

**MARINA PARK
BOARD MEETING
OCTOBER 30, 2009**

MINUTES

1. **Call to Order.** The meeting was called to order at 3:10 p.m.
2. **Affirmation of Attendance and Quorum.**
 - A. Board members in attendance either in person or via conference call were Rich Rutledge, Zeke Gazett, George Schock, and Phil Abston.

A quorum was established.

Also in attendance either in person or via conference call were owners Lina Lesmes (B12) and Mary Ann (B11).
 - B. Representing Mountain Managers were Phil Wells, Susan Witkowski, and Judy Freese (via conference call).
3. **Owner Forum.** It was noted that all owners are welcome to submit agenda items/comments prior to the meeting. Otherwise, the time limit is 10 minutes. Owners did not wish to comment at this time.
4. **Approval of Minutes from the 7/31/09 Board Meeting.** A motion was made, seconded, and passed to approve the minutes as written.
5. **Repair and Maintenance Report** was reviewed by Phil Wells. Items included purchase of a fuel tank for the common area grill, installation of two 3" ball valves to main boiler loop, shut down of hot tub and draining the lines, installation of exterior parking sign, caulking seams and rivets at skylight of C-16, disassembly/reassembly of treadmill and 2 nautilus pieces, and delivery/setup of exercise equipment.
6. **Financials.**
 - A. September financials were reviewed along with the year-to-date numbers. On the income side, the dues amount was short due to the Bernier/Bosma delinquencies. Phil Wells noted that \$9,141.66 had come in subsequent to the preparation of these financials. Unit B-8 sold. \$1923 was collected from the new owner (reserves). \$7,000 was collected from Bernier in back dues. With these payments, the HOA is now ahead of budget year-to-date.

On the expense side, utilities were under budget by \$6,061. Repair and Maintenance was over budget by \$8,575 (replacement of back flow preventer, relief valve, gasket, installation of ball valves). The ball valves will cut the pressure down and regulate the flow which should keep the pump from failing. Questions were asked on whether or not the HOA stood a chance of recovering any monies on the back flow preventer. Phil Wells noted that a letter had been received from an attorney representing Mid Century – they are working on pursuing reimbursement from the developer.

The balance in the checking account was \$6,466.06 and the money market account balance was \$1,195.90. These balances do not reflect the additional funds noted above.

- B. 2010 Budget was reviewed. Income is projected at \$141,108. Expenses are based primarily on last year's actuals plus any anticipated/estimated increases. Phil Wells noted that insurance is still being negotiated and it is hoped that any increase will be closer to 5% than the 7% budgeted. Repair and Maintenance is based on actuals but hopefully, it won't be this high in 2010. Many problem areas have been identified and solved so repairs should not be as excessive. The HOA should be back to some kind of normalcy in the repair/maintenance department. Any overage in this line item can be put into reserves at the end of the year.

Total expenses are projected at \$138,502 leaving a cash flow of \$2,606. This falls short of the \$10,000 annual contribution to reserves. If the repair and maintenance is kept down, the Association could come close to the \$10,000 mark. It was also noted that outstanding dues money is not reflected. The HOA should see this money, but it's not yet there to spend. There is approximately \$16,000 still outstanding and late fees are being charged. It was noted that since the hot tub has been closed, the \$1,368 allocated for hot tub expense can go into reserves. The line item for the hot tub will be removed from the 2010 budget. Questions were asked on whether the pool should be kept open. It's important to keep one amenity open for both owners and renters. The pool will be heated to 102 degrees to offset the loss of the hot tub. A survey was done last year and keeping the pool up and running does not cost that much. With the hot tub gone permanently, the pool will be retained.

- C. MCR: Projects for 2010 were looked at. All four buildings are scheduled to be painted at a cost of \$90,000 to \$100,000. Siding repair (in conjunction with painting) is budgeted for \$6,000. Also scheduled is deck staining (\$12,000) and asphalt seal coat/stripe (\$1,728). A new hot tub cover (\$599) will not be needed however, this is probably about what it will cost to remove the tub and repair the resulting hole. \$2,000 is also budgeted for landscaping.

