

PITCHFORK ASSOCIATION, INC.
BOARD OF DIRECTORS MEETING
August 2, 2022
VIA ZOOM

Present: John Segal
Roman Kolodziej
Jess Legere
Don Wiseman
Hannes Gehring, Toad Property Management

Hannes called the meeting to order at 11:03 am and confirmed there was a quorum.

Prior to the meeting Hannes circulated a draft 2023 Budget. John questioned the amount going to Reserve and said a larger dues increase might be necessary. Hannes said the dues increase was currently at 9%. Hannes said the snow removal was based on an average for snow removal over the past three years but that figure could be increased to allow for higher than average snowfall.

Hannes explained employee wages at Toad had been increased to attract and keep staff as there was a significant employee shortage throughout the valley and expensive housing options.

Hannes said the accountant had increased rates for the annual tax return preparation and the 2023 Budget figure would be increased.

Repairs & Maintenance was approximately 30% over Budget at the present time due in part to an increase in the hourly rates for the maintenance crew. The 2022 Budget (approved in August 2021) did not include the increase in the management fee or hourly maintenance hours. Roman stressed the 2023 Budget needed to be increased or changes made as the Repair & Maintenance budget was consistently 30% over budget.

Hannes said \$1,000 had been spent on perimeter fence repair as an owner had cut the fence. Roman questioned why that was not an expense charged directly to the owner who cut the fence. Hannes explained there was no evidence of who cut the fence.

Don said there was approximately \$31,000 in the Reserve Account and Don questioned what those funds would be used for. Don said the Association could be financially stretched in a financial downturn because of the recent changes to association law by the State.

Roman said the \$9,086 allocated for the Reserve Account in the prior year had not been moved to the reserve account. Don explained operating expenses were using funds allocated for the reserves due to increased costs throughout the valley. Roman expressed concern that funds had not been moved even in the years when there was net income

available to meet the Reserve line item. Annually identifying capital projects was necessary to understand the future expenses.

Consistent overruns on some line items in the Budget, the role of the management company, capital projects and the reserve account were topics Toad needed to be ready to address at the annual meeting. Hannes confirmed Board approval was obtained prior to funds being removed from the Reserve Account. Roman said funds were not being taken from the Reserve Account to fund operating overruns and instead that money was taken from other line items which prevented funds being added to the Reserve Account.

The 2023 Budget included a 9% dues increase, which would be approximately \$7 per unit increase. Hannes explained \$18,000 was an average based on the past three years of snow removal and that could be increased in anticipation of a big snow year. John and Don supported an increase of \$10 per unit so snow removal could be increased. Don recommended more oversight and regular Board involvement to keep track of the financial situation during the year and respond as necessary to any overruns or concerns. Don volunteered to make a detailed review of the current financial situation in preparation for the annual meeting.

Hannes explained the process for the Board to approve the Budget with an increase of \$10 per unit and at the annual meeting owners would be asked to ratify the Budget. The Budget could be rejected if more than 67% of owners participating in the meeting wanted to do that. If the Budget was rejected at the annual meeting the existing Budget would stay in place until a new Budget was approved and ratified later in the year at an owner meeting.

Don made a motion to adopt the Budget with a \$10 per unit increase. John seconded the motion and it was unanimously approved.

Roman explained the history of the pedestrian easement at the bottom of Horseshoe. Roman said the Town did not want to maintain a staircase, the Association did not want to be responsible for ongoing responsibility and liability and Coburn Development had recently made changes to the easement and the Town had demanded the work stop. The Town had concerns about pedestrians crossing Gothic Road and Town wanted to come up with a long term plan if pedestrians would be using the easement.

After discussion three Board members approved the concept of changes at (Jenna) _____ but required the door to be similar to other doors in the area and not have so much glass. Hannes agreed to contact the owner.

It was generally agreed the Board needed to have sufficient time to review requests to change paint or remodel the exterior of homes and owners should not expect an immediate response. A short document or letter outlining the process for approval and the items which would require approval was proposed.

Roman said Covenant amendments would be discussed at the annual meeting and then legal counsel would be asked to review and draft the Ballot to be voted on at a future meeting. Roman explained owners needed an explanation of the role of the management company and the role of the Town of Mt. Crested Butte or the Police so owners could reach out to the correct entity when they had a problem. Hannes said recent changes to State law would make it more difficult for the Association to issue fines for violations of the governing documents.

Don said somebody needed to sign the indemnification and waiver document for *Matt and Hanna*. Roman made a motion for Jess to sign the document on behalf of the Master Association and the Townhome Association. John seconded the motion and it was unanimously approved. Jess agreed to sign the document before a notary public.

Don and Roman agreed to draft a letter to owners to update owners prior to the annual meeting.

At 12:33 pm John made a motion to adjourn the meeting. Roman seconded the motion and it was unanimously approved.

Prepared by Rob Harper,
Toad Property Management