

**SUNSHINE CONDOMINIUMS ASSOCIATION
MEETING OF THE BOARD OF DIRECTORS
MONDAY, JULY 14, 2022, 5:00 P.M.
VIA ZOOM**

Present: Carol Ann Martin
Jeanette Marcel
Mariah Davidson
Chet Boyce, Toad Property Management

Chet called the meeting to order at 5:10 p.m. and said notice had been sent on July 11, 2022. Chet confirmed that a quorum was present.

Jeanette made a motion to approve the minutes of the January 10, 2022 meeting. Carol Ann seconded the motion, and it was unanimously approved.

Chet said that he would be moving on from Toad in the next couple months to pursue a career as a pilot and introduced Kat Loughan who would be the new property manager for Sunshine Condominiums.

Chet said that he had circulated a draft of the 2022-2023 Operating Budget prior to the meeting. Chet said that the budget reflected an 11 percent increase in dues to cover rising costs in the Valley. Carol Ann agreed that it was necessary to increase the dues to cover the costs of inflation, but questioned whether the 11 percent increase would be too high.

Chet confirmed that the proposed 2022-2023 Budget did not include a Capital Assessment line, and the upcoming assessment in December of \$750 was the last scheduled payment for the previous capital assessment. Chet explained that Colorado law made the Board responsible for passing the Budget, and the Annual Meeting gave owners the opportunity to veto the budget.

Jeanette said that the contractor who had performed the structural work in the crawl space recommended about \$60,000 in further work, including installation of gutters and grading the slope around the buildings to direct water flow away from the crawl spaces. Jeanette suggested that the Association could consider seeking a loan to partially fund some of the needed capital projects.

Carol Ann expressed disappointment that the Association had not completed any maintenance that would improve the aesthetic appeal of the building such as painting or siding repair. Chet said that the Association had initially intended the most recent Capital Assessment to fund exterior work such as painting and siding replacement. However, the structural work to the foundation of the building had taken precedence once it had been identified as a critical need. Jeanette emphasized that the current Board was playing catch-up after many years of deferred maintenance on the building.

Carol Ann said that she would like to see a professional architectural review of the building. Chet said that another HOA in Gunnison managed by Toad had hired an engineering firm to do an assessment of their HOA, and the review had cost over \$13,000.

Jeanette said that outdoor spigots used for watering the lawn were leaking into the crawl spaces, and Chet confirmed that Toad was not currently using those spigots. Chet said that Sunshine Condos was on

the list for a local plumber to fix the spigots, but there was currently a significant wait time for non-emergency plumbing issues.

Carol Ann said that reserve funds should be transferred to the Association's Money Market account. Carol Ann said that she would support an additional Capital Assessment to be instituted for exterior fixes such as siding, painting, and decking. Chet said that, following the structural repairs, the next priorities should likely be inspecting and potentially repairing the roofs, followed by replacing the siding. Kat said that there were companies that could perform a Reserve Study for the Association to estimate what capital investments might be needed over the next several years, and the cost would likely be around \$3,000.

There was some debate about the merits of seeking a loan to help fund capital improvements. Some Board members expressed concern about both raising dues and instituting another capital assessment. Chet said that he thought it would be important to explain the logic behind the increases to the members at the Annual Meeting. Jeanette said that she had put together a letter to the Association explaining how money had been used for the Association for the structural repairs. Chet said that the Capital Assessment would be \$750 if billed twice per year or \$125 per owner if billed monthly.

There was some discussion of the cost of roof replacement for the Association. Chet estimated that it would cost about \$45,000 per building to replace the roof. In order for the Capital Assessment to fund one roof replacement per year, the cost per owner would need to be \$175 per unit.

Jeanette said that it would be important to present owners with a plan for the reserve funds given the increase. Kat noted that if the Board chose to conduct the Reserve Study, they would be able to provide a clear logic for prioritizing the capital assessment funds to various projects.

Jeanette made a motion to accept the proposed budget with the dues amounts rounded up to the nearest dollar (\$189 for a 2-bedroom and \$230 for a 3-bedroom unit) a small increase in income would go into the Reserve Fund. Chet agreed to move the reserves into the MoneyMarket account. Board members agreed that the Capital Assessment amount should be \$150 per month for the next fiscal year. Carol Ann seconded the motion, making approval unanimous.

Jeanette said that she would get a proposal from the contractor for the cost of the remaining recommended structural work.

Jeanette said she thought she would be back in town the morning of Thursday, July 28, and she would call to coordinate a walkthrough of the property with Kat and Chet.

The meeting was adjourned at 6:44 p.m.