Painting should not be put off. This has been discussed over the past two years and it was previously decided that it was not a good idea to do one building at a time. It's far more cost effective to do all buildings at once and this will also ensure uniformity. It's very important to keep all buildings looking good and on the same paint cycle. Deferring painting any more can cause potential siding problems, the need for more paint for proper coverage, etc. At last year's annual meeting owners were warned that a special assessment would be forthcoming to cover painting costs. Dues were raised 20% to help defray costs. Further dues increases/assessments were discussed. Phil Wells cautioned that even with a painting assessment now, without a dues increase additional assessments will be necessary to cover capital expenses. He also stated that sales can be affected by not putting enough money into reserves - Lenders are looking more closely at this. Zeke stated that dues are too high and also hurt sales. You need to be able to show buyers that dues payments aren't any more than what you'd pay on your own (cable, repair and

maintenance, etc). Eric Gill did a study which showed that Marina Park's dues are not out of line when compared to what owners would spend on their own. Rich said a common line needs to be found where dues are kept reasonable but there is enough money to cover day-to-day operating expenses and funding is adequate to pay for upcoming capital projects. If this is not done, there is no way to prevent heavy assessments. The 2010 budget was prepared without a dues increase since a large increase was done last year. When painting rolls around again (6 years) the HOA will be considerably short of the necessary funds.

After much discussion, it was decided that due to the dues increase last year and the bad economy, no dues increase would be budgeted for this year. Owners must be aware that they will have 7-8 months to save up enough money to pay for the painting assessment. This will be discussed at the upcoming annual meeting. Increasing the assessment to build reserves was also suggested.

Zeke noted that there are some areas where painting costs could be reduced. If much of the detailed cutting is eliminated, the cost will go down. He also stated that this will not be noticed and the buildings will still look good. Paint colors need to be selected. Zeke pointed out that the red color currently being used really fades out and he recommended changing colors. The darker colors will hold more pigment and not fade so much. Any change in color will have to go with the existing red windows. Rich asked if a color palette could be available for the annual meeting. Zeke can get a couple of color scheme options by that time. Bids will be obtained (using current colors) prior to the meeting so a good idea of cost/assessment will be available for owners. Phil Wells will also speak to Dr. Bernier and see what the status is on payment of delinquent dues. Any monies coming in will help offset painting costs.

D. Bernier/Bosma delinquencies – discussed earlier in the meeting.

7. **Old Business.**

- A. Elevator: It was explained that code required a working elevator for the deed restricted units. The HOA has no option but to maintain the elevator.
- B. Painting: - discussed previously.
- C. Hot tub removal: There were 3 owners who asked the Board's permission to retain the hot tub providing they paid for the electricity and all maintenance. When the tub could no longer be used, these 3 owners would personally remove it. Several problems with this proposal were noted. The hot tub is on common area – Zeke stated they would lock the tub and sign any waivers necessary. Liability issues were brought up. The tub is right next to the pool and is highly visible to all. If someone broke into the tub and was injured or drowned, the HOA could be sued regardless of trespassing issues. It was pointed out that it would be the HOA's insurance that would be affected, not the owners. It was also stated that the tub was shut down because it was not compliant with new laws. Rich said there would

have to be a clear separation (i.e. could the HOA sell the tub to someone). This probably would not be possible due to the fact that it's a common amenity situated on a common element. Zeke asked if that small section could be deeded to his unit. This would probably require an attorney's opinion. George said he didn't believe this would relieve the HOA of all responsibility. Reversing the Board's decision to shut down the tub was suggested as the easiest/least expensive way to resolve the issue. This would again raise liability issues. The tub is non-compliant and there is a good possibility that it cannot be made compliant (that's the reason it was shut down). If the tub remains open after it is known that it is non compliant, major liability issues come into play. The Board would be open to suggestions and revisiting the issue if Zeke's group can show the Board how they can make it work. After further discussion, a motion was made, seconded, and passed to keep the hot tub closed until such time as the Board is shown that another solution would not put the HOA in jeopardy.

