Bailia

**Agenda**

* **Financials:**
  + Reviewed financials – Budgetary numbers for 2022 and 2023
  + Voted to approve 2022 and 2023 budget; Both approved.
* Future financial goals are to build reserves for future maintenance
  + - No immediate capital projects are planned, allowing us to continue to grow reserves for full roof replacement in 3-5 years.
    - Reserves account is at $54k
* Vote to fill Member at Large Seat; Rodney North; Rodney North approved.
* Insurance; Short on coverage. Andy has done an excellent job researching our insurance situation and has provided the following detail around our insurance coverages. There was also a discussion about how this insurance premium is going to negatively affect our reserve account growth moving forward. A short discussion was had about a potential, future dues increase, with no decision made at this time. Homeowners should be thinking about this issue for future discussion as it may be necessary at some point.

Policies from June to June.

2021-22 Total Coverage of $7.9M, Premium of $13,345

Initial 2022-23 Total Coverage of $8.6M, Premium of $18,330 (see below for final coverage amounts/premium after review)

This was the largest premium increase that the HOA has ever seen.  Discussion with American Family indicates that it was tied to increasing property valuation (and subsequent coverage increase) as well as recent fires in Colorado.

Getting quotes from other insurance companies was discussed and will be considered.  Although a recent effort to get quotes from other companies 3 years ago did not result in any lower rates than what we are paying now.  This will still be considered.

In light of recent issues with the Boulder fires and homeowners being short on coverage, an assessment of the adequacy of our total coverage was discussed with American family.

This resulted in an increase in coverage of approximately $400,000, for total coverage of $9.0M for 2022-23 policy period.

This roughly equates to $200/sqft to rebuild all buildings.  Total Square footage for all 5 buildings is 44,700.

Our premium will increase by $757 for this coverage, for a new total of $19,330 for 2022-23

Note that the rebuild costs covers only to the drywall of each unit.  It is owner responsibility to cover everything within the drywall, cabinets, plumbing fixtures, trim, paint, etc.

Total cost estimate for rebuild and entire unit, inside and out, is estimated to be roughly $350-400 / sqft

Owner insurance coverage was also discussed.

It is critical that owners carry adequate insurance coverage in order to ensure a unit is properly rebuilt in the event of a total loss.

Key insurance components to consider…

Building property protection (or Real property protection) should be approximately 25% of the value of the unit.

Our units are generally valued in the $550K - $800K range, which represents a substantial increase over the last few years.  And as with most things recently, building costs are going up substantially. Please take this into consideration when setting this protection level to ensure you are properly covered for the interior of your unit.

In addition, the HOA recommends all owners carry from $25K - $50K for loss assessments.  This is a relatively inexpensive coverage that ensures if for some reason the HOA must issue an assessment due to a loss that is not fully covered by the HOA’s insurance, then you as an owner would be covered and not have to pay this out of pocket.  The HOA is doing all it can to ensure we are adequately covered, but in this environment of high inflation, gaps in coverage are not a zero probability.  This coverage helps to ensure you will not end up with unforeseen out of pocket costs.  Carrying this coverage is also substantially more cost effective than the HOA increasing it’s coverage limits by an equal amount ($50K x 20).

It’s very important that all owners carry proper coverage, as an inadequate coverage could result in units not being completely finished and in turn impact everyone’s property values.

* Winter Issues
  + Ice forming on driveways on 2400
    - Water from downspout, possible due to heat tape melt
    - Downspout ends before the end of concrete
  + Street sign has been replaced
* Window Cleaning will be occurring on 6/23. Please make sure to remove any window screens or unlock door screens prior to this date so cleaners can get to the windows. In addition, the cleaners are offering to clean interior windows.
  + Interior window cleaning pricing...
  + $150 for units 2300 and 2310
  + $125 for units 2100, 2130, 2200, 2250, 2400, 2430, 2500, 2530
  + $105 for 2110, 2120, 2210, 2220, 2230, 2240, 2410, 2420, 2510 2520
  + If you would like to have this done, please contact Jesus directly at [jesus@perfectservicecc.com](mailto:jesus@perfectservicecc.com) to arrange for them to come in and clean your interior windows.
* Ray will be working to get access to have minutes available on the web site.
* Meeting adjourned at 6:30 PM