

HIGH COUNTRY HAUS  
COMMUNITY IMPROVEMENT AND RECREATION ASSOCIATION  
Board of Director's Meeting  
Tuesday, April 28<sup>th</sup>, 2015, 4:00 pm

Call to Order: The meeting was called to order at 4:11 pm.

Present: Julie Daehn, Martha Hedrick, Ruth Spano, Tim Shangraw, Don Holland and Rexene Holland are present. Mark Johnson Property Manager, is also present. Sarah Moose is present to take the minutes for the meeting.

Minutes: Minutes of the 2014 Annual meeting held on June 21, 2014 will be reviewed by the Board and discussed/approved at the next Board meeting.

Financial Report: The Board reviewed the Balance Sheet as of January 31, 2015. A few of the line item expenses are under budget, such as building maintenance, staffing expenses, snow removal and trash removal. This expenses have been lower due to a lighter winter and less staffing of the Rec Center as it begins the process of shutting down for construction. Road maintenance is over however due to additional grading on the roads that was needed. Additionally, account services are over budget due to the management and time spent working and maintaining the special assessment payments and deferred payment program. At this time the Board believes the budget at year end will have an operating surplus.

Insurance Payment Request: It was mentioned that Travelers insurance has contacted BVM and requested payment at this time for the rider policy. At this time the Board doesn't believe this coverage is necessary.

ACTION: Mark Johnson will review the balance owned and contact David to determine if the policy is active or not. BVM will then email the Board to let them know the status.

Proposed 2015-16 Budget: Julie Daehn presented the proposed budget for the June 1, 2015 – May 31, 2016 fiscal year. The Board reviewed the budget line by line and discussed any possible increases or decreases to each item in relation to the upcoming construction. During the construction, there will be no need to pay staff, or pool/building maintenance and so forth so a large amount of annual costs will be lower for the upcoming year. The Board discussed the future reserve planning and determined that a study will be performed once the construction is complete, this will ensure that the study is based off of the new building and equipment. At this time the Board will continue to review the proposed budget and will further discuss, adjust and approve at the next Board meeting.

ACTION: BVM will contact all utilities, such as cable, internet and telephone and either suspend the contract or bring them down to the lowest amount possible while the services are not being used.

ACTION: BVM will contact the insurance carrier to reduce the coverage while the construction is occurring. The coverage will be adjusted to only have liability coverage for the property, the Directors and Officers coverage will remain the same.

ACTION: Julie Daehn will look into the BOD Meeting Expense line item and determine why there is \$1,500 budgeted.

Construction Update: At this time approval has been received from the planning department to move forward with the project. Last week the Board received the proposed final numbers for the project. The proposal came in much higher than anticipated. The Board requested that the proposal be reworked as soon as possible in order to come in closer to the available budget. It was agreed they could take an additional 2 weeks to prepare an updated proposal. The asbestos testing is scheduled to begin on May 4<sup>th</sup>, 2015. BVM has not yet received the go ahead to shut down the facility to prepare it for demolition. Once the construction budget is approved, it will take about 3 weeks to receive the building permit and the cost of the permits are estimated at \$7,000.

Construction Budget: The unexpected higher cost on the proposal received last week is mainly due to the inflation of construction costs. The economy is currently rebounding and the costs of labor and materials has increased dramatically in the last year since the project was originally proposed and voted on by the HCH owners. The Board is hoping that the new proposal will have been brought down by at least 40k, but that would still leave the total above the approved 1.5 million. Per the motion made in the June 21, 2014 meeting minutes, which approved spending 1.5 million for Option 3 as presented to the owners. This motion specifies that the 1.5 million is a cap and that any additional funds would have to be approved by the Delegates. The Board discussed options to find additional funding, which included the possibility of a loan, adjusting the use of the reserves or another special assessment. Stopping the project at this point is not an option, as the construction costs will continue to increase. The majority of the Board was in favor of finding other means of funding without putting a special assessment in place or raising the rec center dues. The option of downsizing the construction is not available, as cuts have already been made, and the construction plans and surveys have already been completed and paid for. The Board further discussed the option of taking out a loan, ranging from 200k – 350k.

ACTION: Ruth Spano will ask Ed why the architectural costs and soft costs are listed under the PUD.

MOTION: Don Holland made a motion to move forward with submitting the request for the building permits. Rexene Holland seconded and the motion carried by unanimous vote.

MOTION: Don Holland made a motion to go to the Delegates to request approval to exceed the 1.5 million spending cap for the Rec Center without having another Special Assessment. This motion includes that the request to exceed the cap is to cover any unanticipated cost growth associated with the current construction and inflation. Martha Hedrick seconded and the motion carried by unanimous vote.

MOTION: Don Holland made a motion to go to the Delegates and ask permission to get a loan, not to exceed 350k, to cover the additional cost of the project. Martha Hedrick seconded and the motion carried by unanimous vote.

ACTION: The building Delegates will be contacted as soon as possible to discuss the Board's request for approval of a 350k loan to complete the budget for the construction project.

New Business: Ruth Spano mentioned requests for maps of the bike path that leads through/around the HCH property.

**ACTION:** Add the bike path maps to the agenda for the next Board meeting.

**Next Meeting:** The next meeting is set for Tuesday May 19<sup>th</sup>, 2015 at 4:00 pm. It will be held in Denver at the Hindeman & Sanchez office.

**Adjourn:** It was unanimously agreed to adjourn the meeting at 7:50pm.