

HIGHLAND GREENS TOWNHOMES

2023 ANNUAL HOMEOWNER MEETING AGENDA

Saturday, August 5, 2023 – 10:00 AM MST

Virtual via GoToMeeting

Highland Greens Townhomes Board of Directors

- Stu Read – President
- Karla Schapansky – Vice President
- Anne Mead– Treasurer
- Bob Miller – Secretary
- Steve Fisher– Member at Large

Alpine Edge Representatives

- Steven Frumess – General Manager
- Erik Keefe – HOA Manager
- Jessica Martin – HOA Administrator
- Lindsay Wood – HOA Accounting Manager

AGENDA

I. Welcome

A. Roll Call; Determine Quorum

Board of Directors Stu Read, Karla Schapansky, Bob Miller, Steve Fisher, and Anne Mead attended the meeting. The Alpine Edge team listed above participated in the meeting. A quorum was met by homeowners in attendance and through proxies received prior to the meeting.

Stu Read called the meeting to order at 10:02 AM.

B. GoToMeeting Protocol Review

Erik Keefe reviewed the virtual meeting protocol with homeowners.

C. Introduction of Board and Management

1. Online Board of Directors Election Reminder (*two seats*)

The Highland Greens Townhomes has two board of director seats for election this year for 3-year terms. Stu Read and Karla Schapansky nominated themselves for re-election, and there were no other nominations from the homeowners. Stu and Karla were re-appointed to the Board for a new term.

D. Review and Approval of 2022 Annual Meeting Minutes

There were no suggested edits to the 2022 Annual Minutes from the homeowners. Bob motioned to approve the 2022 Annual Meeting minutes, which Stu seconded, and the motion passed.

II. Financial Review

A. Review FY2023 Financials

Lindsay presented the 2023 budget vs. actuals, beginning with the current balance sheet, which details the position of assets, liabilities, and equity. There is currently \$360K in CD and \$713K in interest-earning accounts.

The homeowner had a question about the details of the current CD. Anne addressed this. Anne Mead stated that with the transition from Wildercrest to Alpine Edge, the board members listed on the account were never updated. Once Anne has access, she will be looking to set up a Vanguard money mutual fund, a money market fund that has a much better interest rate of over 5%. She will set that up and move a good chunk of the reserve savings account.

Lindsay discussed shuttle operation and costs. Highland Greens Lodge is responsible for 1/3 of the shuttle costs and pays the Townhomes monthly. The shuttle runs from November to April. Most of the shuttle costs are due to wages for the drivers.

The Association's income shows that \$76,000 more than originally budgeted was collected, representing the insurance true-up.

Repairs and Maintenance was \$3K over budget.

Grounds and landscaping are not budgeted due to being part of the management contract.

Total operating expenses were over budget by about \$5600 year to date.

Lindsay reviewed the Reserve Study, done by a third party, and details the lifespan of the common elements and when they should be replaced.

B. Review Board-Adopted FY24 Budget

1. Review Operational Expense Budget Line Items and Dues

Lindsay presented the board-approved budget for FY2024. She stated that the Association is a non-profit, so it only collects enough dues to pay for the operating expenses and reserve funding.

Management fee increased based on Denver CPI. Insurance and Utilities are expected to increase by about 5%.

Comcast has a 5% yearly increase built into the contract.

Snow removal varies based on snow accumulation. Some years will be more expensive than others.

The planned Reserve Contribution is \$184,726, a continuously increasing contribution model to cover this plan reserve balance.

The shuttle driver's earnings are the biggest part of the shuttle and equipment lease cost. The equipment is on a multi-year contract that stayed the same. The Board informed the homeowners that Bobby and Ryan would return as drivers this year.

Homeowner dues will increase by \$115 per month, primarily to cover the large increase in insurance costs.

The homeowners ratified the FY2024 Budget.

III. Management Report

A. Maintenance Projects

1. Foundation

Exposed foundations are beginning primarily due to ground settling and erosion. There are visual signs of blue insulation boards and concrete foundations. The HOA will backfill these areas with additional soil and add rocks and weed barriers as these areas begin to show.

