

**Dillon Pines Apartment Association
Board of Director Meeting
5-19-07**

I. Call to Order / Quorum

II. Owners Forum

III. Review and approve minutes from 1-27-07 Board meeting

IV. Financials

- A. Year to date Financial review
- B. Capital Projects budget review
- C. Interest Rates and account liquidity
- D. Cable TV survey – revised results
- E. Board Spending limitations

VI. Managers Report

- A. Completed Projects
 - Unit boiler inspections
 - Website Security pass code
 - Insurance renewal
- B. Pending Projects
- C. Report Items
 - N-1 screen door
 - Water meter install
 - Late fee credit to owners discussions

VII. Old Business

- A. Landscaping plan, unit rental donations
- B. Governing Document revisions

VIII. New Business

- A. Summer projects planning
- B. Owner dues billings / auto payment receipt sendings

IX. Next meeting date

X. Adjournment

Minutes

I. Call to order – President George Harrison called the meeting to order at 9:05 am. George Harrison, Doug Ostergaard and James Allen were present in person at the meeting and Mary Kay Stewart was present via telephone representing the Board of Directors. Owners present, in addition to Board members, were Linda Ostergaard of unit S-4 and Tori Gustafson and Lisa of unit N-3. Kevin Lovett and Peter Schutz were present for Summit Resort Group.

II. Owners Forum – The meeting was advertised on the website and notification was sent to all owners via email. George Harrison welcomed the owners of unit N-3 and S-4 and thanked them for their attendance. George Harrison provided history of the Association and a summary of the Associations future focus being on property improvements and capital projects.

III. Review and Approve Minutes from the 1-27-07 Board meeting. The minutes from the 1-27-07 Board meeting were reviewed; George Harrison moved to approve, James Allen seconds and the motion passes.

IV. Financials

April 2007 Close

April 30, 2007 close financials report that we have \$8,273.71 in Operating and \$27,417.21 in reserves.

April 30, 2007 Profit and Loss statement reports that we are \$1,852.95 over budget in year to date operating expenses. This overage is due to the following:

\$116.26 over budget in postage and office expenses – mainly due to mailings in January.

\$996.51 over budget in Repairs and Maint – the following items contributed to this overage; Roof repairs \$800 (4 roof vents installed) and the unit boiler inspections \$300.

\$500.91 over budget in electricity – usage is up! (believed to be due to heat tapes and lights working)

S bldg. January 06'–1343	January 07'–1306 bill \$112.62
N bldg. January 06'–1260	January 07'–1295 bill \$97.79
Total \$210.41	

S bldg. February 06'–1490	February 07'–1536 bill \$139.57
N bldg. February 06'–1378	February 07'–1430 bill \$125.94
Total \$265.51	

S bldg. March 06'– 1237	March 07'– 1511 bill \$143.18
N bldg. March 06'–1169	March 07'–1327 bill \$110.37
Total \$253.55	

S bldg. April 06'– 120	April 07'– 1248 bill \$119.92
N bldg. April 06'–263	April 07'–1327 bill \$127.52

Total \$247.44

Note that all heat tapes have been turned off.

Accounts receivable– SRG reported that all owners are current on dues billings. The April 07' close financials indicated that unit N5 owed \$773.50 with \$107.92 in the 61-90 day late category and \$343.51 in the 31-60 category. N5 has paid in full and actually now has a credit of \$41; the \$107.92 was for gas as well as \$88.51 of the \$343.51 (the other \$255 is dues); However, technically, N5 was over 30 days late on his March 07' dues). The Board directed SRG that the management company should not look to the board for action or direction in assessing late fees but that such late fees should be assessed automatically per the Association's policies and procedures.

\$11,556 of reserve Expenditures

\$11,556 of Reserve expenditures – A question was raised at the last Board meeting of what makes up the \$11,556 of Reserve expenses labeled as “roof repairs”. Kevin Lovett reported that, after investigating this issue, he found that no actual reserve expenses were realized in 2006 and that the \$11,556 labeled as reserve expenditures “roof” was actually a conversion figure implemented into the financials by the Association's tax consultant stemming from the 2005 tax return which transferred into 2006. This is supported by the following:

Dec. 31, 2005 end of year Reserve Balance was \$22,230.69

Dec. 31, 2006 end of year Reserve balance was \$25,855.86

(Note: The Association \$3396 annually into the reserve account (from owners dues. The \$229 difference is due to interest)

Interest Rates and Account Liquidity

-Operating – T Bill, completely liquid. In March we received 5.09%

-Reserve – T Bill, completely liquid. In March we received 5.09%

The rates will fluctuate depending on the overall picture; however, the rates realized between the operating and reserve accounts will be very similar.

