

**BLACK BEAR LODGE CONDOMINIUM ASSOCIATION
HOMEOWNERS MEETING AT
CRESTED BUTTE, COLORADO
December 3, 2021, at 10:00am (Mountain Time)
VIA ZOOM**

MEMBERS PARTICIPATING:

Cathleen Jones	401
Robin Holmes	103
Al Fraser	201
Pat Wilson	301
Barb Rogers	106
Ronald McCutchin	306
Jason Leonard	307
Snap Pearson	207
Jackie Gibbons	308
Larry Cornett	101
Rick Matus	206

PROXIES TO CATHLEEN JONES:

Alex Roddey	204
Ryan Pryor	202
Will Schneider	304
Marcia Lindsey	303

MANAGEMENT COMPANY

PARTICIPATING:

Rob Harper, Toad Property Management
Hannes Gehring, Toad Property Management

Cathleen Jones called the meeting to order at 10:05 a.m. Rob Harper confirmed there was a quorum and said notice of the meeting had been mailed on November 9, 2021.

Robin Holmes made a motion to approve the December 4, 2020 meeting minutes. Al Fraser seconded the motion, and it was unanimously approved.

Cathleen said that 2021 had been a busy and productive year. Cathleen said that the Board had begun holding monthly meetings in 2021 and reminded owners that everyone was encouraged to attend for updates and a chance to weigh in on financial and maintenance issues.

Cathleen gave a report of the Board's accomplishments for the Association in 2021, including: designing and installing a new metal sign to replace the deteriorating sign on the face of the building; replacing one of the three boilers that provide hot water and heat to the Association; installing new landscaping and grass at the front of the building; completing a refresh of the exterior of the building by power washing, painting, and

staining; installing new boiler and snowmelt control systems for increased energy efficiency and cost savings; and commissioning a Capital Reserve Study to allow the Board to better prepare for future capital expenses.

Cathleen said that there had not been a significant increase in dues since 2014, and the Board had engaged in a thorough budget review process to ensure that the 2022 Budget met the needs of the Association.

Cathleen thanked Rob Harper and the Toad team for their responsiveness and for the time and effort they had dedicated to helping the Board accomplish its goals for the Association.

Rob Harper thanked Cathleen and the Board for their dedication and hard work throughout 2021. Rob said that Black Bear was looking very good and Toad was preparing to manage the snow removal and snow melt at Black Bear during the upcoming snow storm.

Rob introduced Hannes Gehring as the new Property Manager at Toad who would be working on day to day issues at Black Bear. Hannes said that he had just done a walk through of the property the previous day and that Black Bear was looking very good. Cathleen thanked Hannes for his responsiveness and his work on Black Bear in the last part of the year.

Robin Holmes said that she had dedicated significant time to a review of the 2020 and 2021 financials. Robin reiterated that Black Bear had not increased dues significantly since 2014 and as a result had recently experienced budget deficits. Robin said that the 2022 budget had been designed to address this issue and meet the true financial needs of the Association.

Robin gave a report on the Capital Reserve Study conducted in 2021. Robin said that the Study identified the useful life of all the structural and mechanical components in the building and estimated a cost for replacement of each component. Robin said that the Study also examined the Capital Fund and assessed how well the Association was prepared to address future capital expenses. Robin explained that one key takeaway from the Study was that Black Bear's Capital Fund was a bit underfunded, and the 2022 Budget reflected the need to build the Capital Fund over the next several years.

Robin said that, while the total cost estimated to replace all items examined in the Study was close to \$2 million, the Study's recommendation was that holding \$1.5 million in the Capital Fund would be sufficient to ensure the Association was ready to address any future capital expenses without borrowing money or instituting a Special Assessment. Robin said that the Capital Fund currently held about \$300,000.

Cathleen explained that the Study gave the Board an estimate for the worst case scenario, in which all mechanical items needed to be replaced immediately at the end of their

useful lives. Robin and Cathleen said that the Board was still discussing whether it was necessary for Black Bear to maintain the full \$1.5 million in the Capital Fund. Cathleen said that some Boards use a strategy of building the Capital Fund to a smaller target goal and keeping special assessments as an option for large capital expenses.

There was some discussion of what the major upcoming capital expenses could be. Possible upcoming capital expenses included: replacing the hot water holding tanks in the boiler room, which would likely cost more than \$100,000; replacing or updating the elevator; replacing the heat tubes in the decks; replacing the driveway and the snowmelt system; replacing all windows and doors in the building, including the garage doors; addressing pinhole leaks in the copper plumbing that could begin occurring with increasing frequency.

Interest was expressed in adding a refresh to the staircases as part of the capital improvements, and the Board confirmed they would add this to the list given the interest from homeowners.

Board members also confirmed that they were actively seeking a solution to the ice and slippery conditions on the 3rd floor landing outside the Elevator, but had not yet found a workable solution.

Larry Cornett made a motion to ratify the 2022 Budget as presented. Al Fraser seconded the motion, and it was unanimously approved.

Rob said that Cathleen Jones and Larry Cornett had volunteered to continue as Board Members for another 3-year term, and the election for those two seats on the Board was uncontested.

Robin Holmes made a motion to elect Cathleen Jones and Larry Cornett to 3 year terms on the Board. Al Fraser seconded the motion, and it was unanimously approved.

Rob thanked Cathleen and Larry for continuing their work on the Board.

Cathleen said that the Board had determined that there were some excess funds in the Operating Fund beyond the amount that the Board was required to retain in the account. Cathleen said that the Board would like to apply those excess funds to offset part of the predicted budget deficit in 2021.

Al Fraser made a motion to approve the use of Operating Funds to cover some of the deficit that the Association anticipated incurring in 2021. Snap Pearson seconded the motion, and it was unanimously approved.

Cathleen updated the Association on the window seal issue. Cathleen said that the design of the windows in Black Bear included gas held in a sealed area between the two panes of glass to better insulate the windows and improve energy efficiency. In some cases, the

seal had broken, creating the appearance of fog in the window. Cathleen said that Hannes had sent around an email notifying owners that there would be contractors on site on Tuesday, December 7 to inspect the windows and determine which windows required repair or replacement.

Cathleen said that all of the Capital Projects the Board was contemplating for 2022 were listed on the Agenda under “New Business.” These included: repainting the railing on the decking; addressing the third floor deck issue; refreshing the stairwells; adding more landscaping to fill out the new landscaped area in the front with flowers; and maintenance of heat tape on the roof to prevent issues with accumulating ice and snow.

Some concerns were raised about the energy efficiency of heat tape in the gutters and downspouts. Rob agreed that the heat tape was not energy efficient, but said it was necessary as the nature of the Black Bear roof did not allow for snow shoveling or manual ice removal. Cathleen emphasized that the Board was looking at Capital Improvements through a lens of energy efficiency and conservation.

Cathleen said that the Association was having to replace 2 to 3 hot tub covers annually due to damage. Cathleen said that the Board had not identified any hot tub cover options that were more durable. Cathleen reminded owners to please be conscientious and to ask their guests to be conscientious when folding back the covers to cut down on the number of necessary replacements.

Cathleen said that Black Bear was consistently getting notes from Waste Management about the incorrect sorting of recycling. Cathleen explained that when recycling was not properly sorted, Waste Management refused to pick up the recycling, forcing the Association to pay Toad to remove it. Cathleen urged owners and their guests to take the time to sort the recycling. Cathleen said that, if these issues continued, it might be necessary to terminate the recycling program at Black Bear.

It was suggested that some issues discussed, including damage to the hot tub covers, incorrect recycling practices, and other causes of wear and tear on the building, might be proportionally more attributable to short term renters. The idea was suggested that Black Bear charge an additional fee to owners who were short term renting their units.

Rob said that many other Associations managed by Toad were grappling with this issue as well. Rob said that while one Association had amended its Covenants to prohibit short term rentals, more associations were charging an annual or per-rental fee for short term rentals and adopting policies that included an enforcement mechanism. There was support from some owners for pursuing a similar program at Black Bear. There was also a request that the owners who did short term rent their units be involved in this process if it moved forward.

Rob asked that owners who use property managers for their short term rentals send that information to Rob and Hannes so that Toad could help with enforcement.

There was some further discussion of the need for a solution to address the slick area on the Third Floor. Rob said that the heat mats did not solve the issue, because once the snow and ice melted off of the heat mat, the water flowed away and froze in a different location. It was generally agreed that the Board should continue to pursue a permanent solution for this matter actively.

It was expressed that the grill was not lighting with the igniter and might need to be more thoroughly cleaned. Hannes said that he would ask Toad's maintenance team to look at the igniter for the grill. Hannes said that he would also order a new brush for the grill.

It was agreed to hold the next Annual Meeting on December 2, 2022 at 10:00 a.m. (MT).

Robin and Cathleen explained that it would be the end of January 2022 before the Fiscal Year was closed and the Board would know the cost of reconciling the 2021 budget deficit. It was explained that the increased dues would go into effect in January, and the cost of reconciling the 2021 deficit would be assessed with the July dues.

There was a question regarding the possibility of allowing an installment plan for payment of the July dues and the additional budget reconciliation payment. Cathleen said that the Board would consider this once the amount of the deficit was known.

At 11:37 a.m. Al Fraser made a motion to adjourn the meeting. Snap Pearson seconded the motion, and it was unanimously approved.

Respectfully submitted by,

Approved by,

Rob Harper
Toad Property Management

Cathleen Jones,
BBL Association President