

## **Indian Peaks Condominium/Interval Owners Association**

### **Combined Board Meeting Minutes**

**Saturday, 8/22/2020 at 9:30am**

Board Members present at the meeting: Kevin Schneider (President), Janet Smith (Vice President), Lee Anderson (Sec/Treasurer), Tom Overton, Walt Steiner, Dani Hecker, Mark Landrum and Bill Berlin.

Also present: Kristy Meyer and Kathy Kieffer with Hideaway Hospitality LLC.

The meeting was called to order via Zoom by President Kevin Schneider at 9:40am.

A motion was made by Janet Smith to approve minutes of the previous year's annual combined board meeting. The motion was seconded by Mark Landrum and approved unanimously.

There was a discussion of extraordinary circumstances affecting the financials year-to date in 2020, including emergency electrical work completed in the spring in all the hot tub areas to bring them up to code and the effect that the Covid-19 pandemic had on lowering costs associated with housekeeping, maintenance and spa maintenance.

A motion was made by Walt Steiner to approve the year-to-date financials for the COA and IOA. The motion was seconded by Bill Berlin and passed unanimously.

The board was asked when the temporary waiver of late fees and interest on dues should be reinstated. Kevin Schneider stated that decision should be made by the management company based on their best judgement.

Bad debt was discussed. Tom Overton brought up the fact that 1099s should be issued for owners when their bad debt is written off. A motion was made by Janet Smith to write off bad debt up to the amount budgeted of \$34,500 by the end of 2020 with 1099s being issued to the debtors. The motion was seconded by Walt Steiner and passed unanimously.

It was noted that Meridian will continue to pursue payment from these owners.

Reserve amounts were discussed. The current amount in COA Reserves is \$106,747.50. If the PayPal rental funds were to be designated for reserves, the total in IOA reserves would be \$248,916.20.

Tom Overton made a motion to place the full amount of \$98,956.94 in the PayPal account of \$98,956.94 into IOA reserves. The motion was seconded by Mark Landrum and approved unanimously.

Kristy Meyer suggested that the information from the professional reserve company, Association Reserves, could be transcribed into a spreadsheet to make it easier to see projected reserve amounts for the future. Jennifer in the Hideaway Hospitality office should have time to complete that project by the budget meeting. Marl Landrum offered to send the spreadsheets he had worked on so far to the office to assist in the process.

There was discussion of whether a portion of the reserve amounts should be placed in a CD. CD rates at Citywide are currently .01% so no action was taken.

Kristy reviewed the emergency projects approved by Kevin Schneider that are in process. In the COA, even with fewer guests on property, there were persistent internet issues. An evaluation was completed in the spring and it was found that the Indian Peaks internet equipment was 10-12 year old. New internet equipment was approved at a cost of \$6100.

Hot tubs continue to be an issue and the hot tub in B301 needed repairs that might have cost as much as replacement. On an emergency basis, Kevin Schneider approved \$7,300 for replacement of that hot tub, which is in process.

The following COA projects budgeted in the winter meeting were discussed:

Replace 9 outdoor building lights	\$ 3,324.24
Seal and repair back decks / stair landings	<u>6,800.00</u>
	\$10,124.24

A motion was made by Walt Steiner to approve expenditures in the amount of \$10,124.24 for these IOA reserve items. It was seconded by Janet Smith and approved unanimously.

The following IOA projects budgeted in the winter meeting were discussed:

Replace Hot Tub in C201	7,300.00
Replace flooring in A103 (previously budgeted at \$3500)	6,100.00
Replace carpets in 7 units	20,340.00
Replace bedroom drapes	<u>14,400.00</u>
	\$48,140.00

Since A103 was one of the units where carpets needed to be replaced, in effect only 6 carpets needed replacement and the savings could cover the increased cost of luxury vinyl tile (LVT). The board reaffirmed that they do want the carpet in A103 to be replaced with

LVT. Bill Berlin made a motion to approve the expenditure of \$6100 for LVT in A103. The motion was seconded by Janet Smith and approved unanimously.

Janet made a motion to approve expenditures for IOA reserve items in the amount of \$45,240 with the change that only 6 carpets would be replaced. The motion was seconded by Lee Anderson and approved unanimously.

There was discussion of whether it would be a good idea to make additional units “handicapped friendly” by building ramps to them. There was agreement that Hideaway Hospitality (HH) would research ADA compliance and whether an update of that kind would necessitate fully remodeling the units. Additionally, HH will obtain an estimate of the cost to build a ramp or ramps to additional units.

