

**MARINA PARK
ANNUAL HOMEOWNERS ASSOCIATION MEETING
DECEMBER 4, 2010**

MINUTES

1. **Call to Order.** The meeting was called to order at 4:05 p.m.
2. **Affirmation of Attendance and Quorum.**
 - A. 9 owners representing 8 units were in attendance either in person or via conference call. In addition 6 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 and Judy Freese (via phone).
3. **Introductions.** All attendees were asked to introduce themselves.
4. **Approval of 6/5/10 HOA Meeting Minutes.** 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 5/10 through 10/10. Only items over \$500 are listed. Items included legal services (these have been reimbursed), staining/painting of the buildings, seal coating/crack filling and striping, repair of leaking sprinkler heads in B6 and commercial A, sprinkler system testing and certification, exterior window washing, annual sprinkler system check and recharging of fire extinguishers, and rebuilding pumps for the boiler system. These will be kept on hand and used as back up if needed.

The painting turned out very well and the cost was much lower than it was previously. Several bids were obtained and the selected contractor proved to be efficient and effective.
6. **Financial Report.**
 - A. October Financials were reviewed. Year-to-date income is ahead of the projected amount due to 3 months reserves collected when a unit sold, collection of late fees, the special assessment, etc.

Rich noted that after a lengthy struggle with the developer, the HOA has finally collected and is back on track with some breathing room. Overall, the Association is \$2,690 under budget year-to-date on expenses. There is money in the reserve account and the financial picture is looking good. It's important to keep on the way we're going.

The balance in the checking account was \$22,825.59 and the money market account balance was \$60,071.06.

Utilities were over budget. This has been the same with all HOA's and it appears utilities may have been underestimated. There is a bigger increase budgeted for next year. Cable was under budget and repair and maintenance was substantially under budget (\$7,948). Roof snow was over budget as was the pool. Pool expenses were up due to draining and power washing in an attempt to get rid of the stains. It was found that the stains are imbedded in the plaster and cannot be removed. Supplies were under budget by \$1,566 and legal was over by \$1,722. Almost all legal expenses were recouped except for \$877 on the mechanical room than was not recovered.

Overall, the HOA was \$2,690 under budget year-to-date on expenses and showed a net surplus of \$96,168 (this includes the assessment).

Delinquencies were discussed. Phil will check on the legal fees still shown as owing on unit A1. 3 owners paid in November and are now current; one unit is on a payment plan and making payments as agreed. Phil noted that he is now renting unit A3 and payment goes directly to the HOA (dues amounts are paid first and the balance of the rental payment goes to the owner).

B. 2011 Budget.

Income is projected at \$141,108 based on the current dues structure and no anticipated assessment.

Expenses were reviewed and any changes from the 2010 budget were noted. Utilities are budgeted with a 15% increase based on what has been paid over the past few months. The management fee increased 3% per the current agreement and cable is budgeted with a 6% increase in March. Per the bulk agreement, increases are supposed to be based on any increase in residential rates. If these did not increase by 6%, the bulk rate should not increase that much. Insurance is budgeted with a 7% increase. This is a worst case scenario and any premium increase should not be this high unless there is a loss. Repair and maintenance has dropped from last year and is based on actuals plus 3%. Trash will increase 5% in June per the contract and security is based on actuals plus 5%. There is an anticipated 3% increase in water; no increase is expected for sewer. Regular snow plowing is based on the current contract, heavy equipment snow removal is based on the previous year's budget, and roof snow removal is based on actuals. Pool expenses are budgeted based on the previous year's actuals, grounds include a 3% increase, supplies have a 3% increase and the elevator is based on actuals plus 6%. Legal is budgeted to cover year end tax preparation, the annual report, and includes an additional \$50 to cover the registration fee for a new organization that all HOA are required to join (new senate bill). Mountain Managers will take care of registration requirements for all the HOA's it manages as soon as the paperwork becomes available.

