

**BLACK BEAR LODGE CONDOMINIUM ASSOCIATION
MEETING OF THE EXECUTIVE BOARD
VIA ZOOM – 9:00 am (Mountain Time)
THURSDAY, SEPTEMBER 23, 2021**

BOARD MEMBERS Cathleen Jones
 Robin Holmes
 Larry Cornett
 Jason Leonard
 Tim Gibbons

MANAGEMENT PARTICIPATING
 Jordan Brandenburg, Toad Property Management
 Rob Harper, Toad Property Management
 Hannes Gehring, Toad Property Management

OWNERS PARTICIPATING
 Patricia Wilson
 Ryan Fraser

Cathleen called the meeting to order at 9:01 a.m. (MT) and confirmed a quorum.

Larry made a motion to approve the minutes of the August 19, 2021 meeting. Tim seconded the motion and it was unanimously approved.

Jordan said Paul Becker from MTech Mechanical had submitted a proposal for the new controllers for the boilers. Rob explained the operation of the boilers, tanks, controllers and pumps and how the new control unit would coordinate the correct operation of all boilers and pumps. Rob said the snowmelt boiler was on the southside of the building and was a completely separate system and just heating concrete areas. Rob explained a better controller on the snowmelt system might reduce operating expenses but on such a large system there might be problems to keep the concrete slabs all around the buildings up to temperature. Jordan said Paul Becker had confirmed MTech would be able to start work on the installation in about three weeks. Rob said adjustments had been made to the snowmelt exhaust and it appeared to have solved that problem and it would continue to be monitored.

Tim said the bid was \$31,000 for the controller of the three boilers and \$14,000 for the snowmelt system controller. Larry made a motion to accept the bid from Paul Becker of MTech Mechanical. Robin seconded the motion and it was unanimously approved. Jordan agreed to reach out to Paul Becker and have the work completed as soon as possible.

Action Item: Toad to contact Paul Becker of MTech Mechanical and schedule work on the boilers and snowmelt system.

Jordan said exterior painting/staining was underway and the crew would be moving to the south side of the building next. Approximately one more week of work was anticipated. From a conversation he had with the owner, Larry said Complete Coverage might require more paint and stain to complete the project and Jordan said he would follow up with Complete Coverage.

Action Item: Toad to contact Complete Coverage and report back to the Board if additional paint and stain would be required.

It was generally agreed the building was looking good and Rob said attempts were being made to schedule work to reduce inconvenience to guests/owners. Jordan said some photographs of the building would be taken and loaded on the website.

Action Item: Toad to photograph the building as areas were completed and load photographs on the website.

Jordan confirmed recycling signs had been ordered and would be in place prior to the start of the Winter season.

Toad had a punch list of ongoing maintenance items and Cathleen asked if the updated punch list could be included with the Agenda for each meeting. Rob said a lot of time had been spent at Black Bear during the past couple of days to complete some of the Toad items on the punch list. Rob anticipated three to five items left on the punch list by the next meeting. Cathleen asked Toad to provide input each month on maintenance requests and make suggestions on how to remedy the issue in the most efficient and cost effective manner. Rob said some of the larger, expensive projects would need to be moved to the capital expense list.

Rob said after Toad had sent the letter significantly increasing management fees and maintenance labor costs good progress had been made on hiring additional staff. Rob explained improvements would be made in tracking maintenance projects as well as improving response time.

Cathleen asked the Board to review the punch list and send any additional comments to Rob for an update at the next meeting. Rob said garage lighting had been discussed in the past and changing to LED lighting was expensive and continuing to replace bulbs as needed was also an option. Larry suggested obtaining a new proposal from an electrician and Robin suggested having the work performed in phases to spread the cost.

Action Item: Toad to obtain a proposal from an electrician for LED lighting in the garage.

Cathleen said an initial review of the governing documents seemed to confirm the Association could hold an owner liable for the \$5,000 insurance deductible in certain cases and suggested having an attorney review the documents and confirm. Responsibility for failure of specific plumbing parts was discussed at length and it was

agreed a quick legal review would be helpful as additional problems might occur as the building aged. Robin asked if wildfire coverage was included in the existing policy and Rob agreed to check with the insurance agent. Robin made a motion to contact legal counsel to find out if an owner could be held liable for the \$5,000 insurance deductible or repairs to other units. Cathleen seconded the motion and it was unanimously approved.

Action Item: Toad to reach out to legal counsel and the insurance agent.

Robin said the Operating Budget had been presented to the Board and Larry thanked Robin for her work. Rob explained the annual meeting was scheduled for December 3, 2021 at 10 am (MT) and said the Budget needed to be approved at the October meeting. Robin explained the Operating Budget and the Capital Budget were completely separate. Some suggestions had been made for the Capital Budget, including stonework, heat tape installation, metal railing painting, and garage lighting modification. Robin asked for input from the Board. The Reserve Study recommended increasing the Capital account by \$182,400 for the first year and 3% increases each year to prepare for those expenses. Larry expressed concern about such a large increase and suggested increasing by smaller amounts in preparation for the 2027 expenses. Rob said reserves had been built up in the past when \$70,000 had been collected each year for capital projects and it had not been necessary to spend that money. During the past year it had been necessary to use reserves for expensive repairs such as boilers and exterior staining. It was acknowledged as the building aged it would be necessary to spend more money on capital projects. After discussion annual increases of 5% for operating and 10% for capital were suggested to increase the funds gradually.

Cathleen questioned the recommendations of the Reserve Study and if the Association needed to hold such large amounts of owners' money in preparation for those future capital expenses instead of assessing owners when those large expenses became necessary. A long discussion followed regarding the Reserve Study, operating dues, special assessments and the process of approving a budget. Robin suggested approving a Budget to start to replenish the capital funds and the Board would continue to review the Reserve Study and understand what projects might need to be completed and how many projects could be ignored.

Rob confirmed there was approximately \$481,000 in the bank accounts and exterior painting and the work on the boilers would be taken from that amount prior to the end of the financial year. After discussion Robin agreed to prepare a spreadsheet setting out different levels of funds to replenish the reserve account. It was acknowledged the amounts had to be higher than prior years and the spreadsheet would start at \$100,000 and go up in increments of \$10,000 or \$15,000. The Board would review and discuss and be ready to approve a Budget at the October meeting.

Action Item: Robin to prepare a spreadsheet for capital expenses and circulate to the Board.

Robin said she had reviewed the adjustments from the Auditors for 2020. Robin asked that Toad enter the adjustments for 2020 as set out in the Auditors report. Robin said she would continue to review operating expenses and attempt to calculate the excess operating funds. After December 31, 2021 Robin would be able to confirm the exact amount of adjustment in accordance with the governing documents. Robin said she would discuss excess operating funds with the Auditor.

Action Item: Toad to enter Auditor adjustments for 2020. Robin to speak to the Auditor about excess operating funds.

It was agreed the next meeting would be Thursday, October 28, 2021 at 9 am (MT).

At 10:52 am Larry made a motion to adjourn the meeting. Robin seconded the motion and it was unanimously approved.

Respectfully submitted by,

Rob Harper,
Toad Property Management