

**Crested Mountain North Condominium Association**  
**Meeting of the Board of Directors**  
**WEDNESDAY, OCTOBER 19, 2022**  
**VIA ZOOM**

Present:

Julia Gearhart

Rosalind Cross

Melissa Stewart

Lisa Schneider

Bill Eggert

Stephanie Duffield

Rob Harper, Toad Property Management

Joe Robinson, Toad Property Management

Joe called the meeting to order at 10:02 a.m. and confirmed there was a quorum.

Joe said that notice of the meeting had been provided on October 10, 2022 and a reminder of the meeting sent on October 13th.

Melissa made a motion to approve the minutes from the July 13, 2022 meeting. Julia seconded the motion, and it was unanimously approved.

Melissa said Controlled Hydronics continued to work on the L Building boiler. The boiler system had been drained and work would move ahead once the recent water quality test results were received. Owners in the L Building would be alerted when water needed to be shut off. Joe said he had been contacted by Shamrock for additional information from the boiler box as part of the work on the heat exchanger. Melissa explained there was still one heat exchanger operating and hopefully everything would be resolved by winter and the second heat exchanger in place.

Joe said he had met with Rob Felix on the Reserve Study and an updated study had been prepared. Joe said Rob Felix would be available to make any adjustments to the Study in the future. An Expenditure Study for the next 10 years had been circulated to the Board for review. Joe explained the Study had identified some large expenses and in 2023 the 38% increase in capital assessments would meet the cost of the work. Joe said the Board needed to consider the capital expenses in the Study and decide the priority or necessity of the work. Melissa explained the Reserve Study was a suggestion of the future work and estimated costs and some items would not need to be completed in 2023 and could be pushed back several years. Joe said the asphalt had been sealed and striped in 2022 but the Study had not been updated to reflect that work. It was generally agreed the parking lot was looking good and parking had improved. Concern was expressed about painting the Hardiplank siding as the siding did not appear to need painting and during installation of the siding the product had been considered to be good for the long term with a 30 year warranty on the product. It was generally agreed the Reserve Study was just a guidance for future expenses and items could be pushed back as necessary. Rosalind expressed concern about the Auditors using the Reserve Study as written without having a good understanding of the condition of the buildings. Rob stressed the responsibility of the Board was to make good business decisions and at the annual meeting it could be explained to owners that careful consideration was given to all projects and the Board had a better understanding of the need to perform work than the

accounting firm had. Rob agreed to review the Reserve Study and work with the Auditor so an Audit Report could be finalized and shared with owners.

After discussion Joe agreed to contact Rob Felix and have the Study updated. Asphalt, painting of the Hardiplank siding, the concrete swale in the parking lot and hallway carpets were all items that could be pushed to a later date. Melissa said the hot tub deck had been identified as an upcoming expense. Julia stressed the need to pay regular attention to the parking lot surface as weather conditions and snowplowing might cause issues which required prompt attention.

Joe apologized for the late circulation of a draft Budget for the Board to review. Joe explained the Budget was based on actual expenses and current inflation as well as the Reserve Study recommendation to increase capital assessments by 38%. Melissa explained the 38% increase was a recommendation from Rob Felix as part of the Reserve Study and as some items identified in the Study did not require immediate attention the Board could decide on a lower increase and explain to owners the reasoning behind the increase.

Joe explained the Management Fee was increasing by 2% and insurance premiums had reduced to approximately \$16,000 for 2023. Legal expenses were an unknown and had been budgeted in accordance with prior year expenses. The Repair and Maintenance line item was a variable expense and the maintenance rate for the Toad crew had been increased to \$65 per hour. Joe explained some items were just an expense for L Building owners.

Joe explained the landscaping expense included the hanging baskets. Rosalind said the grass had looked great during the Summer but more regular maintenance needed to be performed on the irrigation heads and the flower beds. Joe confirmed the Toad crew had been alerted to the areas requiring more attention. Roof snow removal had been over budget mainly due to the significant snowfall, approximately 40 inches, in December 2021 and the new Budget was based on the past three years of expenses. Joe explained utilities, water and sewer and trash, had increased significantly and the new Budget included those increases. Joe said Waste Management had significantly increased their rate, partly due to a fuel surcharge, and the service was just for trash and did not include recycling. Rob explained the Mt. Crested Butte Water & Sanitation District would be performing some significant upgrades and had indicated annual increases of 17% would be necessary for several years to meet the costs of the upgrades. Joe agreed to obtain a bid from Waste Management for recycling and Joe confirmed Waste Management would be switching to single stream recycling which might reduce some of the problems encountered in the past.

Joe said mortgage lenders liked to see at least 10% of annual operating expenses going into the Reserve Account. The dues increase of 8.8% included a transfer to the Reserve Account which was in addition to the 38% increase of the capital assessments. Joe explained funds for the Reserve Account would be transferred quarterly and having a separate line item on the quarterly invoice for capital assessments would make it easier for bookkeeping to move the funds every quarter. Rosalind said due to the costs invoiced by Controlled Hydronics there had been discussion about L owners being invoiced for a portion of those costs to be paid back to the Reserve Account. It would be necessary to add the topic to the Annual Meeting Agenda and at the Board meeting immediately after the Annual Meeting the Board would be able to vote on a special assessment to the L Building owners. The sum of \$27,000 had been proposed as the initial special assessment and Joe agreed to add that to the Agenda for the meetings.

Joe confirmed there had been an 18% dues increase in the 2021/2022 Budget but that had not been sufficient to meet increases in operating expenses. Moving forward Rosalind stressed the need to only use money from the capital account for the capital expenses and not support operating expenses from the capital account unless directed by the Board.

Joe said the \$20,700 allocated to capital expenses in the draft Budget would not be sufficient to cover the cost of replacing the hot tub and deck and funds would have to be used from the Reserve Account. Rosalind said the hot tub replacement would be a large project and Rob agreed estimates could be obtained and the Board could decide on a new design or to replace what was already in place.

Joe said Diamond Blue had given a bid of \$18,594 for a replacement hot tub. Attempts had been made to get a bid for the replacement deck but as yet nothing had been received. Joe said the hot tub cover needed to be replaced. Joe agreed to contact Diamond Blue and CB Hot Tubs for a replacement cover and find out if a cover was in stock and could be in place prior to the start of Winter.

Melissa made a motion to approve the 2022/2023 Budget with Capital Expenditures of \$20,700 added. Bill seconded the motion and it was unanimously approved. The approved Budget would be included with the Annual Meeting documents.

The Annual Meeting was scheduled for November 16, 2022 with a Board meeting immediately after the Annual Meeting.

Joe said the Town of Mt. Crested Butte confirmed permits had been issued for two construction projects close to Crested Mountain North. A single-family residence was under construction at 47 Whetstone and a permit for excavation for a soil sample had been issued for 41 Whetstone.

Joe agreed to reach out to Lisa to ask if she wanted to put her name forward for an additional term as the At Large member on the Board. Joe would also email owners to ask for any additional volunteers.

At 11:39 a.m. Melissa made a motion to adjourn the meeting. Rosalind seconded the motion and it was unanimously approved.

Respectfully Submitted

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Rob Harper,  
Toad Property Management