

DRAFT Minutes

Silver Queen West Condominium Association Annual Meeting October 29, 2011

Greeting by Association President. Doug Foote, the Association President, called the meeting to order at 9:35AM. He thanked everyone for attending. The Board values everyone's input as Silver Queen West belongs to all of us. There were 59 owners in attendance representing 40 units. Proxies received represented ten units.

Approval of minutes. *The minutes from the November 6, 2010 Annual meeting were unanimously approved as written.*

2013 & 2014 building restoration/Homeowner comments. There was a lengthy question and answer session regarding the 2012 dues assessment increase for the Phase I restoration in 2013 and the 2014 special assessment for Phase II of the restoration. The increase in dues and the special assessment will fund the budgeted restoration cost of \$2,000,000. The project is approaching 40 years in age and after much data gathering, analysis and discussion amongst the Board, it was determined that the deterioration of the buildings could no longer be ignored.

The concerns voiced by owners were the lack of owner financing, consideration of the economic conditions at present, possible foreclosures from owners who could not afford the assessment, deferring the work to a later date while building up reserves, having the work done in a single phase rather than over two years due to the owner inconvenience, base the assessment on the unit exterior and not the interior square footage, communicate more with the owners, make sure to receive at least three contract bids, monitor the work on a daily basis, and concerns about the value of the units for resale with a special assessment.

The Board indicated it would seriously consider everything possible in regards to owner financing for those that face financial difficulty. Board member David Necker was coordinating the restoration efforts utilizing his background in construction and architecture. David indicated the work would have to be done eventually, if not now then soon. The Board will plan the work in the most economical way possible. Construction in two phases was chosen for the best possible cost savings and because the work cannot be done in one season. The restoration concept is not a cosmetic issue. There is water infiltration that will lead to possible structural consequences. At this time the planning is in the preliminary stage to establish the budget constraints. There are numerous steps that need to be taken before the complete plan and costs are finalized for presentation to the owners. The Board assured the owners that the overall \$2 million budget would not be exceeded, and stated that if, as the start date of the projects draw closer, estimated cost exceed that number, the project will be adjusted so that the budget will not be exceeded.

Additional owner comments indicated the need for the work is apparent and is necessary to protect the property and future values, the costs may increase substantially if deferred, and the short-term impact on sales would be offset by the long-term benefits.

Financial Report. Bob Polich from Mountain Systems presented the financial report. A financial summary through August 2011 with a comparison to 2009/2010, the 2012 Budget, 2012 Monthly Assessment and the 2014 Special Assessment information was provided to owners as part of the meeting notice and is available on the website www.silverqueenwest.com. At this time delinquent dues are at the lowest point in many years. The receivables have been reduced due to the transfer of delinquent unit ownership through sales, and two foreclosures by the mortgage holders. The Association suffered losses in the foreclosures of approximately \$5,500 in regular dues that were past due beyond the 6 month “super lien” the Association enjoys, but has been able to protect the collection of the 2010 deferred repair assessment. Operating costs of the Association were as budgeted for the fiscal year ending August 2011. The Association is in good financial condition and has borrowing capacity for the planned restoration work. However, protecting the interest of the ownership as a whole remains a concern regarding providing individual financing options. The year-end of the Association was changed from a fiscal to a calendar year. This allows the presentation of the next year budget as part of the annual meeting. A short four-month fiscal year will end December 2011. The replacement boilers and drainage repairs in 2009 and 2010 cost \$700,000. Part of the work was funded by a repair assessment. About 80% of the owners paid the assessment in full with the balance utilizing the deferred payment option.

Property operations. Tom Brennan, Property Manager, provided a summary of operations for the year. The new replacement truck worked well during the heavy snow year. The 1986 truck was sold and the 1978 truck is still used around the project. The new boiler systems are very reliable and there have not been any problems. The top floor end units do have some heating issues and may need additional insulation added. The new drainage system is working well and was put to the test this year. The sidewalk on Building A was not a problem this year due to the new drainage. There were no major projects this year allowing completion of some smaller deferred projects. A record July rainstorm required some building repairs from water infiltration. There were leaks in several third floor windows due to flashing issues that were corrected. Improvements have been made around the BBQ area between the buildings. Approximately 35 owners attended the owner workday in June and everything was completed in just over four hours. About 90 trees were transplanted from our nursery for use as a sound barrier with 60 new trees added to replace them. There is a diversity of trees being planted with no lodgepoles. Regular inspection and maintenance has been completed on the roofs. The roofs are in good condition and ready for winter. The owners expressed their appreciation to Tom and Karen for their efforts in managing the property.

Board of Director Election. There was one position open on the Board of Directors. Nominated for the board position were Chuck Hakkarinen (7327), Steve Kinney (7235), Kevin Broadrick (7322), and Peter Leuenberger (7031). *By secret ballot, Chuck Hakkarinen was elected to a three-year term.* The ownership recommended for the Board to be increased from five to seven members. This will be considered at the board meeting following the annual meeting.

The Annual meeting was adjourned at 12:41 PM.