

**Highland Greens Lodge Condominium Association
Annual Meeting Minutes**

August 14th, 2021 9:00 AM Mountain Time

Virtual Zoom

Register in advance for this meeting:

https://us02web.zoom.us/meeting/register/tZ0ucumvqT0qGNMf_SgPbs_le3T2hT_5nxwp

Call to order:

- The Highland Greens Lodge Annual Meeting was called to order at 9:05 AM Mountain Time

Introduction of the Board of Directors:

- Anne Mead, Steve Piper

Introduction to those present / proxy and determination of quorum:

- (Roll Call) Quorum Met

Wilderness Property Management present:

- Noah Orth, Patrick Hunzeker

Approval of previous annual meeting minutes:

- [Highland Greens Lodge July 25th 2020 Annual Meeting Minutes](#)
 - **Motion to approve the Highland Greens Lodge July 25th 2020 Annual Meeting Minutes as presented, seconded, motion passed with no dissent**

Reports:

- **Presidents Report:**

- Anne Mead welcomed everyone to the meeting and stated that it was nice to see the turn out and how positive Zoom has become for owners and attendance. Anne thanked the board for all of their hard work this past year. 3 new vendors this year. HGTH went to manage the shuttle however even with Covid the shuttle operations were positive. The board switched to Thyssenkrupp elevator service and has not had problems since the change of contractors. Vertical Property Services is the new snow removal contractor and Plumbing Systems Inc continues to monitor and do preventative maintenance on the mechanical room. New fitness room updates with flooring, paint and television. The board decided to turn on the heated walkway at the entrance areas to keep them free of snow and the gas bill was not affected by the heated walkways. New signage put up in the complex for trash and luggage carts have been replaced. Anne also noted that she and the rest of the board are aware of the concerns of maintenance, hot tubs, dues and so on however wanted to get through the

meeting before open discussion. In closing Anne thanked Jordan Flage for his service on the board.

- **Treasurer's Report**

- **Highland Greens Lodge June 2021 Financials**

- Anne Mead discussed the Highland Greens June 2021 financials with the ownership. It was noted that in their operating account they had \$106,612.04 and a reserve total of \$93,296.97. The operating cash account amount is a little misleading due to some of the hot tub assessment funds being in the operating account, that has reversed. It was noted that an unusual expense was \$6000 of gas expense being over budget due to the major storm last winter. Anne explained to the ownership that the gas is on a hedging contract where we set a price per unit for a year, but any overages to the monthly cap usage amount are at market price. The storm that took out the Texas power grid caused Gas prices to rise. The hedged contract helped gas to not rise too much. Repairs and maintenance costs will continue to increase as the building ages. Questions about financials? Anne asked there there were any questions on the financial that were presented

- **A motion was made by Joe Nilsestuen to approve the Highland Greens Lodge June 2021 Financials, seconded by Steve Piper, motion carried with no dissent**

- **Proposed Budget & Ratification**

- Anne Mead- \$25 dues increase built into budget. WPM fee not increased due to repair/maintenance issues. Most utilities had annual price increases, trash removal and insurance. Roof snow removal was not needed last year.
- Questions about budget? Lodge telephone question by Chris Blum- Why is the cost of 2 telephones so high? Telephone for fire protection monitoring and in the vestibule for lockouts. Noah commented that Cintas monitors the fire suppression system. Phone needed and comment made about cost. Fire system monitoring factored into price.
- Question about only \$25 dues increase. Owner asked if a higher dues increase should be considered? Anne Mead comments that \$25 is to net the operating budget to almost \$0. We received notice that our share of the shuttle cost was increasing by about \$1500 for next season after the budget was sent out to the ownership last

month and the current budget is updated for that, so even with a \$25 dues increase, there would be a small net loss for the year. The Operating Reserve is \$62,000 of available cash. The WPM Management contract will result in hours and services going down if the fee isn't increased. Question about degraded services. The last time the WPM contract was updated was in 2020. New employees and staff turnover/shortages are one reason why building maintenance is down. Anne commented that WPM and HOA should redo the maintenance contract. The HOA will look into the TSHEETS from WPM employees at the end of August. Need to monitor and adjust hours with WPM before increase in contract. NOAH and WPM's general managers are putting together a general history report for the HOA. Mike brought landscaping needs to our attention. Blowing after mowing and trimming needs to be adjusted and communicated with the WPM team.

