

**MARINA PARK  
ANNUAL HOMEOWNERS ASSOCIATION MEETING  
DECEMBER 5, 2009**

**MINUTES**

1. **Call to Order.** The meeting was called to order at 4:12 p.m.
2. **Affirmation of Attendance and Quorum.**
  - A. 7 owners representing 6 units were in attendance either in person or via conference call. In addition 4 proxies were received. Attendance sheets and proxies are on file with the original minutes.

A quorum was established.
  - B. Representing Mountain Managers were Phil Wells, Susan Witkowski, and Judy Freese (via phone).
3. **Introductions.** All attendees were asked to introduce themselves.
4. **Approval of Annual Meeting Minutes from 12/6/08.** A motion was made, seconded and passed to approve the minutes as written.
5. **Repair and Maintenance Report.** Phil Wells read through the report which contained 11 items for the period of 11/08 through 10/09. Only items over \$250 are listed. Items included crack filling, seal coating, and striping; replacing the sump pump in the right hand garage of B7, water restoration due to a leaking black flow preventer that had frozen on the sprinkler system in Building B Hat Shop (this occurred twice); replacing the pump for snow melt and pool; replacing the gasket on the back flow for the sprinkler system on Building B; rebuilding the boiler spare pump; caulking skylight seams and rivets and caulking/sealing around the snow fence on unit C16; disassembling/reassembling treadmill and nautilus pieces; delivering and set up of exercise equipment; and installing two 3" ball valves to the main boiler loop.

Greg and Robbie Waters were thanked for donating exercise equipment. Everything looks great and it's a big improvement.

The ball valves were installed because too much flow was thought to be causing the pump to burn out. The ball valves were to cut flow down so as not to overload the pumps. This seems to be working properly, however it did not correct the boiler problem.

Several problems arose and the mechanical problems continue in the boiler room. In addition, a spring storm last year revealed roof problems. AGR repaired roofs on A and B and was asked to provide a price to do the same on B and C buildings (this would be at HOA expense). AGR has subsequently declined to repair B and C citing liability issues.

Most problems have been related to the sprinkler room and the roof. Each insurance claim results in a \$5,000 deductible expense for the HOA.

The security deposit required by X-Cel (about \$9,000) is due to be refunded next summer.

The hot tub is not compliant with new laws. After looking at this and consulting the insurance company, the tub was taken off line to prevent liability issues from arising. Bringing the hot tub into compliance (if it can be done at all) will be expensive. With painting coming up the Board did not feel that owners should be faced with another assessment.

The sprinkler room has been fixed – one heater was reversed and a second one put in at floor level. The Board feels that the developer should accept some responsibility. In addition, the new upgraded pump that was put in has not solved the problem of tripping breakers. A manufacturer's representative will be coming in to look at the boiler and see if the problem can be diagnosed. The fuse between the pump and the breaker is not blowing but the breaker continues to trip. Until this is resolved, the ice melt system is not functional. Sand and salt are now being used although this was avoided early in the season. The boiler also heats the pool. With the hot tub being shut down, it's important to keep one amenity (the pool). The plan was to heat the pool to about 102 degrees so people could at least have a hot soak. Right now, the pool cannot be brought up to temperature. If improper installation at the beginning turns out to be the problem, it is not known what damage may have been done to the boiler. It is necessary to bring in an expert to determine the cause and cost of repair before asking the developer to pay anything or before consulting an attorney. These problems have been going on for a long time but the complex is relatively new and progress is being made. All this takes time. It becomes more complicated with two developers involved.

6. **Financial Report.**

- A. October Financials were reviewed. Income is under the projected amount due to delinquencies (developers). The balance due was collected on B8 when it sold in November. The other two Bernier units have been lienied along with commercial space A (Michael Bosma). Bernier has promised payment but nothing has been paid to date. As of October, he owes approximately \$8,000 on his unit (A-1) and about \$9,000 on the unsold unit (A3). Late fees and interest are being charged. The HOA will continue to look at options to bring delinquencies in line including foreclosure and small claims court. The costs of foreclosure must not exceed monies returned. Hopefully A3 will sell and the balance due would then be collected at closing and Bernier will make good on his delinquency on A1.

On the expense side, repair and maintenance is over budget (construction issues). Hot tub expense is also over budget (chemicals were purchased prior to the hot tub being shut down – these can be used in the pool). Most other items were under budget and the HOA is \$1,125 under budget on expenses year-to-date even with the big overage in repair and maintenance.

The balance in the checking account was \$7,576.60 and the money market account balance was \$1,195.99. Monies collected on the sale of B8 were spent on the new boiler pump.

- B. 2010 Budget.

Rich noted that when control of the HOA was turned over to the owners in 2007 they inherited a budget that was full of "guesstimates". This is only the 2<sup>nd</sup> full budget that has been done correctly.

