

**MARINA PLACE CONDOMINIUM ASSOCIATION  
BOARD OF DIRECTORS MEETING  
JANUARY 13, 2010**

**I. CALL MEETING TO ORDER**

The Marina Place Condominium Association Board of Directors Meeting was called to order at 6:01 p.m.

Board members Al Baker, David Brunk, Susan Snyder and Christa Mehard participated via teleconference.

Representing Basic Property Management were Gary Nicholds, Charles Johnson and Candy Ramage. Erika Krainz of Summit Management Resources was recording secretary.

**II. APPROVE PREVIOUS MEETING MINUTES**

David Brunk made a motion to approve the October 1, 2009 Board Meeting minutes as presented. Al Baker seconded and the motion carried.

**III. FINANCIAL REPORT**

Candy Ramage sent all Board members an email with a detailed explanation of the significant variances. In summary, the Association ended the year with net income of over \$19,500 for Operating and the Reserve balance increased by \$22,000. The current Reserve balance is \$73,110. Candy sent a copy of the 2010 Budget to all Board members by mail.

Christa Mehard questioned the variance in the snow removal line item. Candy said the overage was from the previous season and all snow removal accounts combined were actually \$3,287 under budget.

David Brunk made a motion to approve the Financial Report. Susan Snyder seconded and the motion carried.

**IV. BASIC PROPERTY MANAGEMENT REPORT**

*A. Dishwasher Leak Repair*

The repairs for Units 118, 128, 138 will be around \$15,000 including \$1,200 for restoration and \$13,136 for repairs. Charles Johnson said he had contacted Sears about a claim on the dishwasher. The claim was processed through Sedgewick and the manufacturer Whirlpool. Charles expects a response from Whirlpool regarding what they will pay within a few days. The contractor has started to work in Units 118 and 138 and has accepted figures from the insurance company. The owner of Unit 128 hired a contractor and the repairs have been completed.

The Board needs to make a decision about who will pay for it because the owner has requested reimbursement. The contractor is Colorado Mountain Maintenance.

*B. Sink Plug Leak Repair*

The total cost for repairs, water extraction and asbestos testing for Units 218, 228 and 238 will be around \$50,000. Charles Johnson projected the repairs alone would be over \$40,000. One invoice for \$5,900 has been received for water extraction and asbestos testing. There is another invoice pending for water mitigation/restoration that he has not yet received. Charles believes the insurance company will do everything possible to mitigate their exposure.

*C. Unit 231 Leak Repair*

Units 211, 221 and 231 were damaged by a leak caused by a frozen pipe. The repair costs will be around \$65,000.

Gary Nicholds recognized Charles Johnson for his many hours of hard work on the leak issues.

*D. Steve Dorado said Fireman Fund Insurance Company was still working on the total costs for the recent water damage claims and should have final numbers by Monday. He said that Fireman Fund will review the claims to determine if negligence was a factor. He will also provide his analysis of any expected impacts to the Association's insurance premium as a result of the multiple claims. He recommended that the Board look at ways to mitigate some of the claims going forward.*

Gary Nicholds said he spoke with the attorney Dan Wolf yesterday, who made the following comments and/or suggestions:

1. Increase the insurance deductible.
2. Start making some rules that allow the Board to charge negligent owners for deductibles at their discretion. Consider making changes to the Declarations to make it clearer as to what the Association will or will not pay for.

Gary Nicholds asked for Board authorization to review the insurance provisions, Rules and Regulations and Declarations with the attorney and to develop recommendations for changes to the Declarations. The attorney charges \$225/hour and it could require a couple of hours of work.

Gary Nicholds asked if the Board wanted to keep the small claim (\$15,000) in-house. Susan Snyder recommended waiting to make a decision until they have the numbers from Fireman Fund on Monday. David Brunk said he would like to know how much would be saved on the premium if the \$15,000 claim was paid

out of pocket. Gary said he would ask this question of Fireman Fund and get quotes for different levels of deductible. Once the information is received, the Board will make a decision by email.