- Carpets used to be cleaned once a year but it needs it twice a year per Anne/ Steve.
- Wait to ratify the budget? David Mossier asks if by ratifying the budget means that they are approving the hot tub project as it stands. Anne answers, no.
- What are the proposed monthly dues for the year? Anne states that they are \$530 now increased to \$555 to cover the operating shortfall. An owner asks if the dues should be raised to more than \$555.
- Anne Mead commented on the fact that the dues aren't enough to handle the capital expenditures and maintenance repairs needed within the next ten years. She recommends that the dues be increased by more than the planned \$25 per month. Anne, Steve, Walt and Chris Blum are going to put together a powerpoint presentation for ownership of what costs will be coming within the next ten years and how much increasing dues should be recommended.
- Joe Nilsestuen commented that during the last annual meeting we had discussed doing a significant increase to be able to cover our capital costs and am inquiring about those costs. Anne stated that some of the major replacements coming up in the next 10 years were Elevator modernization/replacement at over 200k, boilers are listed at 172k and the roof is listed at 200k

- An owner made an official motion to increase dues to \$600 per month. A vote was taken and did not pass. 12 votes yeh and 9 votes neh which did not meet the 65% vote to pass.
- **Motion made to increase dues to \$25 with the potential to increase more after presentation is given. Budget ratified with \$25 dues increase to \$555 starting on September 1st, 2021, seconded, Chris Blum opposed. Chris Blum offered assistance in order to break down the numbers into one or two slides to give owners a better understanding of where the association stands and where the association needs to be as far as dues are concerned. Walt Lemanski also agreed to help. Anne asked if anyone else would like to be involved and Steve Piper stated that he would be happy to assist. Anne discussed a mid September turn around for those 2 slides to be presented to the ownership. Budget was ratified with a \$25 increase starting September 1st 2021**

Wilderness Property Management Report

- [Highland Greens Lodge August Managers Report](#)
 - Noah Orth of Wilderness Property Management gave the manager's report. Owners were concerned about the past vent and fireplace cleaning services being needed and Noah is looking into another company as the company that was scheduled to do the work was no longer in business due to COVID. The resurfacing of the concrete sidewalks were approved and will start in September. Noah reported that 3 bids for the parking lot crack seal and seal coat were given to the board and the work was deferred until next year. Mike Wade was concerned about the internal and external services have fallen. Anne Mead stated that over the years having consistent onsite staff and the growth of the building times have changes and more attention is needed. Anne stated that the board would be going over the service agreement with Wilderness Property Management to make sure services needed are being taken care of. Noah spoke in regards to the buildings lighting and switching over the LED's and that it would be a \$14,000 to \$23,000 project. An owner asked about return on investment and it was stated about 2 years.

New Business:

- **Owners Concerns**
 - Carol Bach - Dryer and fireplace vents need to be cleaned

- Anne suggested another survey go out once a company is acquired.
 - David Mosser - Stated that the PH elevator does not always go up to the penthouse floor.
 - Noah stated that he would contact TK to have this looked into. And that if anyone notices the elevator not going to a specific floor to make him aware of day and time as TK can plug into the computer system to see if there are any errors a that given time
 - Gloria Piper - stated that the unit door frames are in bad condition
 - Noah stated that he would add that to the agenda for the next board meeting discussion
 - Mike Wade inquired about the handicapped buttons and closers as he noticed that one was not functional.
 - Noah stated the board was aware and that contractors are being looked into to do maintenance on the buttons and closers
- **Management Services Contract**
 - Anne discusses the management contract and the current contract isn't meeting needs. Management hours need to be determined and looked at. Noah will put the most recent contract on the portal.
- **Hot Tub Update**
 - Anne Mead - Development permit approved already. Bylaws state that the switch the special assessment allocation to square footage would require 100% ownership agreement. Vote can occur if needed. Talks about switching current plans to fiberglass and other less expensive options. This would require new drawings to be done and would cost a few thousand dollars. Alpine Bank and other banks have been contacted about getting a loan. It would be an unsecured loan. HOA would need to look into limits that can be borrowed since unsecured. More research needed for financing. Anne Mead comments on the possibility of changing the project to save money, and doesn't believe it is possible - it would just shorten the useful life of the area and cost owners more money in the long run. Dennis commented on the potential of having a year to pay assessment. Tax benefit question from Chris. Anne explains that the assessment would increase an owner's tax basis in their unit, resulting in the reduction in Capital Gains taxes upon sale/disposition of a unit. The board does feel that they have the legal backing from ownership to continue the project. Anne is worried about a potential lawsuit because of owners who purchased with the intention of having a hot tub. Dennis

comments on higher interest rates due to unsecured loans. There is a potential to do demolition this month, but that would lead to a fence being needed/rented and would need to figure out how to protect the vaults. Chris Blum would like to take more time to discuss the project. Question about monthly basis of assessment payoff. Anne asks for preference on when the first payment would be due? \$50k down payment due to Turner Mountain Construction. When would the deposit need to be paid? Next spring per Anne. Noah explained that TOB permitting would be needed before the contractor would sign a contract.

