

Minutes

Gateway Condominium Association Inc.
Executive Board Meeting
January 25, 2017 4:15 PM (Crested Butte Time)
Toad Property Management Office
318 Elk Ave. Crested Butte, CO 81224

In attendance via phone:

John Gavras, President
Jean Woloszko
Eileen Swartz
Rob Harper
Steve Figlewski
Jennifer Hoeting
Karen Theel (owner) attended starting at 4:47 pm.

I. Call to Order, attendance, quorum

II. Approval of November 3, 2016 minutes: approved unanimously (Steve motion/Jean 2nd)

III. Report from TOAD

a. Activity update:

Snow: almost 250 inches of snow so far this year, most of it in January. Hired 4 new people. Snow keeps coming. All of CB is working to deal with the snow. It takes 1 full day for 1 person to clear all the snow at Gateway. Toad is shoveling our roof right now. About ¼ of the roof is done, should be done in a few days.

Leak from the elevator today in the bottom of the elevator pit. Sump pump had come undone (gasket came out). They were able to fix it and it doesn't seem to have done permanent damage.

A lot of buildings in CB have sustained damage due to ice and snow. So far Gateway seems to have fared pretty well so far.

b. Financial report (current finances, accounts receivable)

Fiscal year starts July 1. Everything looks good. Rob fixed the rental income that had been in error last time. Rob made a few minor adjustments. Elevator costs looks high but includes ¾ of the year's payments. We might end the year a bit over budget on the elevator.

Snow removal budget: January costs aren't in yet, but the costs will be big (maybe around \$6K for January). If we have another 200 inches, then we will end up over budget.

Contract labor: so far the expenses include stucco repair, toilet in sauna room, roof jack fixed, CB Electric did lighting repairs, service for heaters in garage. We probably will end up over budget on that item given that we are close already.

Balance sheet update: 12/31/16 \$39K total assets, 12/31/15 \$29K total assets. That increase was what he had planned. Income: One person is 1 month behind, everyone else is current.

c. Annual Audit: it doesn't say much. Nothing looks out of whack.

IV. Annual Audits

- a. Proposed plan to replace Annual Audit
2 members of board will meet on a given day

Discussion about whether to discontinue a CPA Annual Audit (summary of 1/7/17 email from John to board): If we elect to discontinue paying for a CPA audit I believe a plan for our own review (audit) be provided for an up/down vote. I don't think the owners will agree to dispense with an formal audit without some idea of what will take its place. To facilitate thought for the HOA Board before our meeting, please allow me to suggest the following:

No later than 11 months after the beginning of the fiscal year; no less than two (2) members of the board conduct a review (audit) of management company's financial records for a specific month. The month will be determined the day of the review (audit).

Records to be reviewed include income, expenses, bank deposits, accounts receivable, payables as they relate to that month's activities. All the aforementioned will include the same review for the capital account. One member of the review team will be in the office of the Management Company and other member(s) will be in the office or by phone. Responsibility to implement the review (audit) will be the President of the Gateway HOA.

To complete the review (audit) for a management company report a short (five or less questionnaire) could be forward to all owners either before or after the self review (audit). The survey is not for the purpose of evaluating a problem but rather management company's courtesy to members, professionalism, addressing timing issues, appearance of Gateway, maintenance of hot tub, etc.

Board comments:

- We need to document exactly how the audit is done, what kind of sampling is done, etc. This document must be shared with all owners.
- Reasoning to get rid of CPA audit: we have a small operating budget so it seems extreme to spend \$3000/year on an audit.
- Are there rules about audits with the state of Colorado? Rob: no audits are required. Of the HOAs that he deals with a handful do yearly audits, others do them every 3 years.
- Who will do the audit: one proposal is rotate board members who do it. Eileen is very familiar with the process. Rotate on and off so auditors (board members) are

experienced. Another idea: President plus 1 member does the auditing (how about the Treasurer?)

- Will we have a CPA audit every xx years? That seems reasonable, maybe every 3 or 5 years.

b. Motion to replace the CPA audit with the above plan:

Move towards a self-audit.