A Question was raised at the last board meeting regarding whether there is an advantage (in terms of interest realized) to keeping \$'s in one account over the other. Kevin Lovett reported that there is no real advantage in terms of interest realized in keeping \$'s in one account over the other; however, there are definite advantages to keeping separate accounts such as designating funds (to operating needs vs. capital reserve needs).

Restrictions on transferring money between the operating and reserve accounts

Discussions took place at the last Board meeting as to the Boards authority to transfer monies between the operating and reserve accounts (possibly transferring \$5k - \$7k from operating to reserves). SRG reported that they do not believe that there are any restrictions on transferring monies between the operating and reserve account. At this time, the decision was made to forego any transfer.

Restrictions on Reserve spendings

SRG reported to the board that the Association established a policy at the 2001 annual meeting in regards to the establishment of a reserve account which states "... with the agreement that the fund (reserve fund) would be used by the Board of Directors for emergencies, and for capital improvements that would be approved by the homeowners". The Board discussed the approval granted from the Owners at the 2005 Dillon Pines Annual Owner meeting to complete a list of projects out of the reserves. It is believed that these projects have not been completed and the authorized monies have not been spent. SRG was instructed to review the 2005 annual meeting minutes and report to the Board the projects and dollars allocated and approved for these specific expenditures and what if any money has in fact been spent on these projects.

Cable Survey

A survey was sent to all owners asking the owners, in the efforts of managing Association expenses, if they would prefer to continue to have the Association provide discounted cable services to units with an increase in dues or if they would prefer to discontinue the association provided discounted cable services and have owners have the option to order cable service on their own in order to avoid a proportional dues increase (the revised second survey was sent to all owners and included listing a dues increase of \$30 per unit with the continuation of the association provided cable and listed the expense of owners ordering cable individually on their own of \$45.69).

Survey results were provided and overall results report 10 votes to keep association provided cable even with dues increase and 1 vote to discontinue association provided cable services. The Board decided to keep the association provided cable. However, no decision was made to increase dues at this time as the board believes that any decisions regarding a dues increase should be done after the capital budget process has been completed that will provide better clarification of the Association's anticipated funding needs.

Miscellaneous

SRG was instructed to look into the \$55.64 of Gas expenses in February and report to the Board.

VI. Managing Agents Report

Completed Projects

- Mailer sent to all owners reminding them to contact SRG with any issues or problems.
- Website Security-We have increased the number of characters in the website pass code to increase website security and sent notification to the owners.
- Painted N-1 and N-2 new back handrails
- Completed concrete patching on steps of South bldg.
- Completed the preventative Mtn. Pine Beetle tree spraying
- Completed Association insurance renewal with Farmers at the \$2500 deductible. Management informed the board that there might be a concern whether the Association current insurance is adequate to cover costs associated with meeting new building code requirements if the Association experienced a significant

structure loss. SRG will review the existing Bldg. Ordinance coverage to ensure its adequacy and report to the Board.

-Unit boiler inspections complete to the following units:

N-1	S-4
N-3	S-5
N-4	S-7
N-5	S-8
N-7	S-10
N-8	S-11
N-9	S-12
N-2	S-9
S-6	

The following units' boilers and hot water heaters had no problems:

N-1	S-4
N-4	S-5
N-5	S-9
N-8	N-2
N-9	

Details of the problems experienced in units were presented.

The tow most significant boiler concerns were in units N-1 and S-10:

N-1 was reported to have a boiler that was plumbed wrong, has flooded the unit previously and was a reported safety hazard. SRG notified the owner of N-1 and he has had necessary repairs completed.

S-10 Boiler was reported to have a leaking dielectreic fitting on top of the boiler. SRG notified the owner and repairs have been completed.

Notification and report results were sent to all owners with repairs listed.

Pending projects / Report items

-“Lake” at entry to DP (lakeside) – Scott Obrien with the Town of Dillon states that the Town will fill in the depression to stop the pooling of water here

-Screen door unit N-1– All units have the same exterior screen /storm door with the exception of unit N-1 which has no screen / storm door at all. The owners of N-1 do not have the door. Cost to replace door is \$149 for the door and \$50 to deliver; SRG can install. Upon discussion, the Board directed SRG to contact the owners of unit N-1 and inform them that it is their responsibility to replace the door and that this repair must be completed by a date specific otherwise the Association will be forced to make this repair and charge the full costs of this repair back to the N-1 owner.

