

CUCUMBER PATCH ASSOCIATION

2021 ANNUAL MEETING MINUTES

Wednesday, September 29th, 2021 – 11:00 AM MDT

[Virtual via GoToMeeting](#)

Cucumber Patch Board of Directors

- Pat Gordon – President
 - *Term expires 2023*
- Bill Williams – Treasurer
 - *Term expires 2022*

Alpine Edge Representatives

- Steven Frumess – General Manager
- Brett Gunhus – HOA Manager
- Robin Hoffmann – HOA Administrator
- Robin Dew – HOA Accountant
- Sara Goldstein – Office Administrator

In attendance: Brad Plain, Patrick Gordon, Muguie Powell, David Brown, Phillip Montague, Lee Mebel, Barbara Kanegaye, and Robert Williams.

Proxies received were Ian and Karen Smith, as well as Scott and Susan Westfall.

AGENDA

I. Welcome

Pat motioned to begin at 11:05am and added how pleased he was that we could have people participate online because there was a big crowd.

Barb – seconded.

Ayes have it.

Brett welcomed owners to the 2021 cucumber patch meeting, including lots of new owners.

A. Review of GoToMeeting Protocol:

- i. Brett reviewed the meeting protocol and brought up that there is a visual aspect for those who were on the phone. Announced that we would be recording the meeting and began recording.

B. Introduction of Board Members & Management:

Brett - Introduced himself, Steven, Robin D, Robin H, and Sara. Introduced Board of Directors, Pat Gordon, and Bill Williams.

- i. Acknowledgement of Director Vacancy
Brett – announced that there is a vacancy in the director position and asked if anyone wanted to nominate or be nominated, that they should please email us.

II. Review and Approval of 2020 Annual Meeting Minutes

Management requested a motion to ratify 2020 Annual Meeting Minutes.

Pat motioned to ratify.

Phil seconded.

Ayes have it.

Proxy was given to Pat Gordon from the Smith's and the Westfall's.

Steven wanted to remind everyone of the big-ticket items from last year and spoke about the roofs. He mentioned that roof problems have been big since we started managing the Association and proposed roof replacement over the following summers at a staggered approach. He then asked which would be preferable to the Association.

III. Financials

A. Review FY2021 Financials – Robin Dew

Noted that not all expenses have come through and been processed yet so not all the money for the fiscal year is on the books. He mentioned a large increase on insurance and gave praise to Robin Hoffmann for finding a better policy. The large increase isn't happening now, but Association is leaving old insurance provider.

Steven Frumess added that all insurance is going up in Summit County because of fire danger. General liability, property, and D&O are all skyrocketing. We are very fortunate to have such a minor increase, especially when we were looking at a significant increase. We want to set the expectation that insurance will be reviewed every year moving forward because of where Cucumber Patch is located. Even with our roof situations we try not to create a loss history to avoid tripling premiums or becoming uninsurable. The Association has stipulations in the governing documents about owners paying a \$10k deductible.

Pat asked if new owners understood that they were responsible for their own \$10k deductible. Management agreed to review the Welcome Packet and links on website to ensure owners have immediate access to this information.

Steven advised what is covered and said that AE will work with adjusters to understand rebuild costs, but that it covers structures, trash enclosure, and all common elements.

Pat also explained to Roger that if you turn your house upside down, whatever falls out is on you, whatever stays is on the communal insurance. He explained the deductible and how extra insurance would cover it. Steven added that doors, fixtures, and windows were all still the owner's responsibility, but the association did take care of all of the common elements.

Robin Dew touched on the FY21 financials and mentioned that it has been a smooth operational year. There was a slight overage in repairs and maintenance, but the most significant cost was trash. Summit County trash pickup has gone up and the holidays also overfilled the dumpster and had to get additional pickups.

Steven said that 80% of the properties are used for rentals so an increase in trash pickup at the holidays makes sense. We will try to preemptively pick up more during this time frame moving forward.

Robin Dew noted that October 1- September 30 is the fiscal year operating schedule. The Association had nice savings in snow removal last year as it was a low snow year, and it wasn't needed. He thanked all of the owners for being on top of their dues and let

everyone know they can email accounting@aepropertymanagement.com to schedule ACH transactions for auto dues and there would never be any late fees.

Robin discussed the Reserve contribution and explained that the \$61k roof project at 41 and 47 Cucumber Patch had eaten into the Reserve contribution. Next year will start with \$14k in Reserve.

Steven added that 47 Cucumber Patch had roof leaks every year for years and we had been spending a fortune just to fix the roof but, in the end, it came down to having to replace it. All the roofs are 20+ years old and we need to protect the assets and insurance standing. We need to make sure we don't have any interior leaks in the future. Roofs unfortunately have a short life span because of the high alpine environment. We would use a parent company to make future repairs to building 47 and 41. We want to go through winter of 2022 to make sure that they are foolproof, and we can trust these contractors and their work. The downside is that we depleted the Association's Reserve for this project.