Create a process for the self-audit that will be discussed at the next HOA board meeting.

John moved, Eileen 2nd. Passed unanimously.

Then we went to Item VIIb (see below).

V. Vote to accept Gateway Insurance:

- Pinnacle is now auditing Toad about having Worker's Comp. He assumes all will go well as they are well covered.
- Motion: accept Gateway Insurance for the next year (Eileen/Steve): passed unanimously.

VI. HOA Resolutions (Crest Home Condominiums)

We need to have something that shows our policies for legal reasons. Need to comply with state condo rules. Crest Home Condominiums does this (see <http://toadpropertymanagement.com/client-list/>). We need to do something similar. Toad has done this for each of his condos.

Motion: Adopt policies as is and adapt/amend at the next meeting. (Eileen/Jean). Passed unanimously.

John will send us the policies.

Steve F. had to leave the meeting at 5:21 pm.

VII. Update on Black Bear/Westfall television initiatives.

- Black Bear installed 1 box per TV for 25 units. They have > 100 TVs. Improvement in their service is dramatic as compared with their satellite dish service (Gateway has cable not satellite). It cost about \$35 per unit to install all the boxes. About \$900/month to support them.
- It may be more expense for us to do this with our 17 units as Black Bear got a really good deal.
- Our current cable provider is Spectrum.
- Update on TV is a work in progress. Rob will examine this further.
- Two other options:
 - We just skip cable and let owners do it individually. This idea wasn't supported since more people would use the internet which is already slow at busy times.
 - We allow individual owners to upgrade if they want and buy their own box.
- We currently pay TV \$500/month.

VIII. Excessive Snow/issues (decks, hot tub and common areas).

- a. TOAD comments: see above.
- b. Board/owner comments (Note from John: I have invited owner Karen Theel (unit 402) to join our discussion on this item. Will put this at the beginning of the agenda if she accepts. She will be invited to remain for the rest of our discussion or end her attendance; her choice).

Karen joined at 4:47 pm so we skipped ahead to this item. Rob summarized to Karen about the massive amounts of snow that were received so far in January (see item IIIa above). Karen asked for the board to buy shovels. There was some discussion about this.

John: snow on your deck weighs a lot. We need to shovel off the decks.

Snow on decks: Whose responsibility is it to clear the snow on the decks? Discussion:

- Toad doesn't currently shovel the decks because we never asked them to do it.
- In the past it was the management company who cleared the snow on the decks. The decks are on the outside of the condo so this should be a management company issue.
- What about the condos in GW that don't have decks? Will they have to pay for deck shoveling? The answer: this is how an HOA works. Shoveling the decks benefits the entire condo complex as it helps with integrity of the condo.
- New rules for shoveling the decks: lots of discussion about what the new rules should be. One idea: shovel all decks when accumulation is above 10 inches.
- John will work with Rob about creating some new rules on this and will communicate with the board about it.
- For now: Rob will do all decks now after doing the roof.

Icicles: do we need to remove them?

- Rob said, yes when we should. They cause ice dams and other problems. Toad will work on them after they get a handle on the snow.
- Karen said that some of the icicles are 5 feet long. Rob says: all the buildings in town have this issue. It isn't ideal but it is what we deal with every winter.

Hot tub: didn't work when Karen was there.

- Rob filled us in. He said that all of the hot tubs he manages break all the time. Of the 9 hot tubs he manages, at least one is always broken. GW's hot tub broke several times while she was there. They had Diamond Blue come out who had to order a part.
- Could you put a sign up about the hot tub being broken and when it might be fixed? The goal is better communication with guests and owners. Maybe put a sign holder on the sauna door or nearby wall. Rob said he would do this.
- We have a 2nd heater but it hasn't been installed yet.

The board thanked Karen for her input.

c. Other business

- John has written an agreement to allow contractors to store items in our garage. He will send us the text and we can discuss next meeting.
- Bylaws: Our lawyer reviewed the bylaws. We haven't posted them but need to do so.
- Next meeting: proposal to meet the 4th Wed in March and May (3/22 and 4/26). Please check your calendars.

d. Meeting adjourned at 5:36 pm.