

No 25 Downing Condominium Association Inc.
2022 Homeowners Annual Meeting & 2023 Budget Ratification
Thursday, December 15, 2022, 5pm MST

This meeting was conducted via Zoom (video conferencing)

MINUTES

I. CALL TO ORDER

The Annual Owners meeting was called to order at 5:11pm. The Board members in attendance were Ron Marshall, Buck Steed, Richard Berkman, Ted Stolberg and Kathleen Duggan. Representing East West Urban Management were Brandon Fries, Jodi Fitzpatrick and Kiley Nohe. Kathy Andersen, Minute Taker was also in attendance. Guests in attendance were David Firmin with Altitude Law and Brian McCaffery with McCaffery & Associates.

II. PROOF OF MEETING NOTICE

In accordance with the association's governing documents notice of the meeting was mailed on **November 29, 2022**. A certificate of mailing is kept on file with the association records.

III. QUORUM

Quorum was verified by Brandon Fries. 34 homeowners were in attendance (**46.57%**)

IV. GOVERNING LEGAL DOCUMENTS

David Firmin, Altitude Law - At the request of the Board of Directors, David was asked to review the associations Condominium Declaration (recorded February 2000), Articles of Incorporation (recorded February 2000), and By-Laws (adopted February 2000).

With the exclusion of any title research, verification of maps, plats, annexations, amendments, supplements, or legal descriptions, what follows is a summary of the David's review. The actual report is available upon request.

Step 1 - David provided an explanation of each document, the requirements to amend and suggestions for changes in order to update and comply with Colorado Law.

Step 2 - What is required to amend? The Community consists of 73 units with quorum being 20% of the votes in the Association (15 Owners). Articles state a vote of 67%, By-Laws 2/3 of the members and Declarations 50%.

Step 3 - Determine if amendment is needed and make a wish list. A list of suggested amendments was provided in David's report along with the reason why the change should take place. One suggestion is establishment of a Nominating Committee for the purpose of identifying qualified candidates to fill Board vacancies.

Step 4 - Solicit Community Support. By soliciting and obtaining community support, the Board will know if the members are satisfied with the amendment as well as education on the needs for the amendments.

Step 5 - Develop a Strategy. Without a clear strategy, amendments will probably not be approved. The strategy will depend on the voting procedure required and if voting takes place at a meeting of the membership consideration needs to be given to legal issues such as notices & quorum requirements.

Step 6 - Monitor Progress and Adapt Changes. The board needs to review all returned ballots to make sure they are completed properly and set realistic goals and benchmarks to measure progress. It should follow up with all persons involved in obtaining returned ballot and keep the community informed on the status of progress.

Step 7 - Court Sanctioned Amendment of the Declaration. A list of the steps required to take advantage of court sanctioned amendment process was provided.

Step 8 - Certified Mail Option for Mortgage Approval (if there are any Eligible mortgage holder). A list of the required steps for this approval process was provided.

Step 9- Certify and Record Amendment. The governing documents or statues set out the requirements for certifying and recording amendments and the association should have the Associations legal counsel review to ensure the Board complied with all legal requirements.

Lastly, fifteen (15) months should be allowed to finalize the proposed amendments.

V. APPROVAL OF 2021 ANNUAL MEETING MINUTES

The minutes of last year's meeting were approved by unanimous acclamation.

VI. OPERATION REPORT

Brandon Fries provided a list of the 2022 accomplishments and goals for 2023.

Elevator Modernization - This project was planned for 2022. Unfortunately, due to circumstances out of board control this schedule was not met. All the parts including the generator for Building #2 are on-hand and ready for installation once the City of Denver issues the generator permit. Building #1 is scheduled to begin on April 3, 2023. A start date for Building #2 will be announced once the generator permit is issued. It will occur after the Building #1 modernization. These dates are subject to change and updates will be sent as they become available.

Reserve Funding - The long-term goal is to have the reserve fund 70% funded and it is 30% funding at this time. The board will continue efforts to fund the reserve to a healthy financial place, thereby ensuring that sufficient funds will be available for projects laid out in the Reserve Study.

New Management - Effective June 1, 2022, East/West Urban Management (EWUM) was hired to manage all day-to-day association business. Jodi Fitzgerald was hired in the role of One-Site Manager and the association is please with her commitment to excellent service. Kiley Nohe is the facility engineer and he has been instrumental in improving building maintenance and reducing costs.

