

**THE TIMBERS OWNERS ASSOCIATION, INC.
MEETING OF THE BOARD OF DIRECTORS
THURSDAY, SEPTEMBER 28, 2023
318 ELK AVENUE
CRESTED BUTTE, COLORADO
VIA ZOOM**

Those participating:

Reggie Park
Mike Arth
Marin Brownell
Chad Markle
Alex Summerfelt, Toad Property Management

The meeting was called to order at 5:39 p.m. and Alex confirmed a quorum. Notice of the meeting had been sent September 25, 2023.

Reggie made a motion to approve the minutes of the July 24, 2023 meeting. Mike seconded the motion and it was unanimously approved.

Alex explained inspections had been conducted by the insurance inspector and the insurance renewal was now with underwriting. Alex said American Family hoped to provide a policy at lower rates than the current carrier. Alex explained the State might introduce some significant changes in 2025 regarding wildfire mitigation and there would be grants available to offset the impact on Associations. Alex said Toad would continue to follow the potential changes and opportunities for grant funds.

Alex said attempts would be made to change the renewal date of the insurance policies so that renewal would link in with the calendar year budget better than having a May/June renewal.

Alex explained the draft 2024 Budget estimated insurance renewal at \$55,000 but it was hoped the actual renewal would be a little lower than that. Alex said the existing insurance policy would be cancelled when it was cost effective to do so and Alex would continue to work with the insurance companies to determine a new start date.

Alex said Toad would be dividing up duties within the company so that individuals focused on specific subjects and there would be one person who was keeping up with insurance changes and opportunities.

Alex explained leaks from the bath tub at Unit 112 had been ongoing. Alex said two contractors thought the original installation of the tub was completed incorrectly and was the cause of the ongoing leaks. Alex explained the common areas of the building and the unit below had to be protected and determining who would be responsible for those costs was unclear. Legal advice had been taken and once the tub was removed it might be possible to determine if the source of

the problem was inside the unit or in common space. Three sections of the Covenants were relevant to this issue – paragraphs 9.1, 2.38 and 3.5.

The first step would be to remove the tub in Unit 112 and the Board, less Mike as he would need to recuse himself from the issue, and then it would be necessary to determine who paid for the work. Mike, as the owner of Unit 112, explained over the course of seven years multiple contractors had put caulk between the tub and the tile. A significant amount of money had been spent to rectify the problem within the unit and Mike said, in his opinion, the issue was a problem with the floor joists, a common element. Mike stressed Unit 112 was well looked after and multiple attempts had been made over the years to rectify the situation and prevent damage to the unit below.

Alex explained Dave Foster estimated \$1,500 - \$3,000 for the demo and some additional work. Alex said Dave Foster could not give an estimate for the repair until the demo work on the tub was completed and he had a clear view of the issue. A very rough estimate might be \$1,000 to \$2,000 for the repair but until the tub was removed the extent of the work was unknown.

Marin suggested the Association fund the demo and then the Board would once again review cost allocation once the cause of the issue was known. It was agreed every effort would be made to move the project along quickly and a Toad representative would be available to review the situation once the tub was removed. Alex would report back promptly to the Board with photographs, if necessary, so the Board could make a decision via email regarding the cost responsibility.

Marin made a motion to approve the demo and research by Dave Foster of the tub in Unit 112. Chad seconded the motion and Reggie approved.

Alex said he would keep everybody up to date with a paper trail to track decisions and information on the tub in Unit 112.

Alex explained he had been working on the Board member portal and in the future Board members would have easy access to current financial information, work orders and files. Initially it would be a trial period and Alex would provide more detail as it was finalized.

Alex explained within Toad he would be responsible for Capital Plans going forward. Alex said he would work on an updated 10 year Capital Plan for the Timbers Building.

Alex said the Toad management fee would be increasing by 4% in 2024 and the hourly rate would probably increase by \$5 in an effort to keep up with current labor costs in the valley. Alex confirmed a new Management Contract would be sent to the Board for review. Alex said he had reviewed different cleaning companies and it might be possible to improve the housekeeping service as well as slightly reducing the cost.

Alex explained the draft 2024 Budget kept dues at the current level mainly due to anticipated savings in the insurance premiums. Alex said the Capital Assessment had been increased to help prepare for future staining of the exterior of the building. Alex explained Short Term Rental Income had increased for 2023. Alex went through the draft Budget line by line and explained how the figures were arrived at. Alex said CB Hot Tubs were doing a good job and the costs were lower than prior years. Replacement smoke detectors still needed to be installed in some parts of the building and the smoke detectors were still on back order.

Alex agreed to provide timesheets for the landscaping work performed at the building during the Summer. Concern was expressed about tracking the various tasks performed by Toad and Alex said he would set something up to make it easy for Board members to see a detail of work performed during the month. Alex explained there was a list of maintenance items for each Toad employee to check on a regular basis and Alex would follow up with the maintenance crew to make sure those tasks were always completed.

Mike said expenses would exceed income by approximately \$26,000 by the end of 2023 and Alex explained 2023 had been a very expensive snow year and it was not anticipated that the 2023/2024 Winter season would have as much snow. Insurance rates were also expected to reduce by at least \$8,000. Alex confirmed money was not moved from the Capital Reserve bank account to the Operating account without prior Board approval.

After discussion it was agreed the draft Budget would be discussed via email and working group meetings prior to another Board meeting to approve the 2024 Budget. Alex agreed cash was tight but as work at the north side entrance of the building was delayed it helped with cash flow. Alex confirmed he would be meeting with Pete Weber of Coburn Development to inspect the beam at the north side entrance and discuss how to rectify the matter.

Alex confirmed special assessments had to be presented to all owners and owners had the opportunity to veto the special assessment. Alex said an approved Budget and a special assessment needed to be agreed by the Board by October 12, 2023 to allow sufficient time to notify owners of a meeting.

It was agreed a short meeting would be held on Wednesday, October 4, 2023 to determine the amount of special assessment required and approve the Budget.

At 7:28 p.m. Reggie made a motion to adjourn the meeting. Mike seconded the motion and it was unanimously approved.

Prepared by Rob Harper,
Toad Property Management