Susan Snyder made a motion to employ Dan Wolf for 4 – 6 hours to work with the insurance agent, Gary Nicholds and Charles Johnson to evaluate the Declarations and to develop recommendations. Christa Mehard seconded. In discussion, David Brunk commented that this situation should be explained to the owners at the Annual Meeting in July. Owners should be reminded that they can purchase coverage for the areas that are not covered. An insurance agent could be asked to attend the meeting to explain the coverage. This will be part of the Owner Education topic at the Annual Meeting. The information should also be sent in writing to the owners who do not attend. Susan pointed out that owners would have to be given notice a specified number of days before the meeting if the Declarations are going to be changed. The motion carried. Regarding prior discussion (reference IV.C. above), Susan said she would like the attorney give an opinion regarding what would be required legally if the unit owner is unwilling to make the necessary repairs to address the alterations that have impacted the structural integrity of the roof.

## **V. OLD BUSINESS**

### *A. Entrance 2 Piping in Driveway*

Charles Johnson said \$13,000 in rebates had been received to date and there should be another check for an as yet undetermined amount.

### *B. Fire Sprinkler System and Glycol*

Our current fire sprinkler system is a water system, not containing the antifreeze glycol, and thus runs the risk of freezing in some areas along external walls. Charles Johnson said Western States looked into converting the sprinkler system from a water system to a glycol system. The initial ballpark estimate to convert all three buildings was about \$8,000. The Lake Dillon Fire Department (LDFD) then specified additional requirements and the estimate increased to \$45,000 – 50,000 for just Western States' part plus \$10,000 – 15,000 for sheetrock removal and replacement.

A new law passed in 2007 prohibits the same hydraulic test system for water and glycol systems. Engineered drawings would be required for all three buildings. This would entail cutting out sheetrock so the system can be examined and mapped, hydraulic tests in all three buildings and then repairing all the sheetrock. Western States said they do two or three conversions per year and the LDFD is being unreasonable. A suggestion was made to approach Tom Hill, who is on the

Board of the LDFD. There is no State Fire Marshall. Gary Nicholds was asked to speak to the attorney to determine if there is anything the Association can do.

Another option might be to put glycol in the third floor system only. Louvered doors could be put on the first and second floor closets on the outside walls to allow heat to penetrate the closet space or owners could be required to leave the closet doors open in cold weather.

Al Baker asked Charles Johnson to talk to Don Parsons to see if he has any ideas.

C. *Reserve Study*

Last year a company was hired to do a Reserve Study for the Association but they were fired because they did not complete the project in a timely manner, and the Association received a full refund Gary Nicholds researched several other companies and recommended Associations Reserves out of Colorado Springs. The cost for a Reserve Study would be \$2,780 with an eight week turnaround. The Study would include maintenance recommendations. The website is [www.reservestudy.com](http://www.reservestudy.com). The Board will review the sample studies on the website and vote by email. A Reserve Study was already approved and the owners were told one would be done. Susan Snyder made a motion to evaluate the website and to vote within one week. Christa Mehard seconded and the motion carried.

## VI. NEW BUSINESS

A. *Handrails*

Charles Johnson received another bid of \$70,000 – \$80,000 for new handrails. He forwarded it today to all Board members. Gary Nicholds said if the Board decides to pay the \$15,000 claim to Fireman Fund in order to mitigate potential premium increases, they may want to postpone the handrail project or just do one or two buildings at a time to lessen the financial impact to this year's budget. Christa Mehard said she researched glass railings. She forwarded the information and estimated costs, excluding installation, to all Board members. Depending on the installation, the cost could be comparable to the metal pickets, but the Board would need to find a local installer. Al Baker expressed concern regarding maintenance associated with cleaning the glass. The board agreed to review the options submitted.

B. *Traffic Mirror for Building 4 Street End*

David Brunk suggested adding a traffic mirror for cars at the end of the building because there are often "near misses". Charles Johnson said he would put up a mirror.

## VII. SET NEXT MEETING DATE

The next Board Meeting was set for Monday, March 15, 2010 at 6:00 p.m.

**VIII. ADJOURNMENT**

Susan Snyder made a motion to adjourn at 7:28 p.m. David Brunk seconded and the motion carried.

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_  
Board Member Approval