

**TIMBERLINE COVE  
ANNUAL MEETING  
SEPTEMBER 21, 2013**

**MINUTES**

1. **Call to Order.** The meeting was called to order at 10:05 a.m. by President Jessica Bergan.
2. **Attendance and Quorum.**
  - A. 11 owners representing 8 units were in attendance either in person or via conference call. In addition, 7 proxies were received. A quorum was established.
  - B. Representing Mountain Managers were Phil Wells and Judy Freese (via conference call).
3. **Approval of Minutes from the 9/17/11 Annual Meeting.** A motion was made, seconded and passed unanimously to approve the minutes as written.
4. **President's Report.** Jessica thanked everyone for coming. She stated items that were accomplished over the past year would be covered on the Repair and Maintenance Report.
5. **Repair and Maintenance Report.** The report was reviewed and covered the period of 9/12 through 7/13. Items listed are those that were over \$500 and completed since the last HOA meeting. Several items were discussed.
  - A. Mulching is budgeted for each year and done when and where needed. Some mulch is lost whenever it rains and/or the wind blows. It was suggested that changing to rock might cost more initially but would last longer. Mulch holds moisture a little better. \$1,600 was spent this past year but mulching had not been done for 5 years. The Board will look into using rock versus mulch.
  - B. Hot tubs were talked about. Questions were asked about paying to keep both maintained when only one is open. It was explained that both tubs are open during peak seasons. The building was built with 2 tubs. The pump system/filtration system can be switched between the two tubs and this has proven to be the best (most efficient) system (alternating between the two tubs during off season and having both open during peak seasons). Draining or not running a hot tub causes more maintenance issues. When one tub is shut down, it is not kept heated but chemicals are maintained. Hot tubs are a definite asset to the complex, especially for rental units. When the tubs need to be replaced decisions will be made on whether or not to go with in ground or above ground tubs.
  - C. It was noted that the July 31<sup>st</sup> minutes stated there were no serious delinquencies but dues payments were \$4,600 below budget. It was explained that Mountain Managers works on a cash basis versus accrual. Monies are posted in the month they are received; not when they are/were due. Timing of payments can affect the financials. Accounts that are 30 days past due are not considered serious. When an owner is delinquent, letters are sent in accordance with the collection policy. Owners are sent a delinquency letter when they are 30 days past due. At 60 days, a 2<sup>nd</sup> letter is sent notifying the owner that the account will be turned over to an attorney for collection. At 90 days the account is turned over to an attorney and a demand letter is sent. All legal fees are charged to the delinquent owner. There is a \$20 late fee for each 30 day period, plus 1.5% interest at 60 days.

6. **Financials.**

- A. July financials and year-to-date numbers were reviewed. Dues income is behind by \$456 for the month and \$4,149 year-to-date. Delinquencies are mostly 30 day issues and are expected to be paid. There are also some payment timing issues which can affect the financials. Expenses were reviewed. Utilities were under budget for the month but over year-to-date. Repair and Maintenance was over primarily due to roof repairs. Gas was over. Gas prices have been fluctuating but have now been locked in through Tiger Gas. Snow plowing was over budget due to late snows after the contract term. Plowing is billed separately after 4/15. Overall, the HOA was \$3,233 over budget on expenses year-to-date and showed a negative balance of \$7,272.

The balance in the checking account was \$18,132.99 and the money market account balance (reserves) was \$91,281.35.

- B. 2014 Operating Budget and Major Component Reserve

Income is budgeted based on a 5% dues increase. Total income is projected to be \$176,196 which is \$8,376 more than was budgeted last year. Expenses are based on anticipated or contractual increases or on a 3 year average. Overall, expenses are budgeted \$6,748 higher than last year. With total expenses projected at \$158,568 the cash flow will be \$17,628. The reserve contribution is \$17,628 leaving a net of 0.

A dues sheet was included in the meeting packet showing what new dues amounts would be. Concern was expressed that dues were getting to a point where they would not be competitive with other complexes. Per square foot, dues are still in line with other complexes of the same quality. The Board is very conscious of dues amounts and works hard to balance dues/assessments.