2010 should be much more accurate and no dues increase is anticipated. Phil explained that expenses are annualized – 10 months of actuals plus 2 months estimated. Vendors are contacted for their input on anticipated increases.

Trash is based on the current contract (much lower than last year). Repair and maintenance is based on the previous year's actuals but hopefully, it will not be that high again. \$10,000 was spent in 2009 on insurance deductibles – a repeat is not anticipated. The elevator expense cannot be eliminated – the elevator is required. Legal includes tax preparation and the annual report – nothing else.

Total income is projected at \$141,108 and expenses at \$136,884. This results in a cash flow of \$4,224. With \$3,960 expected to go into reserves, the annual net is \$264.

A question was asked on the security system. It was explained that this is the fire alarm system. Two mandatory inspections are required each year. The listing on the repair and maintenance report was for a repair – not normal maintenance.

- C. MCR: Phil explained that the MCR (Reserve Study) is an estimate of anticipated capital expenditures over the next 10 years.

Projects for 2010 include painting all 4 buildings, staining of decks on all 4 buildings, siding repair on all buildings, seal coating and striping, and additional landscaping. Painting bids have come in quite a bit lower than anticipated (about \$30,000) and it is hoped that deck staining and siding will also be lower.

Phil explained the funding and noted that no one is 100% funded. Numbers on the MCR are not written in stone and are used as estimates for planning purposes. The figures used are revised and updated periodically. Funding appears to be short over time and it's important to continue to keep expenses under control. The HOA will need to make some decisions fairly soon on how to adequately fund the reserves. This can be done through increased dues, assessments, or a combination of both. It was noted that there was a 20% dues increase last year and owners are concerned about dues going too high. Eric Gill did a dues comparison study and found that Marina Park came out somewhere in the middle with some other HOA's having higher dues and some lower.

Painting every 5 years is the biggest expense. If this can be covered, other expenses are not too bad. Discussion on painting took place and included whether or not to do all buildings at once or two at a time. Painting of C & D was deferred last year in order to get all buildings on the same paint cycle. This not only preserves uniformity but is actually cheaper in the long run. Deferring all painting for another year was also brought up. This can cause serious problems with siding, etc. and will increase cost.

Assessing half of the painting cost and using reserves for the other half was talked about. This would totally deplete reserves which is never a good idea. Currently there is not enough money in the account to cover the insurance deductible if another claim is filed.

Lance stated that he was upset that he (and other owners) had no voice in the painting decision. This was a Board decision following much discussion and research. With different vintages of paint and different ages of the buildings it was felt that it would be advantageous to do all buildings now and keep everything on the same paint cycle. Phil noted that even if painting is put off for 3 years an assessment would still be needed. Painting has already been deferred and needs to be done to protect the buildings.

Other big expenses were talked about. Roof replacement does not appear on the MCR (too far out at this time). Replacing the hot tub was also brought up.

As assessment can be done simply to build reserves. This money would be used for painting and whatever else is necessary. The reserves do not need to be 100% funded but Phil would like to see \$20,000 to \$30,000 in the account to cover contingencies. Currently, expenses are eating up reserves. Having no reserves can impact sales. Lenders are looking much more closely at reserve funding and any upcoming assessments that are due to insufficient reserves.

More discussion ensued on assessments and painting. Phil noted there is still some time before a final decision must be made. The X-cel return of deposit should happen in early spring and hopefully, Bernier/Bosma will bring their accounts current. The plan was to paint in September – no contract has been awarded or signed yet. Phil suggested tabling the painting/assessment and holding another HOA meeting in June. In the meantime, owners should plan on some type of assessment (for painting and/or building reserves).

Jim Buckler would like to see a spreadsheet showing what would be needed to create \$20,000 to \$30,000 in reserves. It was suggested that a staged deposit/assessment for reserves could be done but it needs to be started soon. It was noted that doing more than one assessment is harder on owners. It would be difficult to borrow twice to pay two different assessments. It was also asked that whatever assessment is decided on, it needs to be clearly stated that the money is for the reserve fund and is not to be spent on other things. Phil said that the Board has been actively cutting expenses, not spending.

Lance mentioned that only 2 board members out of 5 were in attendance. Rich acknowledged this, told Lance that Zeke was out of town and had provided his proxy to Rich. He also stated he is a homeowner first and a board member second. Lance wants more communication with owners.

In summary, items that need to be looked at include painting, boiler update/estimate (this will hopefully be fixed soon since it's essential to have the ice melt system working and the pool up to temperature), and what to do with the pool/hot tub. (Note: As of December 24, 2009, the ice melt and pool were working properly.)

