

## RECORD OF PROCEEDINGS

### ASPEN HIGHLANDS VILLAGE - PARKING & LOADING DOCK ASSOCIATION

Held: **Wednesday, December 3, 2008 at 3:00 p.m.**

0197 Prospector Road - Suite 2105

Aspen Highlands Village, Aspen, Colorado

A meeting of the Board of Directors of the AHV-Parking & Loading Dock Association, in the County of Pitkin, State of Colorado, was called to order by President DiMeglio at 3:07 p.m. It was determined that there was a quorum of Directors present. The following people were present:

Judy Budzik, Representative for Building 7, LLC / Aspen Skiing Co.  
Laurie Rech, Secty, & Representative for Wille Residences Condo Assn.  
Nicholas DiMeglio, President, & Condo Association Representative  
Jordan Sarick, Treasurer, & Condo Association Representative  
Katalin Domoszlai, Maroon Creek Station Representative  
Gary L. Beach, Association Manager  
Heather Gosda, Administrator / Recording Secretary  
Michael Kiernan, Operations Manager

Approval of  
Agenda

Mr. Beach added an item to Other Business on the Agenda, which is to discuss board members and officers for the coming year. All Board members have one-year terms. Dir. Sarick moved, and Dir. Budzik seconded, to approve the agenda as amended. The motion passed unanimously by voice vote.

Approval of July 31,  
2008 Meeting  
Minutes

Upon motion made by Dir. Sarick and seconded by Dir. Budzik, the July 31, 2008, meeting minutes as presented to the Board were approved unanimously by voice vote.

Action Item

Pres. DiMeglio suggested that the meeting minutes separately show action items, and offered to submit an example from Ritz Carlton board meeting minutes. Dir. DiMeglio also requested a regular newsletter to the Board members providing an update on the Association's business – he would like to make this an action item.

Discussion of Insurance  
Coverage

Mr. Beach summarized for the Board the challenges faced by both the Association and by Beach Resource Management regarding the liability of packages received and delivered by PLDA staff. Mr. Beach has obtained coverage information from Neil-Garing, the insurance brokerage who currently handles all Association coverages for Beach, and from T. Charles Wilson, an insurance brokerage firm in

Denver with extensive District and Association experience. Neil-Garing has proposed a type of coverage known as Bailees, which provides liability coverage for Beach employees from the moment they receive packages to the moment they deliver packages, and the premium for this type of coverage is an additional \$16,000 over and above the \$12,000 in various insurance premiums already paid by PLDA. T. Charles Wilson has proposed a type of coverage known as Motor Truck Cargo Liability, which has lower premiums (\$5,000/year). Neil-Garing, however, is of the opinion that Motor Truck Cargo insurance is inadequate and will only cover the packages when they are on the electric cart being transported to the recipient. A thorough discussion of the insurance challenges ensued, and although John Neil of Neil-Garing offered to attend this meeting via conference call, the Board chose not to bring John Neil in on the meeting and instead directed management to pursue the Motor Truck Cargo coverage with T. Charles Wilson to determine whether or not it would be adequate coverage. Mr. Beach emphasized that the Parking & Loading Dock Association is a very unique CIOA Association in that the membership in the Association is comprised of other Associations, and that the people to whom packages are delivered are not members of the Association, which limits any hold-harmless insurance provisions and makes liability a greater concern.

Action Item

Mr. Beach stated he would pursue the Motor Truck Cargo coverage with T. Charles Wilson to determine its adequacy. Ms. Gosda noted that the proposed 2009 budget provides for the \$16,000 premium.

Review Proposed  
2009 Budget

President DiMeglio opened the discussion on the proposed 2009 budget by noting the 4.1% increase in assessments (total 2009 assessments equal \$300,557), and asking management about the cost savings that are proposed to offset the \$16,000 increase in insurance. Mr. Beach explained the reduction in salaries and benefits will offset the increase in insurance, noting that the management structure is being changed from one full-time manager, with benefits, as PLDA had in 2008, to a part-time management cost of 5 hours per week at the regular billable rate, plus additional hours for budget preparation. Labor salaries will be changed from 2 full-time laborers to 2.5 full-time laborers, at cost, which will allow for 7-day per week coverage of the loading dock in peak seasons. This re-structuring of management results in a \$20,000 savings in operational costs.