2. Painting Schedule

DR Custom was hired for touchup painting on Chestnut Lane. The planned maintenance schedule is to touch up Oak Lane in 2024, fully stain all exteriors of Chestnut and touchup Linden in 2025, fully stain all covers of Oak Lane in 2026, fully stain all exteriors on half of Linden in 2027, and fully stain all exteriors on the second half of Linden in 2028. This schedule is subject to change.

Homeowners were reminded that homeowners are responsible for maintaining and upkeep their deck stains outside the stain schedule. The association provides Deck stain for homeowners to use during the off-cycle.

3. Crack Seal Coating

Crack seal and seal coat of Oak Lane and Linden Lane occurred early in the summer on roadways and driveways. Chestnut Lane was completed in 2022. This exercise prolongs the life of the roads by filling cracks in the asphalt, preventing moisture from penetrating the asphalt. The purpose of conducting this work every 3–5 years is to extend the need for asphalt replacement.

4. Roof Inspection and Replacement

Ked Martin Roofing will inspect all roofs and take care of minor maintenance, such as caulking, sealing roof tiles, replacing missing shingles, and inspecting flashing. Gutters and heat tape will also be inspected, and clogged drains will be cleared. The contractor was consulted on the lifespan of the current roofs and expected replacement timeframes. The expectation is that roof replacement will begin around 2027 on Chestnut Lane, Oak Lane in 2028, half of Linden Lane in 2029, and the second half of Linden Lane in 2030. Roof inspections occur annually.

Suzanne asked if there had been any progress on identifying a fix for the units where downspout water pooled and drained into garages first. AE seeing a fair amount of settling, which is very natural and expected of a community and home of this age. AE is investigating the grading of the asphalt and the ground the buildings sit on.

B. Routine Landscaping

Landscaping is included in the management agreement between the association and Alpine Edge. It includes annual cleanups, garden bed maintenance and weeding, fall cleanups, aeration of the turf, 15 mow and trims, turf fertilization, broadleaf treatment, and leaf cleanup in the fall. Irrigation activation, winterization, and a mid-season review are also included. Erik acknowledged some shortcomings this year with the subcontracted landscaping services.

The association's aspen trees will be treated for aphids and mites this year.

1. Irrigation Audit

An irrigation audit was completed with High Country Conservation (HCC) and Neils Lunceford, which surveyed the entire irrigation system on the property. This report will help determine what areas need repairs and adjustments and decide how to conserve water while maintaining the landscape's aesthetics.

2. Tree Trimming for Insurance

Due to recent changes in association insurance coverage, the community has been given a list of stipulations required for continued coverage, including conducting fire mitigation in the neighborhood. Per the current insurance provider, all trees need to be trimmed 6 feet up from the ground and cut a

minimum of 5 feet away from any structure, including branches overhanging roofs. This will help prevent flames from spreading on the ground floor and embers from dropping onto the structure, forming a fire in the area.

C. Snow Removal

Better Views Landscaping is contracted for shoveling and plowing from November 1st to April 30th. The trigger amount for snow shoveling is 3 inches, and for plowing, it's 4 inches. If you have any questions or concerns about snow removal throughout the winter, please get in touch with AE so the contractor can address them.

IV. Policy Review

A. Insurance

Bob addressed homeowners regarding the insurance changes that occurred this year. Historically, Farmers insured Highland Green and has covered many of the mountain communities, which has been one of the big markets for them. This had been set up through Kinzer Agency out of Steamboat, CO. Over the last couple of years, the association ran into more insurance problems than the insurance coverage provided. Their coverage included not only the foundation and structure but much of the inside of the building, which resulted in some very large client insurance claims over the years. The association received a notice last winter from Farmers that they would no longer cover Colorado mountain communities valued over \$25M.

