

**MARINA PARK
BOARD MEETING
JULY 31, 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, and Jim Buckler.

A quorum was established.

Also in attendance either in person or via conference call were owners Lina Lesmes, Mary Lynn Manning, Phil Abston, Jeremiah Floyd, John Welsh and Mark Lunny. Attorney Tony Mello arrived later in the meeting (friend of Phil Abston).
 - B. Representing Mountain Managers were Eric Gill, Susan Witkowski, and Judy Freese (via conference call).

At this time, the Board resolved to proceed with the appointment of another Board member to fill the remaining term of Ron Melgren (sold unit). Ron's term expires in 2010. Lina Lesmes, Phil Abston, and Jeremiah Floyd all expressed interest in serving on the Board. Each spoke briefly giving their reasons for wanting to serve on the Board, qualifications, time in residence, etc. All were thanked for their interest and it was pointed out that Board meetings are open and if not elected it was hoped that they would still continue to maintain their interest and participation in HOA affairs. The Board went into executive session to discuss the candidates and make their decision. Attendees were asked to briefly leave the conference room and participants via conference call were asked to hang up and call back in a few minutes. The Board discussed each candidate, their experience, qualifications, past interest, etc. and thought that Phil Abston would be the best fit at this time. Phil was unanimously appointed to the Board.

Eric took this opportunity to let the Board members know that he had sold Mountain Managers to Phil and Connie Wells. He noted that he will be around for at least 30 more days to help with the transition and thereafter will only be as far away as Evergreen. The Board thanked Eric for all he's done and stated that Mountain Managers was a very well run company. Phil Wells told the Board that he has both property management and construction experience and has also run his own large landscaping business (serving HOA's only). He's used to dealing with Boards and is looking forward to working with everyone. He asked the Board to contact him if they see anything that's not getting done, etc. Mountain Managers' core staff will remain the same so the transition should be a smooth one.

The meeting reconvened and the candidates were informed of the Board's decision. The unselected candidates were thanked for their interest and told they were welcome at any time. Eric informed the rest of the attendees about the sale of the company and assured everyone that all the bases would be covered as far as HOA management.

3. **Approval of Minutes from the 4/3/09 Board Meeting.** A motion was made, seconded, and passed to approve the minutes as written.

4. **Repair and Maintenance Report** was reviewed by Eric Gill. He noted that the top three items were from the last Board meeting; the bottom three were other items over \$250. There was an error on one item – Unit A2 was listed as being liened. This should be unit A3. The building B sprinkler system repairs and boiler work will be talked about later in the meeting.

5. **Financials.**

- A. June financials were reviewed along with the year-to-date numbers. It was noted that utilities were under budget (over at the last meeting) so it looks like the budget numbers are good for this line item. Repair and Maintenance is substantially over budget (\$9,336) due to B building sprinkler repairs and pump repairs. This single line item is killing the budget. Insurance has covered a lot of expense but the HOA has still spent a lot of money on these items. Hot tub expense was over budget due to the purchase of a new hot tub cover. With the exception of the Repair and Maintenance costs, the Association's numbers don't look too bad.

The balance in the checking account was \$425.27 and the money market account balance was \$2,045.54.

Delinquencies were discussed. Eric left a message for Dr. Bernier and received a voice mail message in return. Dr. Bernier apologized for the delay but promised a \$10,000 payment by 8/15/09. It appears that one of the units is close to being under contract. Eric noted that there is a lien on the unit which will not be released until the account is brought current. Eric was asked if all the units were liened together or separately. They are separate liens and cannot be sold with a release of the lien.

The HOA is not currently in a good financial position. Dr. Bernier's delinquencies were detailed on an attachment to the meeting packet. If these accounts are brought current, the HOA will be in much better shape. All delinquencies continue to be charged late fees and interest. Eric also noted that the HOA will be getting about \$9,500 back from the X-Cel deposit next July. This will come automatically.

6. **Old Business.**

- A. Amenity survey. A survey was sent to all owners asking what they would like to do with the pool and hot tub. 8 responses were received. All had different comments but the one common thread seemed to be to get rid of the hot tub either right away or when it "died". The hot tub is functional right now. If there are any major repairs needed, these will not be done since it is definitely not worth the money. Compliance issues were brought up. Eric noted that this is a residential hot tub being used in a commercial setting. It may not be possible to bring a residential tub into compliance. Maximum Comfort has been asked to provide a report on all of Mountain Managers' HOA's with pools/hot tubs. The report will state exactly what needs to be done to bring pools/hot tubs into compliance and the associated cost. To date, no report has been received since Shannon is seriously back logged. It was noted that the pool will need to have something done to bring it into compliance and this will probably cost a couple of thousand dollars.

