

Minutes of the
Indian Peaks Condominium/Interval Owners Association Combined Board Meeting
held at Indian Peaks Resort on Saturday, 8/24/19

The meeting was called to order by President Kevin Schneider at 9:33am.

The following board members were present: Vice President Janet Smith, Treasurer Lee Anderson, Tom Overton, Walt Steiner, Mark Landrum, Bill Berlin and Dani Hecker (by phone).

Kristy Meyer and Kathy Kieffer were also present, representing Hideaway Hospitality.

There were no additions or changes to the Agenda.

The board reviewed the minutes from the previous annual meetings. A motion was made by Tom Overton to approve the minutes. The motion was seconded by Walt Steiner and passed unanimously.

The financials were reviewed and there was discussion about the items that varied from the budget. Of particular concern were the increases for snow removal in the COA due to extremely heavy snowfall in early 2019 and the higher than budgeted housekeeping expenses in the IOA. Kristy Meyer will review the snow removal contracts for plowing and shoveling before the 2019 ski season to make sure we are not paying more than market prices. There was discussion that good performance and reliability should be taken into consideration as well as price. Regarding housekeeping expenses, increased rental stays and the agreement with Interval International to provide them with 23 extra weeks per year they can use in exchange for 2 years free memberships for Indian Peaks owners have resulted in more stays, which means higher housekeeping. These additional housekeeping demands were not anticipated when the budget was set.

Tom Overton asked about the liability insurance held by the associations. Kristy Meyer will send documentation to the board members regarding the current liability insurance.

There was discussion as to whether rental reservations should be placed into association-owned weeks first (to benefit all owners), or into individual owner-owned weeks first (to

benefit individual owners). Tom Overton made a motion to place rental reservations in association-owned weeks first. This was seconded by Walt Steiner. The motion passed. All board members were in favor except Walt Steiner abstained.

There was discussion that some changes needed to be made to the financials to bring them in line with standard accounting principles. There was discussion that a specific amount should be transferred each year into the reserve accounts for the IOA and COA and whether the books should be accrual, cash or modified accrual. Lee Anderson, Bill Berlin and Dani Hecker agreed to be on an Accounting Committee to meet at a later date and propose changes by the December budget meeting. The committee was also asked to make a recommendation on what amount of the reserve funds should be held in CDs and for what length of time.

There was discussion as to whether or not dues for IOA board members should be paid by the association. No change was made.

There was discussion about whether or not board members should continue to pay just the housekeeping / overhead rate of \$120 for the week when they visit during non-peaks times and stay in a week owned by the association. There is some benefit to having board members on the property at times other than the week they own so they can check on the property. No change was made.

Walt Steiner made a motion to approve the COA and IOA financials. The motion was seconded by Lee Anderson and passed unanimously.

The professional reserve studies for the COA and IOA completed by Association Reserves were discussed. There is a substantial shortfall between what Association Reserves projects will be needed for capital projects at Indian Peaks in the future and how much is in the reserves now. There was a comprehensive discussion regarding the necessity of raising the annual dues to owners in order to begin to increase reserve amounts, and how much the increase should be. Some of the discussion centered on whether the time lines and amounts in the professional reserve study were appropriate for the Indian Peaks property.

Tom Overton made a motion to increase the HOA dues to owners by 10% to be earmarked for the COA and IOA reserve funds. All board members except one were in favor and the motion passed. Janet Smith opposed the motion.

Kevin Schneider made the motion to form a standing Reserve Committee to analyze the reserve study and Walt Steiner seconded it. The motion passed unanimously. Mark Landrum volunteered to head the committee.

Bids for fall IOA projects were presented. Those projects are:

7 Carpets:	\$21,517
4 Kitchen/bath countertops	\$27,114
5 Units interior paint	\$11,910
3 Bath only counter tops:	\$ 4,385
Flooring replacement:	\$ 3,500
Unit Inventory:	\$ 325
Small Appliance Replacement:	\$ <u>950</u>
	\$69,726

A motion was made by Lee Anderson to approve \$69,726 for the fall IOA reserve projects. Walt Steiner seconded the motion and it passed unanimously. Priority in the IOA is to be given to installing flooring that will make A103 more handicapped accessible. Most reserve items for the COA have been completed. Additional unanticipated expenses for the COA in 2019 include a new computer for the office (\$2,000, approved by Kevin prior to the meeting when the computer kept shutting itself down), inspection of the crawl space of building C to see if there is ground water affecting the building and a ditch to be dug to the right of the parking lot in front of building C (\$1,500) to direct snow melt away from the building.

There was a discussion that Miscellaneous Expense should be added as a budget item in the IOA and COA for unanticipated expenses. This will be discussed further at the budget meeting.

Priorities for next year were outlined, which include: outdoor lighting on the buildings, replacement of curtains and blinds, and review of the asphalt in the parking areas.

Comcast offered to reduce TV cable fees a small amount in return for 5-year agreement. The board decided they did not want to enter into a long-term contract with Comcast.

Progress was made on the items listed by Day and Associates in the accounting review completed in 2016. All items have been completed except two: 1) the financials are not yet on a full accrual accounting system; and 2) allowance for bad debt going forward has not been formally established. These items will be addressed by the newly formed Accounting Committee.

The following was reported regarding the status of weeks at Indian Peaks:

Based on 50 weeks per unit, or 1200 total weeks, there are:

782 "Active" owners who are currently being billed for dues

24 of those owners are currently in collections with Meridian

18 of those owners are more than one payment in arrears

39 of those owners are less than 1 dues payment in arrears

(For the purpose of dues collection, it can be assumed that 740 owners are consistently paying dues.)

116 Accounts inactive or defunct. These accounts were released to

collections at some point in the past, without positive results.

130 Accounts in the name of Indian Peaks

45 of these weeks appear to have "clear title" and can be sold

172 Weeks are unsold and/or their title status is unknown

Kristy Meyer expressed thanks to Kathy Kieffer for all the difficult research she did to compile this information.

Under new business, it was necessary to replace our laundry contractor and our hot tub contractor. Both have been replaced with companies that are currently honoring the rate of the previous contractors.

Indian Peaks Resort once again received the Gold Star award from RCI and accepted the Silver Star.

An update was given on weeks owned by IOA. 130 weeks are currently owned by Indian Peaks and only 45 appear to have clear title.

Tom Overton explained that clearing the titles would cost between \$5,000-\$6,000 each. He proposed that the IOA hire an attorney who specializes in timeshare properties to assist the IOA in determining the best course of action going forward. Mark Landrum made a motion to authorize up to \$6,000 in hiring a timeshare attorney. Dani seconded the motion and it passed unanimously.

An update was given regarding collections that are being referred to Meridian. This company specializes in timeshare collections and has been doing a good job.

There was discussion of whether the deed-back moratorium should be lifted. No change was made.

There was an update on the sales program. Some sales of IOA-owned weeks are pending advice from the timeshare lawyer since they do not have clear title. Weekly sales presentations are being held by Kristy Meyer almost every Wednesday. Information about the sales program and weeks for sale will be sent with the October newsletter. Feedback from the Wednesday presentations is that the prices originally set for selling the weeks owned by the IOA are too high. Indian Peaks owners are used to buying weeks for just a \$250 transfer fee. With the points program, there is added value but the prices suggested by our sales consultant are too high.

There was discussion by the board that the most important thing is to sell the weeks to new owners in order to have the dues paid by those owners and that Kristy should be given the authority to “make the sale”, setting prices based on her understanding of the market and a price that would be attractive to prospective owners.

Tom Overton made a motion to allow Kristy Meyer the authority to set the prices of IOA-owned weeks with clear title at her discretion as long as costs to transfer the title are covered by that price. Kristy Meyer will receive the balance of the amount paid by the buyer as compensation. Janet seconded the motion and it passed unanimously. Kevin Schneider agreed, as IOA Board President, to sign any deeds that require a signature of an IOA board member.

There was an update on the LIFT Shuttle. Kristy Meyer has been meeting with other Winter Park Ranch HOAs and some changes have been requested to get Winter Park Ranch guests and owners to the ski area faster. The revised bus service will be an express bus between the ski area and Winter Park Ranch properties, including Indian Peaks. The town will absorb most of the cost but there will be a 20% increase in our charge (\$724) next year. Service will be reduced to once per hour weekdays and stay every ½ hour on weekends and holidays.

The annual meetings for 2020 were discussed. The Indian Peaks bylaws state that the annual meeting will be held in April, May or June. The preference of the board was to hold the meetings in June 2020. President Kevin Schneider will check his schedule to determine which dates he can attend and the final date will be confirmed at the budget meeting in December.

There being no further business before the board, Tom Overton made a motion to adjourn. It was seconded by Walt Schneider and passed unanimously.