After receiving the notice, Kinzer contacted over 50 insurance companies but needed help finding something other than a high-risk policy. Alpine Edge had a relationship with Arrow Insurance out of Frisco, which had a connection with Cincinnati Insurance. Cincinnati is a large, reputable company and is still insuring mountain properties. Cincinnati insisted on two things to be insured: increase fire mitigation and reduce the property's overall insured value. The Board had previously walked the property with Red, White, and Blue and trimmed the trees according to what was recommended. The insurance community wanted substantially increased trimming, which the association is undergoing. The other thing that Cincinnati required was to reduce the overall insured value of the property. Two ways to do that are to underinsure the property, which cannot happen per the Declarations, and to reduce the insurable cost or the insurable amount of the property by reducing what to cover. In May, another letter explained the \$800 true-up and proposed a board-approved amendment to the Declaration.

1. Declaration Change

The requirement is that 67% of all owners approve the amendment to pass. Due to insurance renewal around April of 2024, we ask that all owners respond timely once the ballots are sent out to ensure we have no lapse in coverage when renewal is up. Alpine Edge will email the ballot for owners to fill out.

2. New Homeowner Responsibility

The Declaration amendment outlines the homeowner's responsibility of the unit from the studs in.

3. Short-Term Rental Changes

The following recommended changes were discussed and may be needed for continued insurance coverage of the association.

- a) Requirements for registering rental units with the association.
- b) Requirements for providing the association copies of the unit owner's insurance information.
- c) Requirements for minimum 3-night stay for rental units
- d) Restrictions against rental to guests under 24

There was a question about the legality of an age requirement due to discrimination.

B. Collections Policy

All monthly dues invoices are emailed on the 1st of the month. Owners are considered delinquent ten days after the stated due date and are subject to a late fee and accruing interest.

ACH dues are ending. Lindsay informed homeowners about AppFolio, which will act as a homeowner portal and eliminate ACH being deducted by AE. Homeowners will set up their payment method through AppFolio. There was a comment about a transaction fee if dues are paid through AppFolio. AE will look into this.

C. Freeze Alarm Policy

All homes must have a low-temperature detection system to notify the unit owner or representative if the temperature within the unit drops below 50 degrees to mitigate the risk of frozen pipes and water loss events in the community. A local contact who can respond to a low-temperature alert in your home within two hours of initial notification is also required.

A homeowner asked for recommendations for a freeze alarm. Honeywell was a suggestion.

D. Garage Door Policy

All garages should remain closed at all times unless entering or exiting. Garages left open can cause frozen pipes and liability of the homeowner and association.

E. Hot Tub Policy

The hot tub policy stipulates the replacement and operation of a hot tub. All hot tub replacements need HOA approval and proper permits with the Town of Breckenridge before installation can occur. No hot tubs are permitted to be used after 10 p.m.

F. Pet Policy

The association's pet policy can be found within the rules and regulations. According to the Summit County Animal Control ordinances, all pets must be leashed or under voice control. All animal waste should be promptly cleaned up.

G. Parking Policy

Parking on streets and cul-de-sacs is prohibited. Cul-de-sac parking has been a major issue, which can cause problems with emergency vehicle access and ski shuttle operations in the winter. Vehicles parked in the street are subject to towing. There is to be no parking in landscaped areas. Drivers may utilize neighboring driveways with the owner's approval.

Erik reminded homeowners that there was no guest parking. The Town owns and maintains Highfield Trail, and vehicles cannot park on the side without Town approval. Any cars parked illegally within the Association and on Highfield Trail are subject to fines and towing.

The most common violation related to short-term rentals is parking, noise, and trash.

V. Open Forum

Bob informed homeowners that he had water shut-off software installed in his unit and recommended it for those who leave their units empty for long periods.

Justin Morrison asked for the board's recommendation on potential door replacement for the aging front doors of the houses. AE and the board will discuss options for a replacement door and send details to homeowners once there is an agreement. Erik also invited homeowners to provide options for the Board to review.

VI. Adjournment

The meeting was adjourned at 12:53 p.m.