

**CENTENNIAL OWNERS' ASSOCIATION  
BOARD OF MANAGERS MEETING  
NOVEMBER 30, 1994**

**MINUTES**

**I. CALL TO ORDER.**

The meeting of the Board of Managers of the Centennial Owners' Association was called to order at 6:35 p.m. at 323 Free Silver Court by Secretary-Treasurer Michael Wampler. Other Board members in attendance were Snowdie Kirkpatrick, Sonya Hoban, Ed Cross, and Martha Braunig. Absent were Marc Huley and Patricia Crawford. It was determined that a quorum was present.

Also attending the meeting were Fred Soyka and Carol Pasternak, Association members, and Mark Erickson and Seymour Sievert of First Choice Properties and Management, Inc., the managing agent.

The minutes of the meeting will be taken by Seymour Sievert.

**II. APPROVAL OF MINUTES.**

It was moved, seconded and unanimously approved to dispense with the reading of the minutes and to approve them as submitted.

**III. HOUSING OFFICE REPORT.**

Dave Tolen and Ken Mayle of the City of Aspen/Pitkin County Housing Office appeared before the Board to discuss capital improvements. Per the Housing Office criteria, one of the factors in arriving at a price when selling a Centennial unit is "the Owner's actual cost of his pro-rata share of capital improvements made to the common elements of the condominium and assessed to the owner by the Unit Owners' Association...."

There has been some confusion at the Centennial in determining an individual owner's share of capital improvements because the Association does not special assess for capital improvements; rather they are paid for out of the reserve fund, which the individual owner contributes to on an ongoing basis. In addition, the reserve fund is used for both capital improvements and replacement expenditures.

Seymour stated that the issue is further complicated in that the Centennial Association historically has not booked the reserve fund as a long-term liability on the Association's balance sheet. Therefore, it can be somewhat difficult to determine an individual unit's particular share of the reserve fund and/or capital improvement. Seymour stated that David Melton, the Association's tax accountant, was preparing a study and opinion letter on the

Association's reserve fund; it is David's belief that the reserve fund is an "asset" of the Association and not of individual owners.

Ken suggested that for a capital improvement, the Association could do a special assessment. Seymour stated that that would be counter to the intent and purpose of the Association's reserve funding. Ken then suggested that if a capital improvement is paid for out of the reserve, determine how much it is, send a letter to the Housing Office, and they will figure out for the individual selling owner. Seymour said this would be workable, as long as it met with David Melton's muster, and was fair and consistent. He added that beginning in 1995, the reserve fund would be on the balance sheet.

#### IV. FINANCIAL REPORT.

Seymour distributed financial statements for the year-to-date ending 11/30/94. He reported that the Association is still under budget; he anticipates a surplus at year end of \$40,000-\$45,000.

The Board discussed the Association's current investment of the replacement fund monies in the Kemper Fund and concluded that perhaps it was too volatile. Upon Fred Soyka's recommendation, the Board asked Seymour to contact the Kemper Fund broker to find out the current yield, obtain a performance history, and investigate possible alternative investments through a bank.

Mark Erickson of First Choice Properties stated that regarding capital and replacement expenditures for 1995, he anticipated sidewalk repair on Brown Lane, additional trees and landscaping (including the "islands"), and perhaps some painting and staining.

#### V. REPAIRS & MAINTENANCE REPORT.

Mark presented the repairs and maintenance report.

A. ALARM SYSTEM. After consideration of liability and risk, and upon Mark's urging, the Board agreed that the alarm system should be monitored. It was moved, seconded and unanimously approved to have First Choice Properties, on behalf of the Association, enter into a contract with Sopris Security to upgrade the alarm system for monitoring and to provide monitoring services.

B. ROOF OVERHANG. The overhang project is in the final stages of completion.

C. DECKS. The deck project has been completed. It was done for \$5,000 under the insurance settlement.

D. WATER HEATERS. Water heaters are beginning to build up with mineral deposits and break down. The Centennial complex is 10

years old, and eight years is generally the maximum life of a water heater with the mineral deposits we have in this area. First Choice Properties will put a notice in the next newsletter regarding water heaters, how to check them, and replacement prices.

#### VI. OLD BUSINESS.

A. WINDOWS. Carol Pasternak appealed to the Board to reconsider having the Association cover window replacement. She read the Bylaws, and feels that even though they do not specifically mention windows, broken window seals should be the Association's responsibility. The declarations only mention outside walls.

A motion was duly made and seconded to authorize the Association to pay for window replacement; it was defeated 4-1.

B. PARKING. The Board discussed whether or not there should be assigned and/or permit parking. Carol Pasternak asked the Board to seriously consider assigned parking, as she has recently experienced two hit and runs. The Board asked First Choice Properties to research the parking issue, investigate alternatives and costs, and report at the next regular Board meeting.

#### VII. NEW BUSINESS.

A. REPLACEMENT STUDY. It was moved, seconded and unanimously approved to have First Choice Properties hire a building engineer to conduct a replacment study to determine if the Association's reserve funds and current funding are adequate.

B. SURPLUS. Regarding the anticipated surplus at 12/31/94, it was moved, seconded and unanimously approved to apply the surplus to 1995 assessments pending the results of the replacement study.

C. BUDGET 1995. Seymour presented a tentative budget for 1995. The Board instructed First Choice Properties to add to the budget the cost for alarm system monitoring. Upon motion duly made, seconded and unanimously carried, the Board approved the budget of \$185,589 for fiscal 1995. Final assessment amounts for 1995, which are contingent upon the 1994 year ending surplus, will be determined upon completion of the replacement study.

D. WILLIAMS RANCH. Williams Ranch, the proposed project which will border the Centennial to the north, is progressing and will likely begin construction in spring of 1995.

E. ASSOCIATION MEETING. The Centennial Owners' Association annual meeting will be held December 7, 1994, at 6:30 p.m. at the Pitkin County Library. The main topics will be the 1994 review, the 1995 budget, and the election of managers.