A motion was made, seconded, and passed to do away with the hot tub as quickly and cheaply as possible. Action on the pool was tabled.

After more discussion, the above motion was amended to obtain an evaluation on removal and repair of the hole that will be left after the hot tub is removed. It may be better to wait until the building is due for painting so any needed repairs can be done at that time. In any case, the tub will be shut down pending cost evaluation to remove.

It was noted that a grill was left in the pool area that is not in working condition and does not have a propane tank. A motion was made, seconded, and passed to toss it in the dumpster.

The Board thanked Greg and Robbie Waters (A7) for their contributions to the recreation/exercise room (Nautilus equipment). It looks great and is a major improvement over what was there before.

- B. Appointment of new Board member – accomplished earlier in the meeting.
- C. Elevator shut down. Based on a prior decision to save \$2,000 per year and shut down the elevator (all affected owners previously agreed), Eric called to cancel the maintenance agreement and found that the contract runs through September 5, 2010. Written notice must be received 90 days prior to the termination date. Lina (new owner of B12) stated that she was told the building code requires the elevator for handicap access. Mary Lynn (B10) noted that the units are not handicap accessible and as far as she is concerned, the elevator could be shut down. Lina said she purchased the unit knowing the elevator was there and objects to shutting it down. It was explained that due to the Association's tenuous financial position, it would help not to have to pay for the annual maintenance agreement (\$2,000). If all owners agree, the elevator would be shut down to save money. Lina was not willing to give permission to shut down the elevator. Other owners asked if the cost of running the elevator could be allocated only to those owners who have access. Eric explained that the developer classified the elevator as a common element which means all owners share equally in the expense, but the Board will continue to investigate removing elevator expense from the complex as a whole. Eric will call Janine regarding code, etc. and check to see if we are on solid legal ground should the decision be made to shut down the elevator.
- D. Eric noted that Mountain Maintenance will be re-striping in the near future (under warranty). Notices will be posted before work begins.

7. **New Business.**

- A. Dues comparison. Eric reviewed other complexes with 2 bedroom/2 bath units and small recreational facilities. Marina Park was listed at \$503 and this is apparently incorrect (a 2 bed/2 bath should be higher). In any case, Marina Park's dues payments cover more than other comparable complexes (including cable) and the current dues structure is not out of line. Phil noted that he has been consistently worried about the high dues but after looking at what's covered and what the costs would be if he paid for each item separately, he does not feel that the dues is that high. His main concern now is that future additional expenses could result in higher dues payments and assessments. Expenses need to be cut wherever possible and big projects planned for.

(NOTE: at this time, Tony Mello, attorney and friend of Phil Abston arrived at the meeting and was introduced.)

It was noted that at the last annual meeting painting of the buildings was talked about (\$100,000). Dues were increased 20% at that time to build up reserves. The remainder of the painting cost will be done by special assessment. This was all discussed and approved at the annual meeting. Owners were informed that the assessment would be forthcoming and were advised to plan for it. Questions were raised on whether or not painting of all buildings is necessary. It's been put off about as far as possible and needs to be done in order to protect the buildings and property values. Eric pointed out that one of Mountain Managers other HOA's put off painting for far longer than they should and are now faced with a lot of siding repair/replacement. It had been previously decided to have all buildings on the same paint cycle. Painting has been a major topic of discussion for the Board and decisions have been made based on what's best for the HOA. Eric pointed out that further discussion should take place at the fall Board meeting when the budget is prepared.

- B. An estimate for window cleaning was received from Gore Range. It's a great price but with money so tight, it was decided to table this decision pending receipt of monies from Dr. Bernier. This can be discussed again at the next Board meeting.
- C. Pool/hot tub plans – discussed earlier in the meeting.
- D. Sprinkler room: Eric gave a history on what has happened. The B building sprinkler room has experienced problems 4 times since 2007. The first time was in December of 2007. The pressure relief valve (back flow preventer) cracked and discharged. The valve was fixed. It was caught early and damage was not too severe. The same thing happened in January of 2008. This was much worse. The valve was again fixed and in addition, Western States installed a drain pipe below the pressure relief valve so that if it discharges again, water will drain out the door. In addition, CFC tiled the entire room. Unfortunately, it happened again in December of 2008 and again 2 weeks later in January 2009. All parties were called and went over to look at the sprinkler room. Eric specifically asked that someone figure out what the problem was and get it fixed. Eric had already put a thermostat/monitor 6" from the floor and another up towards the ceiling. There was a 100 degree difference between the two areas. The air is not circulating properly, 2 walls are not insulated, and freezing occurs. There may be some solutions (heat tape around valves/pipes, ceiling fan, floor heater) but the HOA does not feel they should make any changes at its own expense. Farmers Insurance still had the 1st claim open and sent all information to their attorney. The HOA's attorney has also been consulted but outside of one letter, not too much has been done. Rich has been in contact with the attorney. Eric explained that the same problem will happen again this winter but he doesn't want to touch the room until an insurance settlement is reached. The HOA is already out the \$5,000 deductible on each claim (2 have been submitted). The HOA's attorney needs to really push this issue so a resolution can be found before more problems occur.
- E. Roof ridge vents. Eric explained that these are on Terry's punch list and will be taken care of on A and B buildings (these are the buildings they are responsible for). Terry will also do C and D buildings but that will be at HOA expense.

