

**THE SHORES AT THE HIGHLANDS  
BOARD OF DIRECTORS MEETING  
January 8, 2021**

**I. CALL TO ORDER**

Larry Abston called the video conference meeting to order at 4:30 p.m. Derek Guemmer recorded the minutes of this meeting.

**II. ROLL CALL**

Board members Larry Abston, Derek Guemmer and Mike Bauer were present. Representing Basic Property Management was Eric Nicholds.

**III. APPROVE PREVIOUS MEETING MINUTES**

**Motion:** Larry Abston moved to approve the December 30, 2019 Board Meeting minutes as presented. Derek Guemmer seconded and the motion carried.

**IV. 2021 BUDGET AND FINANCIAL/INSURANCE MATTERS**

Prior to inclusion in the Annual Meeting materials distributed in early December 2020, the Board had reviewed and reached consensus on the 2021 Budget. The owners ratified the 2021 Budget at the Annual Meeting on December 28, 2020.

Refer to the minutes to the HOA Annual Meeting held on December 28, 2020 for discussion of 2020 financial results and 2021 Budget considerations. Larry Abston highlighted that there were no major changes to operating activities and no major improvement projects anticipated in 2021. Given the full build out of the 56 units in the community, future service costs would primarily be inflationary.

Larry Abston reported that Basic Property Management was planning to change the banking relationship from Alpine Bank to Alliance Associates during early 2021 for all its managed associations, in part to provide enhanced owner and Board online features. Eric Nicholds indicated that Alliance primarily works with and supports HOAs.

In addition, the CDs totaling \$70,000 entered last year for 12 months at 1.6% have matured and Larry reported that he had instructed BPM to renew and increase the amount invested in CDs to \$95,000 as there is no near-term need for these funds.

Larry Abston reported on a review of the HOA's insurance coverage after the Annual Meeting. In light of the change to the HOA's Second Amended and Restarted Declarations (the "Declarations"; expected to be finalized and filed in early 2021) for owners to be responsible to maintain, repair and insure the driveway they use to access their unit to the point that it connects with the road, the insurance agent recommends we increase Specific Property limits from \$2,500 to \$75,000 to cover (i) the HOA's likely responsibility for driveway easements on HOA common area and (ii) Red Quill Lane. Legal counsel has advised that the HOA would be primarily responsible in instances of overlapping coverage with a homeowner.

Considering the risks associated with the river trail and other common area assets, the insurance agent recommended increasing the Umbrella policy from \$2 million to \$15 million. The agent indicated that this Umbrella coverage is on top of (i) General Liability coverage of \$2 million per occurrence/ \$4 million in aggregate and (ii) the \$2 million per occurrence coverage for Director and Officers. The insurance agent agreed to provide clear plain English written acknowledgement that Specific Property under the insurance policy covers the river trail, driveway easements, Red Quill Lane, trash and recycling building, and other common area assets.

**Motion:** Larry Abston moved for the Board to approve the 2021 Budget, with no changes from the 2021 Budget presented at the Annual Meeting on December 28, 2020 except to increase the budget for (i) insurance costs of \$1,250 for the increased Specific Property insurance and Umbrella coverage described above and (ii) legal costs of \$2,750 to complete the update and filing of the Declarations as well as to update the Bylaws and policies as described below. Mike Bauer seconded and the motion carried.

**Motion:** Larry Abston moved for Basic Property Management to change the banking relationship from Alpine Bank to Alliance Associates during 2021. Derek Guemmer seconded and the motion carried.

**Motion:** Larry Abston motioned that the authorized Alpine Bank signers be modified to include Larry Abston, Derek Guemmer and Mike Bauer. Derek Guemmer seconded and the motion carried.

**Motion:** Larry moved for Board approval for the investment of \$95,000 of HOA cash funds into CDs for a period not exceeding 12 months. Derek Guemmer seconded and the motion carried.

Further discussion was held regarding the future accumulation of cash funds and the purpose of the cash reserves, including the routine maintenance of the trash and recycling building, including periodic painting and cleaning, and the eventual need to do major repair or replacement of Red Quill Lane. Eric Nicholds advised against reducing monthly dues.

## **V. DECLARATIONS, BYLAWS AND POLICIES OF THE HOA**

Larry Abston reviewed the process for distributing a final version of the Second Amended and Restated Declarations (“Declarations”) as discussed at the Annual Meeting. The Board will continue to work with Lindsay Smith and the Declarant to distribute the Declarations to owners for them to submit a formal ballot using a return envelope. The Board expects to mail the Declarations and ballot by mid-January 2021 and upon achieving 67% (39 of our 56 units) affirmative votes will proceed with filing and recording with Summit County. Refer to the minutes to the HOA Annual Meeting held on December 28, 2020 for further information.

Following filing the Declarations, the Board will continue to work with Lindsay Smith in 2021 to update and approve the Bylaws and then update and approve specific policies.

**VI. ELECTION OF OFFICERS**

Larry Abston motioned to approve the Officers as follows:

- Larry Abston – President and Treasurer (Board term expires 2021)
- Mike Bauer – Vice President (Board term expires 2023)
- Derek Guemmer – Secretary (Board term expires 2022)

Mike Bauer seconded and the motion carried.

**VII. OPEN DISCUSSION AND ACTION ITEMS**

Discussion was held on a variety of topics, including follow up on comments from the recently completed Annual Meeting and approach to developing an owner directory.

Additional action items identified included:

1. Tour property in the spring to identify asphalt repairs and exterior staining needs – Basic Property Management.
2. Create and maintain an owner contact list and property map with owner names – Larry Abston and Basic Property Management.
3. Create poster related to recycling protocols (e.g., no bagged recycling, no glass, no plastic packaging or bags, and no food residue items including stained pizza boxes) – Derek Guemmer and Basic Property Management.
4. Create guidelines regarding the use of the Trash and Recycling building for use in rental contracts and for posting in units for reference by renters – Larry Abston, Derek Guemmer and Basic Property Management.
5. Explore having a glass recycling container installed – Larry Abston and Basic Property Management.
6. Monitor and evaluate swallow mitigation needs and solutions – Larry Abston.
7. Identify the property management companies used by owners for short term rentals to understand trash and COVID-19 protocols – TBD.

**VIII. ADJOURNMENT**

**Motion:** Larry Abston moved to adjourn the meeting at 5:15 p.m.

Approved By: \_\_\_\_\_  
Board Member Signature

Date: \_\_\_\_\_