

THE HOMESTEAD AT SNOWMASS ASSOCIATION
ANNUAL HOMEOWNERS MEETING

I. CALL TO ORDER AND CERTIFYING PROXIES

Colin Heggie, President of the Association, called the meeting to order at 4:05 PM via Zoom. Barton Craig and Mike George of Frias Properties of Aspen and Snowmass were also present.

Members Present	Unit #
Lori Carter	01
Tripp Devers	02
John Eldridge	03
John and Malo Harrison	05
Jacqui Sherman	07
Heather Burcher	08
Rick Wiener	09
Colin Heggie	10
Mike Kurzman	14
Members Present by Proxy	
Marilyn Seltzer	11
Scott Kallick	15
TOTAL	(11/14=78%)

Verification of the signed proxies established that the required quorum of 50% of Homestead was achieved.

II. PROOF OF NOTICE OF MEETING

Mr. Craig presented proof of notice of the meeting, which was via email.

III. READING OF THE MINUTES

Mrs. Burcher made a motion to waive the reading of the minutes of the Annual Meeting of December 28, 2022, and to approve them as drafted. Mrs. Harrison seconded, and the motion was approved by voice vote. The minutes were approved as written.

IV. REPORT OF THE OFFICERS

Mr. Craig noted that the Association expects to end the year with approximately \$46,700 in its Reserve Fund, after the expected 2023 Operating Deficit is accounted for. In addition, the HOA still plans on scheduling the remaining crawl space plumbing upgrades in the first quarter of 2024, at an approximate cost of \$10,000 to be paid out of the Reserve Fund.

The Association expects to end the year with a budget deficit of approximately \$29,544 due to higher than budgeted expenses for Natural Gas, Grounds, and Snow removal.

Mr. Heggie summarized issues related to insurance for The Homestead and Colorado Homeowners Associations in general. Over the last two years, The Homestead has experienced 20-30% premium increases per year but has a guaranteed replacement cost policy with a reasonable deductible of \$5,000. In past years these costs might appear to be a negative but because of macro issues in the insurance market, many HOAs are unable to get coverage at all, or are experiencing rates increases of several hundred percent with reduced coverage. This is not unique to the Homestead or Colorado and unlikely to change in the coming years. This is largely due to a crisis in the insurance industry because of unrelated large-scale claims in the West due to wildfires, as well as hurricanes in the gulf coast and fires in Hawaii. Mr. George provided additional examples of this issue related to multiple HOAs in Snowmass Village which are having difficulty finding insurance at all. Mr. Heggie noted that homeowners must understand that this is a problem that is not likely to go away and may significantly impact future insurance premiums and therefore assessments at the Homestead. He also noted that the Board will need to address proactive steps that may reduce fire risk for the Association to ensure that carriers continue to offer insurance to the Homestead in the future, including changes in tree landscaping and the potential addition of fire sprinklers for buildings A and D should this become a prerequisite for continued coverage.

V. ELECTION OF THE DIRECTORS

Mr. Heggie noted that two Board positions are up for election in 2023, those of Mrs. Burcher and Mrs. Harrison. Mrs. Burcher has decided to step off the Board and will not seek another term. Mrs. Harrison agreed to serve another term if nominated and elected.

Mrs. Burcher nominated Mr. Ed Burcher and Mrs. Harrison. Mr. Heggie seconded the motion. After a voice vote, the candidates were elected to serve a two-year term on the Board.

Mr. Heggie noted that the Homestead Bylaws require the Board to elect officers annually (President, Secretary, and Treasurer). The Board shall place itself in compliance by doing this at the first Board meeting of each year, as specified in the Bylaws.

VI. UNFINISHED BUSINESS

Crawl space Plumbing Project

Mr. Heggie noted that despite the best efforts of the HOA, only 3 of the remaining 5 crawlspaces were completed in 2023, leaving two units to be completed as soon as is practical in 2024 - units #6 and #11. Mr. Craig will reach out to the HOA plumber with added urgency to get a commitment for a completion date for this work.

Boiler Replacement

Mr. Heggie noted that he has provided details for this future project in his most recent correspondence to members. The HOA has subsequently received a second quote for the project that is roughly in line with the previous quote, which leads to a conclusion that high efficiency boilers will likely cost about \$100,000 per block, versus approximately \$50,000 per block to replace with like kind atmospheric boilers. With 4 blocks at the property, the aggregate capital cost difference is projected to be \$200,000 for the HOA in current year dollars.

Mr. Heggie then polled the attendees as to whether owners wish to replace the existing boilers with a high efficiency boiler or an atmospheric boiler system, all 9 were in favor of replacing the atmospheric boilers with high efficiency ones.

Mr. Heggie then asked the attendees if actions should be taken as systems fail or proactive action be taken in advance. He then added would the owners wish the conversions to be done sequentially block by block, or

concurrently. All the attendees were in agreement that they would support a special assessment to accomplish the project in one spring/summer season in the next year, 2024.

Once the details of the project have been finalized by the Board and up to date quotes obtained, the HOA will call a special meeting of the members to consider a motion to approve of a special assessment to fund this project. The members may also consider appropriate changes to the Reserve Fund contribution line of the operating budget at that time.

VII. New Business

2024 Budget Review and Ratification

Mr. Heggie presented the homeowners with the 2024 budget proposal. The proposed assessment is an increase in the HOA budget of 23% over the prior year. The increase in assessment is the result of an increase in the regular Operating Budget by 18% and an increase in the Reserve Fund contribution of 42%.

Mr. Heggie noted that the primary driving force to increase the Reserve Fund contributions is the need for funds to replace a one-block failure of the heating boilers.

Given the prior decision at this meeting on boiler replacement strategy, the Capital Reserve contribution currently in the budget will be revisited after full details and costs of the boiler replacement special assessment are finalized.

Mr. Heggie then asked any owners present if they had any questions or comments on the proposed budget. He recommended approving the Proposed Budget as presented but will revisit the Reserve Fund contribution based on the progress of the 2024 boiler replacement. All members present agreed.

With no questions asked by the members, Mr. Kurzman moved to ratify the presented 2024 budget. Mrs. Burcher seconded, and the motion passed. The 2024 Budget of \$499,258 was approved resulting in an annual unit assessment of \$35,625.59, or \$8,906.40 per quarter

VIII. ADJOURNMENT

Mrs. Harrison moved for adjournment, and Mr. Burcher seconded, and the motion was carried. The meeting was adjourned at 5:02 pm.

Respectfully submitted,

Mrs. Harrison, Secretary