There was discussion of the sidewalk in front of hill between A & B that is deteriorating and whether the area should be converted to lawn since that sidewalk is not used often. Board members voiced concern that the new lawn area would be likely torn up by snowplows and that there may be a liability concern due to the slip hazard in the parking lot if a sidewalk wasn’t available. HH was instructed to get bids for the cost of a new sidewalk and also conversion to a lawn including stop blocks.

Kristy Meyer summarized the insurance claim amounts received from the C302 hot tub leak to the units below.

Paid directly from Farmer’s Insurance to Contractors:

Service Master Clean – Water mitigation and Drying	\$ 9,930.50
Advantage Environmental – Asbestos Abatement	\$12,800.00
Environmental Consulting – Asbestos Testing	\$ 2,480.00

Paid to Indian Peaks from Farmer’s Insurance: \$17,459.62

Deductible: \$1000

Amount “out of pocket” paid by IOA: \$747.71

Kristy Meyer gave an update of the PayPal funds. All the funds belong to IOA for AirBNB rental bookings 2016-2020. It appears that the old PayPal IOA dues account was used again starting in 2016 for AirBNB deposits when Kathy Kieffer set Indian Peaks up to accept reservations from AirBNB. Neither Kathy nor Deb Seiler (Indian Peaks bookkeeper) were aware of the account, so we assume it was set up by the previous manager, Jon DeVos.

There was discussion of whether it would be more prudent to set up a separate IOA checking account for nightly rental funds from AirBNB, Homeaway, Expedia, etc. to be deposited into. Board members expressed concern that hackers might be able to more apt to get into our main checking account through these online reservation portals. Kristy will follow up with Citywide bank to see if another checking account for reservations funds is recommended.

The change in procedures for Indian Peaks due to the COVID 19 pandemic was discussed. Currently, we are operating at 50% occupancy with no rentals and some canceled exchange guests. The board gave Hideaway Hospitality authority to respond as needed with the main goal of keeping owners, guests and employees safe.

The Hideaway Hospitality contract was discussed. In reviewing the HOA documents, Kristy Meyer discovered that the boards do not have the authority to sign contracts for more than 3 years. The current contract with HH is for 5 years but expires at the end of October since it can only be for three years. Kristy Meyer indicated that she would prefer a year-to-year contract at the end of the current term and would like the opportunity to make sure what she is charging is in line with other similar property management companies. She will get information from other companies and either propose a new contract with all the amendments included or an extension of the current contract for one year. The board decided that when she has it, this information should be sent to all board members for review.

Kristy discussed the challenges of owning a small business during COVID and the fact that revenues to HH have decreased substantially since mid-March. Since she was able to get a PPP loan and a Small Business Association loan, Hideaway Hospitality does have enough cash flow for now. Kristy will keep the board members advised if survival of her business is threatened as the pandemic continues.

The fact that the deeds Hurricane Resources originally issued were set up as Tenants in Common was discussed. Many owners who want to sell or deed back their weeks only own half of the week if their spouse was also on the deed and is now deceased. There is not an easy or inexpensive way to get that week back to the surviving spouse. Technically, the surviving spouse only owns  $\frac{1}{2}$  of the week and likewise only owes only half the dues. We often do not know when a spouse has passed away so we have so far continued billing the full amount. Hideaway Hospitality will work to identify owners with both spouses still living who may want to consider retaining local lawyer to change their deed to Joint Tenancy.

The board considered a dues increase and there was much discussion about whether it was needed at this time since operating expenses for 2020 are expected to be less than

budgeted and the PayPal rental funds had been recovered. The board discussed the importance of avoiding a special assessment to owners in the future and the fact that several expensive maintenance items will need replacement in the near future, including hot tubs for the IOA and paving in the entry and upper parking lot for the COA. Pat Anderson made a motion to increase the dues by 5% (resulting in additional funds of about \$27,433 per year). The motion was seconded by Walt Steiner and was passed by a majority of the board members. Janet Smith abstained and Bill Berlin voted "Nay".

New software for the office to replace the current antiquated TimeShareWare software was discussed. The main purpose of the new software would be to send out statements by email instead of paying three times a year for the mailings to be processed by a printer and sent by regular mail. There would also be other efficiencies in upgrading our software system, including the possibility of integration with reservations systems like AirBNB and exchange systems like RCI and Interval International. Tom Overton asked that we check to see if there might be discounts with those companies due to greater connectivity.

Under Old Business, Kristy Meyer reported on the weeks owned by the IOA and the status of the other weeks. Almost all the 126 IOA-owned weeks are during non-peak times when they are less likely to be sold. 4 weeks owned by the IOA were sold in the past year.

