

THE HOMESTEAD AT SNOWMASS ASSOCIATION
ANNUAL OWNERS MEETING

December 29, 2015

I. CALL TO ORDER AND CERTIFYING PROXIES

Mike Estes, President of the Association, called the meeting to order at 4:10 PM at The Homestead #7 at 3904 Brush Creek Road in Snowmass Village, Colorado. Barton Craig and Michael George of Snowmass Lodging Company were also present.

Members Present	Unit #
Mike Estes	07
Malo Harrison	05
Bob Campbell	08
Heather Campbell Burcher	08
Ingegard Fehr	04
Colin Heggie	10
KT, Elizabeth and Mike Meade	15
Mike and Sheila Kurzman	14
Lori Siersen Carter	01
Tomas Franceschi/Elizabeth Sargent	09
Members Present by Proxy	
John Eldridge	03
Marilyn Seltzer	11
Dick Moebius	06
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TOTAL	(12/14=80%)

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.

III. READING OF THE MINUTES

Mr. Campbell made a motion to waive reading the minutes of the Annual Meeting of December 29, 2014. Mr. Heggie 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 \$114,685 in its Reserve Fund, which is held in bank accounts and/or short-term Certificates of Deposit at Alpine Bank.

The Association expects to end the year with an operating surplus of \$8,449, due to reduced snow removal expense as a result of less than expected snowfall. The 2016 Proposed Budget has been prepared with instructions to allocate any year-end budget surplus to the Reserve Fund.

V. ELECTION OF THE DIRECTORS

Mr. Estes noted that three Board positions are up for election in 2015, those of Mr. Estes, Mrs. Harrison and Mr. Campbell. Mr. Estes asked if there were any nominations from the floor. Hearing none, Mr. Campbell made a motion to close the nominations. Mr. Heggie seconded and the motion passed. Mr. Campbell noted that he has deeded his Homestead unit to his children and would like to step off the Board some time in 2016. Mrs. Burscher and Ms. Sargent expressed interest in serving on the Board when there is next a vacancy. All homeowners are welcome to submit their name or suggest names for Board positions.

Mr. Heggie nominated the aforementioned slate of candidates for re-election, each to serve a two-year term on the Board. Mrs. Burcher (new owner of #8) seconded the nominations. Mr. Estes called for a voice vote and the slate was unanimously re-elected to the Board.

VI. UNFINISHED BUSINESS

2016 Budget Review and Ratification

Mr. Estes presented the homeowners with the 2016 budget proposal. The proposed assessment is the same as the assessment for 2015. Mr. Estes asked Mr. Craig to highlight significant year over year budget changes for the members. He then asked any owners present if they had any questions or comments on the proposed budget.

Ms. Sargent asked what internet and cable service was included in the HOA assessment as she does not believe she is receiving any credit on their Comcast bill for basic services provided through the HOA. Several other homeowners indicated the same problem. Mike Estes asked them to scan their Comcast bills and email them to Barton Craig so he can inquire with Comcast as to each homeowner getting proper credit of services from the Homestead Bulk account.

In regards to the Grounds budget, comments were made by several homeowners regarding the quality of the work and supervision of laborers. Specific issues brought up were over saturation of the grounds between buildings. After discussion, Mr. Estes requested that the grounds vendor provide a proposal to the Board for increased irrigation zones to control the problem, and locks on the clocks to prevent tampering. There was discussion about weed removal, especially at the front entry flower garden to avoid the loss of perennials in that garden. Mr. Estes suggested that a conference call be set up some time in January between the owner of the company, Barton Craig, Mike Estes, Sheila Kurzman and any other Board members that could attend.

Mr. Estes reminded the members that tree and shrub pruning is scheduled for spring. Mr. Heggie pointed out that in addition to pruning of trees that overhang driveways and decks that pruning of low branches to restore view planes off the golf course of the complex should be completed as well. Mr. Heggie also suggested that when this work is done that the grounds vendor knock on each homeowner's door just prior to trimming adjacent trees to obtain input. The Association is replacing shrubs upon request this spring. Owners can change shrubs adjacent to their unit at their own expense for the shrub, but the Association will pay for the planting and future maintenance of any new shrubs. Owner must notify management via email prior to May 1st to be included in this replacement program. Each new shrub must be approved prior to planting.

After a discussion of significant line items, Mr. Campbell made a motion to approve the budget as presented. Mrs. Harrison seconded, and the budget was approved, by a voice vote.

Discussion of Reserve Fund

Per discussion at the last Board meeting, the Board wanted to summarize Reserve Fund status and philosophy. The current balance of the Reserve Fund is \$114,685, plus an expected transfer of about \$8,000 in 2015 surplus. The 2016 Budget includes a contribution of \$45,584. There are no planned expenditures from the Reserve Fund for 2016, so the expected balance at the end of 2016 will be approximately \$165,000.

The Reserve Fund model created by the independent study in 2011 allocates \$2.3 million in replacement costs for all HOA property, of which approximately \$1.76 million comprises roofs, windows and siding, and patio decks. Roofs were replaced in 2008 and are not due to be replaced until 2032-2038. Patio decks were replaced in 2012. Siding replacement is the subject of continuing discussion and is planned as a Special Assessment. This leaves approximately \$475,000 in HOA property, the replacement of which is to be funded through the Reserve in the coming years, plus roof replacement, which is not likely to be a cash expense for many years. This \$475,000 includes such items as the irrigation system, exterior lighting and mechanical elements of the spa. None of these items is likely to be replaced as a single large expense as they are continually maintained and parts replaced as necessary with funds from the operating budget.

In this context, while the current balance of the Reserve Fund is not enough to replace all HOA property at this time, the Board is of the opinion that it is sufficient for the needs of the HOA in the coming years and consistent with the published responsible governance policies of the HOA.

Mr. Estes asked if any members had further comment or questions about this issue. Discussion centered on the understanding that the Reserve Fund is sufficient to replace smaller elements of the Association but that Special Assessments will be required for larger projects in the future.

Discussion of time frame and cost estimate of Siding replacement

Based on discussion at the 2015 Annual Meeting, the Board and management have put together a very rough estimate of the cost of a residing project for the Homestead. The estimate is simply based on the exterior square footage of the buildings and the square foot pricing for various exterior siding materials (stone, stucco and wood). This estimate was obtained this summer and is not for a specific remodel plan, but merely for the purpose of getting an idea of the magnitude of the project. That estimate yielded a cost of \$125,000-\$150,000 per home for complete residing of the complex. The exterior materials of the Homestead will be 27 years old in 2016 and due for expected replacement in 2019. Mr. Estes stressed the importance of this projected being COMPLETED within 5 years, and thus planning for this project must start in 2016.

Mr. Kurzman made a motion for the Board to initiate architecture planning and concepts with one or more architectural companies with the goal that by the end of 2016 the Association has at least one concept for this project that will meet the desires of a majority of the members. And that a questionnaire be sent to all members prior to engaging an architect listing their priorities for the project. Mrs. Harrison seconded the motion and the motion was passed via voice vote.

VII. New Business

Colorado Law for Homeowner's Associations Regarding Collection Policies

Mr. Estes noted that per a State of Colorado statute and advice from management, the Board had approved at their last meeting a new written Collections Policy, which was mailed to all members as part of the mailing for this Annual Meeting. It will also be posted on the HOA website.

VIII. ADJOURNMENT

Mr. Kurzman moved for adjournment, and Mrs. Harrison seconded, and the motion was carried. The meeting was adjourned at 6:37 pm.

Respectfully submitted,

, Secretary