At their next meeting, the Board would like to see exactly what is needed to achieve 40% funding on the MCR. They would also like the MCR numbers updated and if there are any additional items, these should be added. Phil stated he could play with the numbers and let the Board know what the least amount needed is to keep the HOA on the positive side. Any assessment depends on several factors. Phil will be going on the assumption of a \$30,000 starting balance and also noted that there are some routine maintenance items that do not need to be on the MCR. This will be narrowed to major items and prioritized with non-priority items (landscape/trees, hallway art) being moved to future years if necessary.

A motion was made, seconded, and passed to approve the 2010 operations budget.

7. **Old Business.**

- A. The pool/hot tub/fire pit options were brought up. Phil noted that a federally compliant tub would cost about \$10,000. However, this would be another residential tub; a commercial grade tub would cost about \$35,000.
- B. Robbie suggested the hot tub be locked and keys provided to owners only. She feels renters are more inclined to “trash” the tub. It was noted that owners have a right to rent their units with hot tub use included. The hot tub was closed due to non compliance issues with new laws. This is not just the drain problem. Not enough water is going through the filter and this is the main reason the tub looked so bad most of the time. It is also possible that the current tub may not be able to be brought into compliance. The hot tub is on common area and cannot be restricted to “owners only”. In any case, the liability issue for use of a non compliant tub is not worth the risk.

8. **New Business.**

- A. Painting assessment – discussed earlier. A motion was made, seconded, and passed to hold another HOA meeting once more information is obtained. (date to be set later in the meeting).
- B. Owner input at Board Meetings: Lance began the discussion by stating that when the HOA was first formed he decided not to be on the Board provided he would be able to participate and give his input. When owners were limited to a 10 minute owner forum he was very upset. The Board stated they were simply trying to make sure that Board business could be conducted efficiently and in a timely manner. Lance understands but feels that with dues going up, the loss of amenities, lack of reserve funds, upcoming assessments, etc. owners should have some say in any decisions made. He stated that he does not feel owners are causing any “efficiency” problems at Board meetings. Rich said that it was not the Board’s intention to cause friction. The Board tries to be open, owners are always welcome to attend meetings, and owner input is encouraged. He also noted that it is sometimes difficult for the Board to remain on track and stick to agenda topics when there are interruptions.

Phil noted that the owner forum/time limits are not in accordance with CCIOA. Phil and Rich will make sure the HOA is complying with all governing documents and amend the Bylaws as necessary. The agenda for Board meetings is published in advance of the meetings and owners can contact Board members with any comments, additional topics for discussion, etc. Painting and hot tub issues have been discussed at several meetings and minutes are posted on line and e-mailed to all owners. This is not a question of “them versus us” but simply an attempt to keep meetings down to a reasonable time and to effectively conduct the business of the Association. It is not the Board’s intention to cut off owner input. Lance still feels that owners do not have enough voice and communications need to be improved. All owners are welcome to e-mail, call, or visit Board members when they have something to discuss. At Board meetings, the agenda needs to be adhered to – it’s not feasible to discuss non agenda items at all meetings. Lance was not completely satisfied but said he understood the Board’s position.

- C. As a point of information, one owner noted that a complex in Breckenridge has succeeded in amending their Declaration to exclude all short term rentals. Should this issue ever come up, it is definitely not something that would be recommended at Marina Park.
- D. The new parking sign is being ignored by some people. This is difficult to enforce but owners who notice habitual violators should inform Mountain Managers.

9. **Election of Officers.** There were two vacancies on the Board each for a two year term. The terms for Rich Rutledge and Zeke Gazett were expiring and both agreed to run for re-election. Nominations were open and Lance expressed an interest in being on the Board. In addition, Lina Lesmes indicated on her attendance/proxy form that she would like to run. No further nominations were forthcoming. A secret ballot was conducted and Lance and Rich were elected to the Board. Current Board members are:

Rich Rutledge	Term expires 2011
Phil Abston	Term expires 2010 (filling remainder of Ron Melgren's term)
George Schock	Term expires 2010
Jim Buckler	Term expires 2010
Lance Haeberle	Term expires 2011

A brief executive session was held by the Board after the meeting to determine officers. Rich was appointed President, Jim will serve as Secretary/Treasurer, and Lance is a Member at Large.

10. **The Next HOA Meeting** was scheduled for Saturday, June 5, 2010, 4:00 p.m. at Mountain Managers (special HOA meeting to discuss painting assessment, etc.)

A Board meeting was scheduled for March 5, 2010 at 3:00 p.m. (It was subsequently found that Mountain Managers has another meeting scheduled for this date and time. The Board will be asked to reschedule.)

10. **Adjournment.** There being no further business, the meeting was adjourned at 6:45 p.m.

Respectfully submitted: Judy Freese, Recording Secretary

**APPROVED FOR DISTRIBUTION:**

Approved via e-mail

12-27-09

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Rich Rutledge, President

Date