790 owners are currently being billed for dues in 2020. 19 of those owners are currently in collections with Meridian. 40 of those owners are one or less than one dues payment in arrears in 2020. For dues collection in 2020, it can be assumed that 756 owners are consistently paying dues. 122 weeks are inactive or defunct. These accounts were released to collections at some point in the past, without positive results. These include some that were made inactive in 2020 when the people paying the dues (often relatives of deceased owners) realized they did not own the condo and could not legally be required to pay the dues. 159 weeks are unsold or the status is unknown.

Lawyer Chris O'Dell previously confirmed that 44 IOA owned weeks are OK to sell by Quit Claim deed only. 24 of the IOA-owned weeks were not transferred correctly or transferred at all, are owned by someone else and cannot be sold by Indian Peaks. Per Chris O'Dell, 58 of the weeks "have problems that need to be solved. Some of the problems are serious and may never be solved without foreclosure. However the majority of the issues have to do with the lack of a Statement of Authority, many of these by Jon, which I think can be solved by just recording a notice that he was authorized at the time he signed all this stuff. Some are probate problems, some have ½ in IP and ½ in someone else. In some there is a break in the title that was not able to be solved."

Kristy Meyer asked if the board should file a retroactive Statement of Authority for Jon DeVos, even though it may not be recognized by a title company. Tom Overton made a motion to file a retroactive Statement of Authority giving Jon DeVos the authority to sign deeds on behalf of the IOA during the time he was the manager of Indian Peaks. Janet Smith seconded the motion and it passed unanimously.

Tom Overton recommended that we determine which IOA-owned deeds need to be foreclosed upon, bundle them together and determine the cost for the foreclosures. Janet Smith suggested that deeds of higher value (Red Weeks) should be the priority.

The deed back moratorium was discussed. For the benefit of all the owners in the IOA, it has been the policy of the board not to accept deed backs in recent years. Going forward, some owners are starting to default on their dues and it may ultimately be more beneficial to the owners in the IOA if some owners were allowed to deed back before they pass away.

Taking deeds back means that the IOA loses \$726 from that owner for each year into the future right now until the week can be re-sold. Reselling weeks is difficult right now for any property in the timeshare industry. The previous policy was to accept deeds back if owners were current with their dues and paid 1 and a half years of dues and a \$250 transfer fee. (Currently \$1089 + \$250, or \$1339).

Kristy Meyer presented a letter written by owners Dean and Verna Esbeck which is typical of owners requesting deed backs. The Esbecks requested that the moratorium be lifted. Owners requesting deed backs typically state that they are older, in bad health, unable to travel and can no longer afford their weeks.

There was discussion that there are about 40 owners currently requesting to deed back to the association. There was discussion that it would not be fair to owners who are currently paying their dues if weeks were accepted back to the IOA from owners who are in arrears. On the other hand, it may ultimately benefit the IOA owners for the IOA to own those deeds in the future.

Janet Smith volunteered to talk with the owners who want to deed back to the association to get their perspective. Hideaway Hospitality will provide Janet with a spreadsheet with the information we have for those owners.

The board decided not to take action to lift the deed back moratorium until they have more information from Janet. They will consider it again at the budget meeting early next year.

Kristy Meyer gave a Sales Program update. Informational and Sales Meetings were held every Saturday evening with limited results during the 2020 ski season until COVID hit.

There is little interest in timeshare sales in the industry right now due to the pandemic and its effect on the tourist industry. The sales program was “on hold” during the spring and summer as Kristy was needed to run operations when Meredith and Kathy were not able to work for several months due to the pandemic. Kristy will take a more targeted approach going forward and is working with a local marketing company to send out email blasts that will invite interested owners to contact her.

After completing an owner-to-owner transaction last year for nominal compensation, Kristy will be working to refer prospective buyers to sellers and allow them to negotiate their price. They will be referred to a local lawyer to complete the deed transfer. Kristy will concentrate mainly on selling weeks owned by the IOA.

Kristy Meyer has confirmed with Michael Koch, the Lift Transportation Director, that the route that services the Indian Peaks stop will be the same as last year and there will be no increase in cost for the service.

The Winter Park ski area does plan to open on November 18<sup>th</sup>, 2020 with policies and procedures in place to safeguard guests during the pandemic. Word on the street is that pass holders will be able to ski without reservations, but skiers buying regular lift passes will be required to make reservations in advance to ski, which will probably limit the number of people who can ski each day.

The date of the next annual meeting as discussed. Mark Landrum made a motion that the meeting be held on Saturday, 6/19/21. The motion was seconded by Lee Anderson and passed unanimously. It is anticipated that the board meeting will be held at 9:30am, with lunch at noon and the general meeting following at 1pm.

Lee Anderson made a motion to adjourn, which was seconded by Janet Smith. The motion passed unanimously.

The meeting was adjourned at 12:28pm.