In-Unit Line Jetting - AMS (American Mechanical Systems) has been contracted to supply this service to prevent plumbing issues and is scheduled to be done every 2-3 years.

Security Enhancement - Several security items were completed in 2022 including an OpenPath fob system, five (5) new security cameras in the garage and new vehicle access stickers for the garage.

HVAC Contractor - After review of the contracts in October 2022, a new HVAC contract was secured with King Mechanical to maintain all common plant HVAC systems and perform annual in-unit heat pump maintenance (scheduled for June 2023). The Board is confident that King will provide a true preventative maintenance program and reduce overall HVAC expenses. The association has already experience a saving of \$15,000 for in-unit maintenance alone.

Roofing - Inspection of the roof membrane has been completed and determined to be in good overall condition (The membrane is original to building construction). However, some repairs are needed to the membrane before a protective top-coating can be applied. The repairs will be made in January and the top-coating is expected to be applied in the fall after the elevator project is completed. The protective coating will extend the life span of the of roof by fifteen (15) years.

South Parking Lot - Research. Management and the Board with engineers and vendors in 2002 to determine the best approach to repair the South Parking Lot. The current plan is to have a solution by early Spring 2023 which will allow the concrete to properly cure by winter 2023.

Community Overview - A lot has been done this past year. The Board and management company reviewed the association contracts, vendors, and insurance coverage to ensure all the association needs were being met which resulted in some changes. East/West Urban Management was hired to oversee the operations of the association. The HVAC vendor was changed to King Mechanical. The law firm of Altitude Law which is a long tenured and well respects firm specializing in HOA law now represents the community.

The Board has also met with several insurance agents, along with the current agent to review the entire association policy and ensure the association has the right amount of coverages.

2023....and Beyond -

- Complete elevator project
- Landscape enhancements to the courtyard and front entrance beds
- Flagstone repairs
- New hallway carpet
- New glass front doors.
- Roofing project
- Energy audit
- Improve reserve funding

VII. DIRECTOR ELECTION

Ron Marshall, Kathleen Duggan, and Ted Stolberg were re-elected to the Board of Directors.

VIII. ELEVATOR PROJECT UPDATE

Buck Steed stated that the Building #1 project is expected to start on April 3, 2023. As previously announced, the Building #2 start date of January 15, 2023 is no longer possible due to continued delays

in obtaining a generator permit. A revised start date for Building #2 will be provided as soon as the generator permit is issued. We estimate it will start in June or July after completion of the Building #1 modernization.

IX. RESERVE STUDY

Brian McCaffery of McCaffery & Associates was on hand and explained that a reserve study is a long-term planning tool to project the annual reserve funding needed over the next 30 years to ensure sufficient funds are available to pay for replacement of major building components upon expiration of their estimated useful life. He recommends that a physical analysis of the building take place every three (3) years as a basis for an updated reserve study. Based on the current study, the reserve is underfunded and he recommends a more aggressive funding plan.

X. BUDGET 2023

Budget Ratification

Ted Stolberg provided an overview of the financial performance for 2002 and discussed in detail the concerns of reserve underfunding and unplanned 2022 operating expenses. Ted also presented the 2023 Board-approved budget and \$200,000 special assessment for reserve enhancement. At this time, online voting took place to ratify the proposed 2023 budget and special assessment. Brandon tabulated the votes and announced the 2023 budget and special assessment were ratified as presented. Ted and Buck also presented a 3-year plan to stabilize the operating budget and improve reserve funding based on Brian McCaffery's study. The plan includes a 6.5% increase in annual regular assessments and a \$200,000 annual special assessment to increase reserve funding for the years 2023, 2024 and 2025. The 2024 and 2025 plan will be updated and formally voted on at the each year's annual budget meeting.

XI. HOMEOWNER FORUM

The floor was opened to owner forum and the following items were discussed.

Handicap door access, garage door and communication (welcome) new residents, email forum, consideration of working capital.

Owners were reminded that a holiday party will be held in the Loggia on December 22nd from 5 to 7 pm.

XII. OTHER BUSINESS

A motion was made to write off the amount due from the operating fund to the reserve fund as of December 31, 2022. Such amount is estimated to be approximately \$115,000.00.

Motion by: Ron Marshall Seconded by: Buck Steed

Approved by: Unanimous

XIII. ADJOURNMENT

With no further business to discuss, the meeting was adjourned at 7:18 PM.