Zeke then asked if he could extend his deck to accommodate a private hot tub. The Board explained that plans would need to be submitted and the Declaration will have to be checked to see if there are any limitations on deck expansions. Mountain Managers will review the Decs and let the Board know their findings.

- D. Building B sprinkler system room: AGR has reversed the heater so it blows down instead of up. The room is now staying well above freezing. AGR has also said they will replace the door with an insulated one or they will insulate the current door. The heater and door seem to be the main reasons for freeze issues but Phil stated a small heater is still needed at the bottom of the room.

8. **New Business.**

- A. Estimate for stonework: Adolfo had notice some problems and Mountain Managers obtained a bid for repairs in the amount of \$2,395. Phil Wells has looked at the stone and noted that there are a couple of bad places but most is fine. Zeke stated it was mostly the caps that needed work and felt he could do better than the current bid. The repairs can be deferred but Phil Wells recommended setting aside a set amount each year for any needed repairs. It's too late to do anything this year and it was suggested that the assessment be increased to cover stonework repairs.

Phil Wells explained that from an insurance standpoint, it's very important to make sure any contractor working on site is properly insured and that the HOA and Mountain Managers are named as additionally insured.

- B. Boiler pump replacement for pool and ice melt system: A bid was obtained from Countywide Plumbing in the amount of \$4,750.00. Zeke asked if any other bids were obtained. Phil explained that Countywide is reliable and does good work. It was also noted that Countywide is aware of Marina Park's position and provided a bid that is just about as cost. The pump replacement needs to be done as soon as possible before any more heavy snows. The pump can be done next week if it is still in stock. The Board approved moving forward with replacing the pump.

It was also mentioned that the pool must remain covered when not in use to maintain heat.

- C. Zeke noted that because his unit is near the pool he hears just about everything that goes on in the area. He wanted to let Phil Wells know that Mountain Managers' employees had been observed in the area on weekends (as many as 3 trucks have been seen). Employees seem to talk on their phones (loudly) and talk to each other before leaving. Since there isn't much being done on the pool or hot tub, Zeke wondered what the employees were doing in the area. Phil Wells thanked Zeke for letting him know and stated that "spot checks" would be initiated at Marina Park. He also told the Board that he has initiated a new policy – "No Noise Sundays". All employees have been asked to refrain from using snow blowers, mowers, etc. on Sundays. This does not mean that they won't continue to work – just that they should be seen and not heard. Snow blowers may be an exception.

Zeke asked about snowplowing and stated that the plow company is plowing early in the morning before most people have left the parking lot. If they could plow later the lot would be mostly empty. Mountain Managers will contact Columbine and ask for a later plow time.

- D. Open Board Positions: There are two terms expiring this year (Zeke and Rich). Both are willing to run for re-election. Whether or not Zeke would have a conflict as both a board member and a prospective paint contractor was discussed. It was pointed out that if Zeke is awarded the paint job, he would be paid as a contractor, not as a Board member. There should be no problem as long as Zeke does not vote on bids and does not see other bids before his is submitted. Zeke does not have a problem with a "blind" bid process.
- E. A question arose about who changes the clock when the time changes due to daylight savings. There hasn't been a problem in the past so it may change automatically. It was suggested that Terry be asked since they installed the clock. Terry still has some things to do on the roof and is still in the area. Repair and maintenance of the clock is not currently on the MCR and will be added.
9. **Schedule Next Board Meeting.** The date for the next Board meeting will be determined after the annual meeting on 12/5/09.
10. **Adjournment.** There being no further business, the meeting was adjourned at 4:45 p.m.

Signed:

Approved via e-mail

11/15/09

Rich Rutledge, President

Date

Judy Freese, Recording Secretary

Date