Management proposed a special assessment in order to do the roofs on 10 units plus the trash enclosure. This is the largest expenditure, unfortunately the community is 20 years old, and the roofs need to be replaced. We need to fund the reserve which is why we increased dues and not just Operating expenses.

Bill questioned the prior estimated cost of \$15k and Steven responded that management found the best person for the job. The buildings have vertical siding instead of horizontal, which made it much more complicated. We had to add siding which was unexpected and made things more expensive because of the siding being vertical. We do not want to cheap out and continue fixing holes, we want to do it correctly the first time. We had to add vents, caps, and siding to the last roofing project which was the worst-case scenario of 47 Cucumber Patch.

Steven added that no one wants to hear that we are redoing roofs in any community. Associations like Cucumber Patch are going to have roofs as their number one expense with siding and asphalt following. The siding we did in 2019 is still good. Seal coating has been going well every few years. We are worried that some people might have some pushback to the accumulation of \$300k+ of a roofing project. Ultimately the decision falls on the Association and the Board and this is just a recommendation from property management.

Steven touched on the CapX issues, mentioning that we re-stained all of the decks, did seal coating to all the drives and roadway, and the roof project. It has been a busy summer with a minor project being that we added irrigation at the entry and beautified the area with plants.

Pat asked if management found the source of the water and Steven confirmed it comes from 19, 44, and 65.

Barbara mentioned that she had an exposed water line that got buried and was wondering why the water wasn't turned on a regular schedule. She had people out to fertilize trees because they appear to be suffering.

Steven said that some lines aren't active and may be abandoned. Once the trees are at a certain age, we no longer irrigate them because it is not necessary for older trees. If there are trees suffering, we can meet with arborists and maybe spray them for Scale. The Association used to have pine and spruce beetles. He explained that there was a pine beetle pandemic. There is also a current disease called mistletoe that is a common Summit County tree disease and is within Shock Hill. The common lifespan of a lodgepole pine is 70 years and they are not meant to live as long as trees in other parts of the country. We sprayed most recently for Scale. If we are trying to get more longevity out of these trees, we can start more efforts if we want to make it a priority. Our main focus right now is the roofing situation and trees can and should come later.

Barbara added some of the Aspen have black spots on them. We were told to get all the leaves off the ground and that they will come in the Spring and fertilize and treat the aspen trees. The tree attached to the Powell's house is completely dead on top and we were told that it is a beetle infestation. Underneath that tree, however, is a beautiful tree that needs more sunlight. When she had these arborists come out, they said they were taken directly from the lodge pole. Another neighbor said it was a witness tree and if you look, there is an old sign with a date of 1909 with bullet holes in it. The tree grew around that sign over the years. The Nordic Center doesn't realize how special this tree is and she contacted arborists to learn more about this tree.

Phil noted he had planted trees behind his house last summer. Somewhere along the line someone installed an irrigation system from their back closet, and he had been able to use the water.

Steven said everyone has a water source in their garage and everyone should have the ability to connect to water from their utility closet.

Pat said he was concerned because during the pine beetle blight they had to get rid of several trees and didn't want to see them all disappear again. He wants to attempt to keep the current trees and feels it's important. Steven said management can hire an arborist and get a professional opinion.

Pat mentioned that some bushes by the road have gotten too robust and have grown over the sidewalk. He asked that we clean everything up and have the property looking good.

Steven informed everyone that management will spruce it up and add landscapers and arborists to the budget. We do prune and mulch every three years or so with supplemental mulch from year to year.

Phil asked when the next application would be. Steven said the next application would probably be next year, but that we approach each year with an aesthetic eye and hope to save money by not overdoing anything. The goal is to make the property look first class. We have a Reserve plan from 2001 and, after the roof project, we would like to revise the reserve situation into a thirty-year plan and make sure we have the future better covered.

i. Operational Expense Budget Items and Dues

1. Review of Adopted FY2022 Budget

Robin Dew noted that, looking at the 20/21 plan that was put in place in 2017, the goal to grow Reserve funds is still in place. As of now, the Reserve funds are mostly depleted and we want to get back ahead in the future, hence the increase of 10%.

David asked if there were going to be any other major costs over the next five years. Steven said that the Association will need to stain again in the upcoming future and that would be a significant cost. Besides that, nothing big is on the horizon as of now. We may need siding repair, but it does not look like we will need a full replacement. We already replaced a ton of rotting boards on peoples back decks. We will speak with the Board offline about this, but we spent a lot of funds on this one leak. Part of Special Assessment could be paying off some of the Reserve.

David felt the Association needs a financial forecast for the next five/ten years. Steven agreed and noted that before Alpine Edge there was no Reserve. Over the years we built it up but had to use the funds to avoid a future insurance claim because of a bad roof.

Steven – brought up a 30-year forecast that breaks down the costs to member contributions that was done for another HOA. He assured owners that the Association will not fully fund it at 100%.

ii. Ratification of FY2022 Budget

Steven requested a motion to approve the FY2022 budget.