-Maintenance items planned for 2007 – the following are maintenance items SRG was instructed to take care of (some items included are per the walk around held on Friday May 18, 2007)

N. Bldg

- Investigate and inspect all deck railings; get bid / plan to complete the “shoring up” and securing of all railings and present to Board.
- hammer in loose trim board on front S. corner
- Paint tops of roof beams at front of bldg. (the maroon roof beams over unit entryways)
- Send Note to N-1 to clean up back deck and also to get rid of the stuff in the lower (basement) deck area
- soffit board coming down at back deck of N-8 – secure
- Replace N- 2 bad step board and shore up step and paint

S. bldg

- secure loose telephone wire on N. Side of South bldg
- scrape, plane to get drainage away, re-caulk (if necessary) and repaint front window sills
- put electrical box cover back on electrical heat tape outlet between S 6 / S 7 and between S8 / S9
- Touch up paint maroon trim over “egg splatter” mark b/w S 9 and S 8
- Touch up paint maroon roof beams over entries (the tops)
- put proper electrical plate cover on S. side of S. bldg – heat tape
- replace broken board next to sidewalk between timberline and S12 – and pull up all 3 and put shims under them so that they will drain water and paint

Annual meeting 2007

The date for the 2007 annual owners meeting was tentatively set for Saturday September 15, 2007 at 9:00 am

Location Dillon Town Hall.

Follow up items from 2006 annual meeting include:

- House rules – complete
- Governing Document possible revisions- pending
- Roof leaks – complete
- Dues increase – complete
- Landscaping - pending

VII. Old Business

A. Landscaping plan

Maintenance

- Landscape clean up, raking of lawns, fertilization- complete.
- Pending landscape items, discussed at the Board walk around on Friday May 18, 2007 include:

- trim up the bottoms of trees on back side of bldg. (4 ft high)
- Check with owners, discuss
- trim up the bottoms of trees in front of bldg (in front of N5 – N8)
- mulch bed and build rock border at bed on S. side of parking lot
- increase the size of the mulched bed at front of bldg. – move rock border, put in new mulch, between N 8 and N5 – add paver walking stones
- Entry between Couer Du Lac and N. bldg. – options – fix plow gouges with the installation of a 3 ft. retaining wall- SRG to get bids
- Trees sick (2) between DP and Couer Du L ac – find out what is wrong with them
- back of bldg – get rid of rocks at bottom of downspouts and move splash pans up and under the downspouts – use rocks for new rock border at front of N bldg.
- plant bush for coverage in the bed (and re-mulch bed) between the S. bldg. and the dumpster to screen the dumpster

Major Landscaping plan

All Board members were instructed to send major landscape plan notes and comments to George Harrison by Friday June 1st. George will then compile the list of comments for discussion and further input. The board will then meet via telephone conference to discuss the compiled comments and determine the next steps regarding how best to discuss the compiled comments and determine the next steps regarding how best to proceed with the landscape

- Landscape irrigation – The following possibilities were presented to irrigate the grounds:

Note: the Town of Dillon will no longer allow Dillon Pines to use the existing water pumps located in the lawns as these are not metered.

Option 1 – use existing spigots located on the South and North bldgs.

South bldg. has spigots (all after the water meter) in the following areas:

- South end of bldg. (side of S -12)
- North end of bldg (side of S-1)
- S-8 back deck
- S-4 back deck

North bldg. has spigots (all after the water meter) in the following areas:

- North end of bldg. (side of N -1)
- (we could run a hose from South bldg. across parking lot to reach the back lawn of the North bldg.

Association pays for water out of these spigots and these spigots are metered.

Option 1 Pluses and minuses:

Plus: This the least expensive option; easiest to do.

Minus: Inconvenience, annoyance factor to owners with spigots on back decks

Minus: Not a good long term solution if we are to add a professional irrigation system.

Option 2- install a “t” right after where current water meters exist in S- 7 and N- ? (the unit which houses the main meter for North bldg.) and plumb the line to the outside.

Option 2 pluses and minuses:

Minus to S. Bldg.: S. bldg would be pretty expensive as we would need to run piping through the unit (to get to the South side lawn of the South side bldg). Expenses would not only be associated with plumbing, but also in unit repairs

Minus to S Bldg.: we would essentially be creating exactly what we already have on the S. bldg. which is spigots discussed in Option 1.