Pres. DiMeglio asked which expense categories might be at risk in the proposed 2009 budget, and Mr. Beach explained that the Repairs & Maintenance category is often unpredictable, and in 2008 there was considerable damage to the garage gates and proximity card readers from people who drive into these items, plus repairs to expensive items like compressors and electrical circuits.

- Action Item                    A thorough discussion on the proposed 2009 budget ensued. The Board directed Management to explore the option of including other properties in Aspen Highlands into the Association, such as Maroon Neighborhood Townhomes and Thunderbowl Townhomes, in order to provide increased revenues to PLDA. The benefit to the townhome owners would be storage and delivery of packages, but this option needs to be considered after the resolution of the liability insurance challenges.
- Motion                         Dir. Sarick moved, and Dir. Budzik seconded, to approve the proposed 2009 budget as presented. The motion passed unanimously by voice vote.
- Approval of Revenue Ruling 70-604  
for 2008                         Mr. Beach reported that per IRS regulations, the Association Board each year must approve a ruling to use the current year's carryover funds for the following reasons: a) lower membership assessments; b) apply to a capital reserve account; or c) refund the assessments back to the membership. In the 2009 budget, management is proposing to use the carryforward to cover costs and to keep assessments as low as possible. If the Association does not formally designate the carryover funds in this way, these funds are subject to taxation by the IRS.
- Motion                         Dir. Sarick moved, and Dir. Budzik seconded, to approve Revenue Ruling 70-604 for 2008. The motion passed unanimously by voice vote.
- Other Business                 Board member and officer nominations Mr. Beach explained that all Board members serve one-year terms, and all are up for election at the upcoming annual membership meeting on December 18. The executive board is comprised of delegates from each of the member Associations: one delegate from Building 7 LLC (SkiCo); one delegate from Maroon Creek Station; one delegate from Wille Residences Condo Association; and two delegates from Aspen Highlands Condo Association – one who represents the commercial portion and one who represents the residential portion. The current officers are Nicholas DiMeglio, President, Jordan Sarick, Treasurer, and Laurie Rech, Secretary. A discussion on this topic ensued, and it was determined that all delegates will nominate themselves to continue to serve their respective Associations, as is provided for in the Association Declaration and Bylaws. Also, the current officers will keep their positions.
- Management fee and Association invoices from Beach Dir. Sarick and Pres. DiMeglio asked Mr. Beach to explain the costs as itemized on invoices from Beach Resource Management to PLDA, particularly the management fee. Mr. Beach stated that Beach bills the dockworker labor at cost (salaries and benefits) and bills supplies and materials purchased with Beach credit cards on behalf of the Association at cost

(no markup). The management fee is approximately 7 to 8% of total expenses – this is shown as a fixed monthly fee on each invoice in the management section. The contractor services portion of the invoice is for outside contractor work on the TrackIt computer system for package deliveries and work on other computers and mechanical systems, as needed. Bookkeeping is billed at Beach’s prevailing bookkeeper and accounting rates, and the audit and tax return are billed as a pass-through from the CPA’s who perform these tasks, also with no markup. A general discussion on the topic ensued. Mr. Beach explained that the prior Board of Directors, because they were the original Board and had no history of costs associated with running the PLDA, requested this detail on the invoices. The Board determined that the extensive cost detail on the Beach invoices is more confusing than helpful.

Motion Dir. Sarick moved to direct Beach Resource Management to remove the cost detail on its monthly invoices to PLDA and to simply show the cost total for each expense category. Dir. Rech seconded the motion and it passed unanimously by voice vote.

Future Meeting The annual membership meeting of the Parking and Loading Dock Association was set for Thursday, December 18, 2008 at noon at 0197 Prospector Road, Suite 2105, Aspen Highlands Village.

Adjournment Dir. Budzik moved to adjourn the meeting at 4:20 pm. Dir. DiMeglio seconded the motion and by voice vote the meeting was adjourned.

The foregoing minutes constitute a true and correct copy of the above-referenced meeting. They have been reviewed and approved by the Board of Directors of the AHV-Parking & Loading Dock Association.

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Gary L. Beach, Association Manager  
AHV-Parking & Loading Dock Association

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Date of Approval

Seal: