

**PARADISE CONDOMINIUM OWNERS' ASSOCIATION
BOARD OF DIRECTORS MEETING
MONDAY, MAY 15, 2023 – 4:00 PM**

Present:

Bryan Lyerly
Joseph Schwartz
Karl Wolf
David Ferenci
Brittany Konsella
Hannes Gehring, Toad Property Management

Hannes called the meeting to order at 4:07 p.m. and confirmed a quorum.

Prior to the meeting a draft Budget had been circulated via email. Hannes said snow removal had been increased in the draft Budget in line with an average snow year and increased contractor prices for snow removal. The snow removal line item in the draft Budget would not be sufficient to cover the costs of a Winter similar to the 2022/23 season.

Hannes explained the services provided under the line items for Repairs and Maintenance. The draft Budget included a dues increase. Hannes said the Budget included an increase of 15% for management fees as Toad also had increased operating expenses, including labor costs. Hannes said he continued to reach out to Waste Management regarding the increased costs for trash collection. Hannes confirmed there had been a significant increase in trash collection costs since 2021.

Bryan said the deductible for insurance had been increased to \$25,000. Unit 211 had ceiling and floor damage and the repair of that would be an Association expense. ServPro was handling the water and mold remediation and it was unclear what had caused the damage. David said he thought the insurance company just covered restoring the unit with the original construction materials. Concern was expressed about insurance claims causing significant increases in premiums and the difficulty of finding insurance companies willing to even provide a policy. Hannes agreed to speak to the insurance agent for help in determining if a claim would be filed or if the Association would cover the cost and not file. A change to the Covenants might be necessary to adjust the type of insurance coverage and have individual unit owners responsible for more of the interior of each unit. The process might require approval from all lien holders as well and it was agreed the matter needed to be discussed at a future meeting when more information was available from the insurance agent.

After discussion it was unanimously agreed to increase the insurance line item to \$25,000 instead of \$5,000 and that would require an additional increase in dues. Hannes said he would follow up with the insurance agent to determine the current coverage and obtain information about possible changes for the future.

Hannes confirmed annual audit expenses had been significantly over budget and filing of the tax return had been \$395. Hannes made adjustments to the line items to accurately reflect those two separate expenses. The McNurlin costs for the audit had been much higher as additional time had been spent reviewing and adjusting entries from Vail. It was anticipated at least one more year of the higher costs would be necessary. Hannes agreed to follow up with McNurlin to question billing for the prior

year and the anticipated cost of the future audit. It was agreed \$2,500 would be used on the Admin/Office line item and Hannes would follow up with McNurlin.

Bryan made a motion to approve the draft Budget with increases to the insurance line item and the Admin/Office line item. Joseph seconded the motion and it was unanimously approved. Hannes agreed to adjust the Budget and increase the dues income accordingly. Bryan said he would draft a letter to owners. Increases to the dues would be effective from May 1st and Hannes suggested in the future the timing of the annual meeting should be more in line with the fiscal year. Hannes explained the Board approved a Budget and then the Budget would be ratified at the annual meeting or a specific meeting for the owners.

Bryan made a motion to schedule the annual meeting for July 7, 2023 via Zoom at 3:00 pm (MT). Brittany seconded the motion and it was unanimously approved. Hannes said he would work on the documents for the annual meeting and Bryan would draft a letter to owners and those documents would be sent to owners as soon as possible. The retaining wall would be discussed at a future meeting when more information was available.

Hannes said he would reach out to the insurance agent for clarification on the existing insurance coverage and get back to the Board.

Hannes confirmed painting of the hallways was under way and a second payment had been made to Axtel Construction for work on the dormers and the roof. Funds were available to pay Axtel for completion of the roof projects.

At 5:16 p.m. Bryan made a motion to adjourn the meeting. Joseph seconded the motion and it was unanimously approved.

Prepared by Rob Harper, Toad Property Management