

**MINUTES
GATEWAY CONDOMINIUMS
MEETING OF THE BOARD OF DIRECTORS
THURSDAY, JANUARY 25, 2024 – 4:15 P.M.
CRESTED BUTTE & VIA ZOOM**

Present: Jean Woloszko
Neil Gamblin
Steve Figlewski
Jamie Downing
John Gavras
Alex Summerfelt, Toad Property Management
Erin Dicke, Toad Property Management
Bart Williams
Mike Steinberg
Eileen Swartz
Stefan Hodgden & Alisa Corey, Mountain West Insurance

The meeting was called to order at 4:15 p.m. and Jean confirmed there was a quorum. Alex confirmed notice of the meeting was sent out on January 11, 2024 and then again on January 18, 2024.

Neil said the minutes of the October 16, 2023 meeting incorrectly stated Building 2 in the sixth paragraph instead of Building 3. With that change Stephen made a motion to approve the October 16, 2023 meeting minutes. Jamie seconded the motion and it was unanimously approved.

Alex explained Toad had signed insurance documents to renew the unpopular insurance renewal policy with the \$149,000 premium for the year to avoid the building being left without any insurance cover. Alex explained the policy could be cancelled when a better option was available. Concern was expressed about Toad making the decision to sign the renewal documents without having approval from the Board and at the very least the President of the Association. Alex said Mountain West Insurance had joined the call to explain how the policy could be cancelled and what options might be available in the future.

Alisa Corey, Mountain West Insurance, said it was important to retain insurance on the building, liability insurance and directors and officers coverage. Toad and Mountain West had been looking at all options to secure a better, more favorable policy. Alisa explained insurance rates had increased significantly due to catastrophic failures in other parts of the country and condo insurance options had drastically reduced. Alisa explained several factors restricted the options or made it difficult to obtain favorable rates for the Association – reinsurance was necessary for the buildings, the age of the buildings, no substantial upgrades to plumbing and electrical, the percentage of rentals in the building, 3 claims in the past 6 years and an open insurance claim. Those factors had resulted in just one insurance quote being available despite efforts to obtain more. Alisa explained it would be necessary for the Association to pay 35% of the insurance premiums before the policy could be cancelled and a new policy engaged.

Stefan Hodgden, Mountain West Insurance, said he was hopeful that a more favorable option for building insurance would be possible once electrical work was finished and the open claim closed. The building insurance was the most significant cost of the various insurance policies. In the past it had not been recognized by the insurance companies that the building was ski in/ski out and that significantly increased the liability insurance. The new policy did include the ski in/ski out and that was one reason why the prior insurance company had dropped coverage. Jean said there was an easement stating that CBMR was responsible for insurance coverage on the land up to the steps where people would be on skis. Stefan said he could follow

up with the insurance companies although the easement did not address the levels of coverage. 360 Insurance, a company based in Wyoming, might be willing to take over the building coverage and other insurance could be with different companies.

Alex confirmed the contractor had been working with the adjuster to provide an estimate of the cost of repairs for the open claim. Eileen Swartz said she had paid nearly \$50,000 in the past two days to get electrical and drywall work underway and Stefan stressed the need to retain and submit all invoices for reimbursement of that work. Eileen confirmed that the contractor, Drake Austin Construction, had recently submitted a more detailed estimate to the insurance adjuster.

It was agreed it was necessary to have the remainder of the electrical panels replaced and the insurance claim closed within 3 months so other insurance could be obtained. Stefan said he was confident a less expensive option could be found once those issues were addressed although he was not able at this time to say how much lower it might be.

Stefan said one other unfavorable item had been the insurance requirements in the governing documents. Stephan explained the Covenants had a reference to the Bylaws and those Bylaws said the Association was responsible for the entirety of the building and all improvements within a unit. The unit owners were only responsible for insurance for the furniture or personal items in the unit according to the Bylaws. Jean said legal counsel could be asked about amending the Bylaws although Stefan thought it might not result in a significant difference on price. Bart Williams said CBMR/Vail needed to provide a Certificate of Insurance showing that the Association was a named additional insured and Stefan said he would continue to follow up on the easement. Stefan confirmed the current coverage did not cover wildfires.