Total income is projected at \$139,560 resulting in a cash flow of \$1,548. With \$3,960 estimated for reserves, the net will be a negative \$2,412. Phil believes items are not over budgeted but they are conservative. It is anticipated that the HOA will be able to make the estimated reserve contribution.

It was noted that window washing was not in the budget in the past and this has been added. Options have been looked at to reduce utility cost. The pool and snow melt system operate on the same boiler. The hot tub has been shut down and the pool is kept at "hot tub temperature". There does not seem to be any real place to cut utilities. Lighting is being looked at. It's important to keep the complex well lit but different types of lights may be more economical. Phil has looked at the lights by the garages. Fluorescent is not available but a more efficient bulb has been found and these will be switched out as the old bulbs burn out. Since the ice melt system runs on the same boiler as the pool, it cannot be shut down in warmer weather.

Rich noted that the hot tub is totally off line due to safety issues. The pool is being kept at 102-104 degrees in the winter and 80-90 in the summer. Over the past 3 years, the X-Cell bills have finally come into line with correct billings/meters and last month the \$9,000 X-Cell deposit was refunded. Phil stated that the pool boiler is now working correctly. It was wired incorrectly and burning up pumps.

A motion was made, seconded, and passed to approve the 2011 budget as presented.

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

There is \$5,000 slated for stonework in 2014. This probably needs to be scheduled every other year at a lesser amount. \$1,500 will be put into 2011 and this item will be further assessed next year. Deck staining is done every other year and is scheduled again in 2012. Greg Waters thought maybe his deck had been skipped last year. It was explained that a very clear sealer is used and you can barely tell it's been applied.

Rich stated that this is the 3rd year without a dues increase and the Board has been working very hard to keep financials in order. The necessity of a dues increase will be looked at again next year but it is hoped it will not be needed.

Bruce Mitchell was asked about dues from a real estate viewpoint. He feels the HOA dues payments are relatively low considering the amenities available. The Board is doing a good job of keeping dues down. Phil noted that per square foot, Marina Park is right in line and lower than many other complexes. Other dues amounts may appear lower but they are generally for smaller units with fewer amenities. Using the square footage is the only fair way to determine where a complex stands as compared to others.

The MCR is normally based on past history. Marina Park's was developed about 6 years ago. It's getting better but it will probably take a couple of more years before it reaches the point where it's most effective.

In 2011, \$1,500 will be allocated for stonework and \$2,000 is allocated for plants and trees. For 2012, \$12,000 is set aside for replacing gutters and heat tape. These are still in relatively good shape and this much may not be needed. Deck staining/sealing is also scheduled. Seal coating and striping is scheduled as is resurfacing the pool. Since it has been determined that the stains cannot be removed from the pool, the HOA may want to consider moving this up a year. The \$9,000 estimate may be high.

The Board uses a combination of dues and assessment for major projects. Owners are aware that painting comes up every 5 years and can plan ahead for any assessment. The MCR is a planning tool with best estimates entered. As each project gets close, current bids are obtained and it is determined if the work should be done or if it can be postponed. All items on the MCR can be moved forward or back as needed.

7. **Old Business.**

The problems with sprinkler rooms were discussed. About 4 years ago a valve froze and flooded Diane's unit. It happened again not long after the first time. It was explained that there were 2 separate developers involved with the building of Marina Park. Build out started in one era and finished in another by a different contractor. AGR re-fitted and insulated and subsequently added heaters to the sprinkler room. One heater was put in at floor level and a 2nd was added up high. The door has also been insulated. If the heaters ever fail, we'll know how well the door insulation works. There isn't much more that can be done – this was an original design flaw.

This summer it was discovered that glycol in the system was at about 0 - 10 degrees. It is now approximately -20 degrees and it will have to get extremely cold for pipes to freeze. Mountain Managers checks the room on a regular basis to ensure the temperature is adequate, heaters are working, etc.