Option 3 – Place meters on the existing lawn pumps and use the existing lawn pumps as the “master” water source for the N. and S. bldgs.

We would need to excavate around the existing pumps, install a “vault” complete with the meter and we would need to back fill. Costs estimate for this approach is approx. \$2000 per pump (\$4000 total).

Option 3 pluses and minuses

Plus to option 3 is that this is the best long term solution and best solution if we are to install a permanent irrigation system. We also avoid the cluttering of unit back decks.

Minuses to option 3 are high initial up front cost and until a permanent irrigation system is installed, we would need to drag a hose around the North building from the front to the back.

After discussion, the board directed SRG to water the lawns with the same system as last year (hoses and timers) and to be sure to use appropriate watering times.

B. Governing Document Revisions

The Board discussed needed revisions of the Governing Documents and per the discussion, the following actions are to take place:

- Move forward with the intent to do a complete re-write of the Governing Documents (Bylaws and Declarations)
- One set of Bylaws and Declarations for both the North and South bldgs. is preferred.
- Have Attorney complete the re-write based off of current “boiler plate” forms providing suggestions to meet Dillon Pines needs
- Linda Ostergaard volunteered to provide SRG with an initial list of the “hot issues” and problems with the current Governing Documents including but not limited to, First Right of Refusal and the Obsolescence Clause.
- SRG informed the Board of recent Developer actions of establishing low income deed restricted housing units in Associations outside of new developments; re-written Governing Documents should include language to protect Dillon Pines from purchasing a Dillon Pines unit, placing a deed restriction upon that unit that controls its potential future appreciation in order to satisfy any housing requirement for their off –site developments.

- The Board instructed SRG to get up to three bids to re –write the Governing Documents
- SRG will add the expense of the Governing Document revisions to the Capital Projects plan
- SRG to inquire as to how many meetings with the attorney are included in the bid
- Doug Ostergaard move to complete the Governing Document re-writing prior to the 2007 annual meeting; George Harrison seconded; the motion passed unanimously.

VIII. New Business

A. Summer Projects planning

Capital Projects – the following projects were discussed and prioritized. SRG instructed to implement these projects into the Capital Projects Budget and to get bids for all priority 1 projects and present to the board for possible completion in the summer of 2007:

Priority 1 – Railings – (in addition to completing maintenance repairs and securing) get bids to replace all railings and deck surfaces. Get 3 bids; do wood vs. synthetic material and different design ideas (open vs. closed).

Priority 1 -crack seal, patch, seal coat of asphalt parking spaces – get bids and get assessment of current condition to determine the timing of an entire overlay (seal coating will most likely move to a priority 2; crack seal and patch priority 1)

Priority 1 -Stucco repair (and paint) of N. bldg., North side (Couer Du Lac side) and S. bldg S. side (Timberline) and complete patches around N bldg. entries where cracked

Priority 1 -N bldg. North side (Couer Du lac side) paint green siding

Priority 1 -N Bldg. back of N1 and N2 – replace 2 “bad” boards on the back side of N-2, paint green railings (2007) and also touch up the one board with maroon paint showing on the back side of the N bldg.

Priority 2 -Replace concrete steps by S 2 – get plan and bid from concrete contractor to solve water drainage problem – possibly raise top landing to match wall height and add an extra step to compensate for increased overall height of the steps.

Priority 3 –Remove existing sheds and turn them into parking spaces (pave) and acquire new Tuff Shed to be placed on the lawn area behind the N. bldg. (on the Timberline side)

Priority 3 -enhance overflow parking area

All Priority 1 items are to be completed prior to the 2007 annual owner meeting with the exception of the railings; the railing bids are to be presented to the owners at the 2007 annual meeting along with priority 2 and priority 3 items.

B. Owner dues billings, mailings

In efforts to save on office expenses, SRG was instructed to complete all owner correspondence via email only. SRG instructed to send out one last notice informing owners that physical mailers will cease and to expect any and all correspondence from the association via email. Owners will be asked to provide SRG with current email addresses.

IX. Next Meeting Date

SRG was instructed to poll the board members on a date for a conference call to discuss landscaping in mid June; 4:00 on a weekday.

SRG was instructed to poll the board members on a date for the next Board meeting; Saturday at the beginning of August.

X. Adjournment

The meeting was adjourned at 12:25 PM.