Stefan and Alisa left the meeting.

Alex confirmed the majority of the electrical panels in the units had been changed. The remaining panels would be completed once access to the unit, in between rentals or usage of the unit, could be obtained. The common area panels required an electrical company and the panels were back ordered. Alex said Toad had reached out to all local options as well as reaching out to larger companies outside of the valley. It was generally agreed reaching out to Denver contractors would be a priority as the electrical panels were a high priority together with getting the current insurance claim work completed and closed.

Alex said he would be reaching out to contractors regarding repairs on the roof and chimney cap once the snow melted. Alex explained contractors had expressed concern about damage to the roof membrane if too much snow was allowed to build up on the roof. Jean said attempting to remove the snow off the roof would cause shovel damage and he wanted to continue with the engineers report, regarding snow buildup, from Martin & Martin before snow was removed.

Alex explained bids for Gateway projects would be shared on the owners portal in AppFolio. Alex said lock bids had been added to the portal. Jean stressed the need for bids to include door frames and there would be stucco repairs. Neil said he was working with a Canadian company for a bid on the actual door locks. Alex said Kooler Garage Door would be able to come up with a solution for the garage door.

Alex said Toad thought the sauna would work once everything had dried out and repair of the water damage to Unit 404 was moving ahead as quickly as possible. Eileen Swartz, owner of Unit 404, said the water damage came from a common area and she did not feel she should be responsible for her \$5,000 deductible or out of pocket for the water damage. Eileen said work had been started because she personally paid Drake Austin, the Contractor, to get the work underway while the two insurance companies discussed the damage and who was responsible for the cost of repairs. Further discussion about the costs would take place once

information was available and all Board members were at the meeting. Eileen would be reimbursed for the nearly \$40,000 of money she had currently paid once the insurance companies resolved responsibility for those costs. Alex explained a duct had failed, due to the taping, and cold air in that space had caused a pipe to freeze. Neil stressed the need to make sure that insulation was in place and Alex confirmed Toad had put a heater in that space as a temporary measure.

Prior to the meeting a financial report had been circulated to the Board. Repair & Maintenance expenses were over budget for the year and Alex agreed to provide a breakdown of those expenses. Elevator expenses included the settlement costs with the prior elevator company. Jamie confirmed there had been a meeting of the Advisory Financial Committee on January 11th with the accounting department and Alex to discuss finances. Mike confirmed interest rates had increased on the Money Market account and the rate was currently 3.86. The initial recommendation was to leave the money in that Money Market account. Jamie said in the future any notes of the meetings would be circulated to the Board prior to the next board meeting.

Jean said he would reach out to the Town of Mt. Crested Butte to find out the conditions attached to selling the employee unit. Alex said a 6 month lease might be a possibility once the appliances were installed. Stephen made a motion for a 6 month lease at a rent of \$1,200 per month. Jaime seconded the motion and it was unanimously approved.

At 6:00 p.m. Jean made a motion to adjourn the meeting. Stephen seconded the motion and it was unanimously approved.

Action items summary

Items

- | | Owner |
|---|--------------------|
| 1. Complete electrical panels and open insurance claim | Alex/Toad |
| 2. Continue to search for better insurance coverage | Toad/Mountain West |
| 3. Discuss insurance provision in the Bylaws with legal counsel | Jean |
| 4. Engage Martin & Martin to review roof | Alex |
| 5. Engage contractor for chimney cap work in the Spring | Alex/Toad |
| 6. Distribute a breakdown of Repair & Maintenance expenses to the Board | Alex |
| 7. Door locks | Alex/Toad/Neil |
| 8. Contact Town of Mt. Crested Butte re sale of unit. 6 month lease on unit | Alex/Jean |

Prepared by Rob Harper,
Toad Property Management