Insurance was talked about. Mountain Managers has been obtaining bids but so far, Farmers remains the lowest. Flood insurance was asked about. Per the recent real estate appraisal, Timberline Cove appears to be out of any flood zone. It was noted that there can be other issues besides an actual "flood" that may require flood insurance. Whether it's the lake overflowing, a dam breach, or having heavy rain/snow that penetrates the building, it's considered flood damage and is not covered by regular insurance. Mountain Managers was asked to have Farmer's Insurance obtain a quote for flood insurance.

The MCR was looked at. This shows projected capital expenses for 10 years. The bottom line shows the percentage of funding which looks pretty good for the next 8 years. The composite shingle overlay should not be needed 15 years after construction and will be moved out to show 20 to 25 years of total life expectancy versus 15. It was noted that the MCR is not part of the budget but a reserve study is required by law. It's a tool that lets the HOA know what possible capital expenses may be coming in the future and helps with budget planning to fund these projects.

A motion was made, seconded, and passed unanimously to approve the 2014 budget as presented. A dues increase notice will be sent to owners with the minutes.

It was noted that mulching is on the MCR but is actually a routine maintenance item. This will be removed from the MCR.

A motion was made, seconded, and passed to transfer surplus operational funds (if any) to reserves at the end of the year.

7. **Old Business.**

- A. The rain gauge is not working and the back area is being over watered. Celtic will put in a new rain gauge and make sure it is properly located. The HOA was not charged for the one that is not working. Celtic will also be looking at drainage in the depression area.
- B. Keys do not work on the outside hot tub gate. These locks have never worked with keys and have never been changed. It may be better to go to something besides a key lock since the locks are outside and exposed to the weather. Any moisture that gets into a lock will freeze and cause issues with keys. Mountain Managers will look at other options/costs.
- C. There was a considerable amount of late season snow last winter. It was suggested that the snow plow contract be extended to run later than 4/15. Mountain Managers will be talking to contractors and will obtain prices for an extended contract date.

8. **New Business.**

- A. It was noted that the spot light that shines on the Timberline Cove sign is broken. (This has been repaired.)
- B. Shower grout is getting old and may be cracking. This can cause water to leak into units below causing damage. The owner of the unit where the water originated is responsible for repair costs. Owners are responsible for routine maintenance and should periodically check ice maker lines, pipes under sinks, showers/grout, etc.
- C. There has also been an issue with some shower doors. The hinges have adjustments that can be used but it needs to be done often. Some owners have had larger hinges installed since the existing ones seem to be undersized for the door weight. There is no recourse with the builder or the HOA. This is an owner responsibility.
- D. One owner asked about a temporary privacy tarp between decks. It's put up when the owner is in residence and taken down when they leave. No issues were seen with this since it's not a permanent modification to the building which would require Board approval.
- E. Satellite dishes cannot be banned but the Board must approve the location prior to installation.

9. **Election of Officers.** There were 2 positions open on the Board (3 year terms). The terms for Jessica Bergan and Sky Yost were expiring and both agreed to run for re-election.

Jessica Bergan and Sky Yost were duly nominated. With no other nominations forthcoming, a motion was made to elect Jessica and Sky to the Board by acclamation. The motion was seconded and passed unanimously. The same slate of officers will be retained.

10. **The Next Annual Meeting** will be held on September 20, 2014, 10:00 a.m. at Mountain Managers.

11. Additional Discussion:

George spoke about Comcast's upgrade to digital cable boxes and how they were installed. He felt they did not do a good job. He noted the box was not put in the closet where the router was located. He thought Comcast should have installed a new cable to allow installation of the box in the closet. Owners who were in residence at the time of installation got their boxes located where they wanted. George stated Comcast should come back and re-do the installation for owners who were not satisfied with the box location. Comcast will be contacted to see what can be done and at what cost. There are no guarantees since Comcast feels they offered a good deal by bringing the boxes to the complex and installing at no charge rather than requiring all owners to pick up boxes at the Silverthorne office and install themselves or pay for installation. If the boxes are moved, all will be put in the closet. It will be an owner issue if another location is desired. How to handle who wants what and where will be determined after Comcast is contacted.

11. **Adjournment.** There being no further business, a motion was made and seconded to adjourn the meeting at 11:38 a.m.

Respectfully submitted:

Judy Freese, Recording Secretary

**APPROVED:**

Approved via e-mail

10/24/13

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Jessica Bergan, President

Date