- Owners Comments

- Joe Nilsestuen stated that he did not want to beat a dead horse as this process has taken 2 plus years and at the rate we are going its sounding like its going to take another 2 years. It is very painful to continue this discussion when we have gone through all this work and the plans look really nice which will increase the value to the association
 - Mike Wade agreed
 - Dennis Rose agreed and asked if the board can set up a payment plan and move on
 - Anne commented that she looked back as to what it was going to cost the association based MMC numbers and when you put in the cost and design numbers this number is not that far off. Anne stated that this is an investment. Anne stated that there are some tax benefits, the project is moving forward we are delayed as we are working on better financing options for the ownership
- David Mosser - asked if the board felt that they had full support of the ownership and is the board confident that this is the right way to go.
 - Anne stated- from a legal standpoint yes. In 2018 we did a survey of the ownership, the board researched several options and voted on what they felt was best as far as a long term solution and maintenance. Anne mentioned that If the association were to demo the hot tub area and put down grass, there would still be an assessment. The people who purchased in the building expect a hot tub and had voiced that opinion. Anne stated that it is not realistic to please everyone however this is an HOA and that is why owners voted board members to make these decisions.
 - Dennis Rose stated that it sounds like we move forward on this and come up with financing or loan options
- Chris Blum stated that he would like to continue to look into other options however understand the position. Chris would like to talk more about it as

it is not a financial issue for he or Paula however he is thinking about other owners and wants to be able to give them details.

- Davis Mosser inquired about 2nd home owners vs investors and mentioned inflation for price for next year compared to this year. Is there a belief that there might be a market correction and when will the project start and be finished
- Mary Defrank inquired when payments going to start and how much
- Cari asked if there would be an early incentive program
 - Anne stated that there would sort of be an early incentive program, no interest if paid up front, without utilizing a loan. If all the permits are in place the contractors can get up and go as soon as the the ground thaws in the spring
- David - How does this contractor work.
 - Anne stated that a \$50,000 deposit would be needed and that Turner uses a cost plus method. When they get an invoice there is a 12% increase for the contract fee which is the contractor's cost of overhead and profit. Anne spoke in terms of cashflow and stated that after speaking with Turner that the concrete will be the largest bill. Concrete work was planned for August.
- Dennis Rose asked when would the deposit need to be made
 - It was stated that as soon as the HOA received the stamped drawings they would go to Turner for a signed contract
- Beth Schwarting asked about material costs in how we calculate a payment plan with those unknown. They are currently building a house and commodities are dropping
 - Anne stated extra finances would go towards the association's capital improvement accounts. Anne also commented that they would need to have a discussion with Turner to get clarity of pricing based on today's pricing compared to next years however the contract is based on a cost plus, but we don't know what commodity prices, labor, fuel or other costs would look like in 9 months and it is not really realistic to make assumptions for next year based on current year market prices.
- Jonathan Nixon inquired about any way to protect the association on overage or doing a cost plus with a guaranteed maximum price contract.
 - Anne stated that this would have to be discussed with Turner as well
- David Mosser asked who was interacting with Turner.
 - Anne stated that Noah and a board member was assigned to work with Turner Constriction who would report back to the rest of the board for if decisions would need to be made.

Elections

- Board of directors open position

Nominations

- Elizabeth Schwarting - Beth announce that she would not be able to be considered for a position
- Dennis Rose - Dennis stated that he was obliged to be nominated however had concerns being a new owner
 - Anne Mead stated that what was required of board members as the board was a volunteer position as well the members would help one another out along with Wildernest Property Management
- Anne Mead asked for any other nominations
 - No nominations were received
- **A motion was made by Joe Nilsestuen to appoint Dennis Rose as a member of the board of directors, motion seconded by Chris Blum, motion unanimously passed**

Adjournment

- **A motion was made to close the 2021 Highland Greens Lodge Annual Meeting at 11:38 AM Mountain Time**

Highland Greens Lodge Post Annual Meeting 11:40AM

Board of Directors Present (Quorum):

- Anne Mead, Steve Piper and Dennis Rose

Wildernest Property Management Present:

- Noah Orth

Discussion points

- **Positions**
 - **President** - Anne Mead
 - **Vice President** - Dennis Rose
 - **Treasurer** - Steve Piper
 - **Secretary** - Bret Muller

- **At Large** - Zephyr Wall

- **Set Meeting Dates**
 - The board is going gather the other members of the board to determine quarterly meeting dates at their first board of directors meeting

- **Adjournment**
 - Meeting was adjourned at 11:53 AM Mountain Time