- F. Work out room – discussed earlier.
- G. Plants and trees are budgeted for \$2,000 in 2009. The front sprinkler system looks good. Wildflower seeds had been planted but were raked out (thought they were weeds). Staff now knows how to care for. The drip system is not working and it was noted that the Willow tree is not looking very good. It was explained that the tree was transplanted, is stressed, but will be OK. Jeremiah was thanked for the great job he's been doing. There could still be additional plants/trees added, but what has been planted looks really good and many things will come back each year filling in more and more. The corner by the drive is just rock and dirt and it would look great to wrap grass around the building. Phil Wells volunteered to work with the landscapers – he has lots of experience in this department. Spending of the \$2,000 in 2009 was tabled at the last meeting. Any decision will be held off until the Board hears what Mike with County Wide Plumbing & Heating has to say about the pumps and boilers.

Mark noted that there are some major expenses coming up and not much money to do the projects. He asked about getting more people into the HOA (power in numbers). Eric noted that you can't get others into the HOA but there are bulk agreements in place for trash, insurance, etc. There isn't a lot in the budget that's negotiable. The Board and Mountain Managers have been working diligently to cut costs wherever possible. Mark stated he would rather see assessments for major projects.

- H. There are real estate signs that are not in compliance with the Rules and Regulations which state, "...one sign not greater than two square feet in area and approved by the ARC may be used by an owner in connection with the sale of his or her unit. Such signs shall only be placed in a window and at any other suitable location as determined by the ARC. Letters will be sent when necessary.
- I. Exterior parking spaces are being used by owners on a permanent basis especially during peak times and holidays. These parking spaces are for everybody and the Rules and Regulations specifically prohibit owners from using these spaces as permanent parking. The Rules state, "All owners/tenants/guests must use their garage/carport as their primary parking space(s). The exterior spaces on the west side are for overflow use only. If owners/tenants/guests occasionally need a temporary exterior space, the overflow spaces may be used for a period of time not to exceed 48 hours. Exterior spaces may not be used for permanent parking or storage of vehicles. No parking is permitted in front of garages." Suggestions for a possible sign will be sent to the Board. The sign could state that parking is for Marina Park owners and guests – 48 hour limit – Violators towed at owner's expense.
- J. Mike with County Wide Plumbing & Heating talked about the boiler issues. The HOA is spending quite a bit of money on pumps. Apparently the manufacturer failed to notify anyone that there needs to be a ball valve installed to keep pumps from spinning (free wheeling). The boiler is eating up pumps and new pumps are fairly expensive (\$4,500). Currently, pumps are being rebuilt but this is not addressing the problem. Mike explained that there is no problem with pump size – they are sized correctly. He also noted that the pumps run half to two-thirds of the time only to heat the pool. The HOA could save a substantial amount of money with a high efficiency boiler for the pool only. If the HOA is considering doing away with the pool, then this is obviously not a viable option.

Whatever is decided, the ball valves need to be installed if the current boilers/pumps are retained. After much discussion, a motion was made, seconded, and passed to go ahead with 2 ball valves and not do a new pump at this time. It was also explained that lead time on pumps can be as much as 3 weeks. Eric stated that's why you always want one extra on hand. For the time being, rebuilt pumps will continue to be used and ball valves installed. Hopefully, this will work since the alternatives will cost money the HOA does not have.

- K. Other decisions: After listening to County Wide, motions were made, seconded, and passed to eliminate window cleaning and additional plants for 2009.
- L. Agendas for future meetings were discussed with regards to owners participating in the meeting. While owners are welcome at any meeting and their input is needed, the Board needs to be able to conduct business in a timely manner. For the next meeting, the agenda will allow for a 10 minute owner forum early in the meeting and again towards the end. Owner discussion will be limited to these two time frames and not during the meeting.

8. **Schedule Next Board Meeting.** The next Board meeting will be Friday, October 30, 2009, 3:00 p.m. at Mountain Managers.

9. **Adjournment.** There being no further business, the meeting was adjourned at 5:45 p.m.

Signed:

Approved for distribution via e-mail

8-18-09

Rich Rutledge, President

Date

Judy Freese, Recording Secretary

Date