Pat motioned to approve,

David Brown seconded.

Ayes have it.

I. Old Business

A. Capital Improvements – *Recent History & Future Scheduling*

i. Seal Coating of Roadways and Driveways

ii. Spot Siding Replacement

iii. Spot Deck Repairs

iv. Exterior Painting

v. Gutter and Heat Tape Additions

These were discussed at length in the reserve conversation and the floor was opened to general maintenance questions

Bill requested management take a look behind his house at a five-to-six-foot PVC pipe that goes into a plug that goes into his unit and that he didn't know what this was for. Steven said it may be for radon but will have someone investigate.

II. New Business

A. Future Roof Replacement

Steven assured owners that Management recommended a staggered Special Assessment schedule to repair the roofs. Based on the costs at 47 and 41, management's calculations were spread it out throughout the community. *Shared special assessment spreadsheet* He explained how different approaches would take different amounts of time and costs would vary. He also advised AE would get estimates to make sure are in line with what we are spending. Quality of work must come first.

After many questions and further discussion, Steven requested a motion to approve doing the full roof project staggered over three years and would work with contractor as much as possible to limit the overall impact for owners, especially with short-term rentals, so they can plan accordingly.

Phil motioned to approve
Barbara – seconded
Ayes have it

B. Proposed Town Ordinance to Cap Short-Term Rental Licenses

Brett spoke about the Town's proposed cap on short-term rental properties and said management would like to hear from owners and the Board on this matter.

Steven explained the Bolt license and how any property in Breckenridge who wants to rent their house for 30 days or less needs one. The Town is taking the stance to cap the Bolt licenses at 2200 properties, knowing that we are already closer to 3000 of them. If you have a license, you are grandfathered in, however, selling the property gets rid of the license. The aim is to lower the number of short-term rentals on the market. There was some redistricting, but the ordinance wants to decrease Bolts and increase restrictions.

Brett mentioned that the Town said they will be speaking to Town Planning over the next 35 days. However, the 35-day mark lines up very closely with the second cap in November, which is when it goes into effect. Make sure you renew your Bolt if you have one and reach out to us if you want to acquire one before November 2nd. After November 2nd there won't even be the option for a new Bolt license.

Phil – *wanted to make sure that what he was about to say was going on record as his personal comments and were unrelated to the board on Shock Hill*
He said that whenever property rights are taken away it decreases property values. What is exempted are properties with a front desk, that are more like a hotel and are usually operated by corporate entities. This whole issue was brought up to solve the housing crisis, but ultimately it will negatively impact everyone's property values. People are going to move somewhere else just to get better property, he is confident the Town is going to see big pockets come in and argue.

Lee voiced his agreement with Phil.

David mentioned that everyone is talking about keeping rates low for locals, but he is not sure it will work. He said other ski communities are doing the same exact thing and he's not sure it's a new event to any vacation town. He pointed out that people move on to the next vacation town until those prices get too expensive and then the workers are forced to move away. He said that the Town is busy these days and over the last five-years downtown Breck has gotten busy. He said that he is not against it, but also not for it, he's not sure the Town has found the correct solution to the problem yet.

Pat added that he is a business real estate lawyer and that Breckenridge is going to end up with a lot of lawsuits and probably won't accomplish what they are trying to accomplish. He had heard that the time shares are what is leading this issue.

Brett advised that the Town had released a new letter after taking on a new attorney and they had snuck into the letter that this cap won't really help the number of long-term rentals.

Steven agreed that the Town had pivoted to an exempt district after the initial Town decision. Said it was optics because of all the pushback that they are getting.

Phil called the situation very Orwellian in the sense that all are equal, some are just more equal than others.

Steven brought up that our parent company is building a new development and that the new buyers were under the impression that they could rent out these properties and now they won't be able to. The Town is looking into pending contracts and construction because this problem came up.

Phil said that the Summit Association is very involved in fighting this, he believes that VRBO might join the fight, as well as the National Association of Realtors.

Barbara asked how often the gutters are cleaned and Brett advised this would be taking place in late October.

Barbara also asked about a window contractor and Lee said he had a contractor named Mike and would share with contact. Steven added that AE uses Gregory Door and Window, but it is difficult to get on their schedule.

Phil asked for a directory of all the owners in the community. Steven stated that not everyone may want to opt in, but we can send out asking all owners if they are good with sharing their contact information.

Everyone on the call verbally confirmed that they would opt in

Management to send out a request to all owners to see who all agreed to opt in.

III. Adjournment

Brett said that one or two people had volunteered to fill the position and asked if anyone else had become interested over the last week.

Lee said he might be interested if one of the other two drops out.

Brett said the term would be one year until the next annual meeting, because the past member had to step down but that the seats are normally three years. He said he will circle back with Directors to get the final determination.

Pat motioned to adjourn at 12:56

Mugie Powell seconded

Ayes have it