Phil explained that Mountain Managers is extremely proactive on loss prevention. The weather is carefully watched and if super cold weather is anticipated, units we have access to are checked along with mechanical rooms, etc. This is standard operating procedure and losses have come down for the blanket insurance policy.

8. **New Business.**

- A. A master landscaping plan was prepared a couple of years ago by Jeremiah. Some of the recommendations were implemented in the beginning but not much has been done lately due to budget constraints. Owner input is important and there are several options to be considered. Increasing the budget to include more landscaping and adding the hot tub area to the plan have been talked about. It was pointed out that the front of the buildings has a lot of rock in the soil. This can be dug out and good soil put in or the rocks can be worked with, built up, flowers planted, etc. Irrigation also needs to be considered. Even drought resistant plantings need watering when they are first put in. Whether to do landscaping over a 1 to 5 year time period can also be looked at. The Board will be meeting 2 or 3 times before spring. They will look at what can be done, the time frame, the budget, and have something firm by March. Curb appeal is very important for property values. Lance stated that Jeremiah can come up with a plan and the Board will look at options.
- B. Uniform holiday decorations were discussed. It's too late this year for consideration, but it could be looked at in the future. When Lance discusses landscaping issues with owners via e-mail, he'll also try to ascertain if owners would like to try something uniform or if they are happy with each owner doing their own.
- C. Lance noted that in his e-mail communications with owners he has found that not all owners are happy with the pool being kept warm and substituting for the hot tub. Quite a few want the hot tub back. It was explained that this is not a matter of the HOA wanting or not wanting the hot tub. It's strictly financial and the hot tub is not feasible at this time. Options are still being looked at for the hot tub area. Phil noted that the north-east area of the stone deck needs to be addressed since some settling is taking place and could pose a trip hazard. If a fire pit is decided on, this might be the place to put it. An open wood fire close to buildings is not a good idea but gas/propane could be considered provided gas lines could be run from as far away as the pool.

- D. Converting the pool to salt water was discussed in the past. It would cost several thousand dollars to do this and the people Phil spoke with do not recommend it. It's far better suited to residential use rather than commercial and could be a waste of money.
- E. The sidewalk in front of A building is very slippery with snowmelt/moisture coming down the downspouts. It's difficult to see the icy areas at night. Mountain Managers will look and see if the downspouts can be redirected or if the water is actually coming from somewhere else. Ice melt can be applied to the area - Mountain Managers is using a new ice melt that is not as harsh and is more pet friendly.

9. **Election of Officers.** There was one vacancy on the Board for a two year term. It was explained that the original 3 member Board was expanded to 5 but with only 20 units participation was not very good. The Bylaws have been amended to return the Board to 3 members. The term for Phil Abston was expiring and he has expressed interest in running for reelection. Greg Waters stated that he would also like to run for the position. He has experience in real estate/commercial, construction and budgets and feels he could make a good contribution to the Board. No other nominations were forthcoming and nominations were closed. With Lance living at the complex full time and Rich about half the time, whoever is elected, Greg or Phil, it will be a good balance. Voting was done by secret ballot and Greg was elected to the Board. The HOA thanked Phil Abston for his service on the Board. All owners were reminded that they are welcome to attend Board meetings.

Current Board members are:

Rich Rutledge	Term expires 2011
Lance Haerberle	Term expires 2011
Greg Waters	Term expires 2012

Officer positions will be determined at the next Board meeting.

10. **Meeting Schedule:** Board: 1/22/11, 4:00 p.m. at Mountain Managers (owners welcome)
Annual: 12/3/11, 4:00 p.m. at Mountain Managers
10. **Adjournment.** There being no further business, the meeting was adjourned at 5:35 p.m.

Respectfully submitted: Judy Freese, Recording Secretary

APPROVED FOR DISTRIBUTION:

Approved via e-mail

12-17-10

Rich Rutledge, President

Date