

**TIMBERLINE COVE  
ANNUAL MEETING  
SEPTEMBER 22, 2012**

**MINUTES**

1. **Call to Order.** The meeting was called to order at 10:08 a.m. by President Jessica Bergan.
2. **Attendance and Quorum.**
  - A. 14 owners representing 14 units were in attendance either in person or via conference call. In addition, 8 proxies were received and 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 and reviewed some of the projects that have taken place over the past year.

Exterior painting was completed (all owners paid their assessment on time). A single Real Estate sign was installed to take the place of multiple signs. Bruce Mitchell purchased the sign and owners/realtors can add flyers in the space provided. A smaller dumpster will replace the large one in order to facilitate ice/snow removal from behind the dumpster. Unauthorized use of the hot tub has been an issue. Owners are asked to call the police if they see obvious unauthorized use (someone climbing the fence).

There was a recent leak in the sprinkler system that was found to originate in unit 206. Duane coordinated emergency repairs and the problem has been fixed.

Duane was thanked for his work on the lobby – it looks really nice.

Jessica noted that there have been some issues with freezers in multiple units resulting in large amounts of ice build up. Jessica had hers repaired by Greers at a cost of \$372. She had information available at the meeting for owners who were having similar problems. Ed had the same problem with some of his units and used Jimbo's Appliance out of Kremmling for repairs (about \$270).

Mountain Managers and the Board work together as a team. The financial picture looks good with expenses under budget (to be discussed later in the meeting). Jessica and Duane have both spent a lot of time keeping an eye on the property and were thanked for their efforts. Mountain Managers appreciates the work the Board does and is being kept informed of any issues.

5. **Repair and Maintenance Report.** The report was reviewed and covered the period of 8/11 through 8/12. Items listed are those that were over \$500 and completed since the last HOA meeting. Several items were discussed.
  - A. Stacy questioned the \$51,500 for painting and asked if bids had been obtained. Painting was budgeted at \$60,000 and 3 bids were obtained. Painting is actually about 30% cheaper than it was 5 years ago due to competition and lack of work. Painting was paid for out of reserves and funded through an assessment. By

building up reserves, assessments are lower. Timberline Cove is only 5 years old. Painting was the first big expense and required a relatively small assessment. The HOA is able to keep maintenance up without depleting reserves. 5 years is the normal paint cycle. Deferring painting can have an adverse affect on siding. Painting in phases has been looked at but it is not economically worth doing. Scaffolding and set up are a large part of the cost and in the long run, it's less to do it all at the same time.

A semi transparent stain is currently being used. Over time, there will be some darkening of the wood and when this occurs, a change to a solid stain will be necessary.

- B. Fireplace inspections were done as a safety measure. This is very important when living in a condominium environment and inspections will be done every 2 years.
- C. Exterior windows were cleaned by Gore Range (inaccessible windows only). Gore does an excellent job and will also do interior windows when contracted separately by owners.
- D. Dryer vents were cleaned. The repairs for unit 102 are scheduled for 10/5 (HOA expense).

6. **Financials.**

- A. July financials and year-to-date numbers were reviewed. Dues income is a little behind but there are no serious delinquencies. Income was shown as \$27,284 ahead of budget (includes special assessment monies in the amount of \$26,822). Expenses were almost all under budget. A mild winter helped! Hot tub expenses were over budget due to getting the south tub up and running. Mountain Managers was asked to prepare a list of hot tub expenses over the last 5 years. The list should include chemicals, covers, and anything else directly related to the tubs. Hot tub covers are budgeted every 2 years as a capital expense but these are paid for out of operating funds if possible. Overall, the HOA was \$11,722 under budget on expenses and showed a budget surplus of \$39,007 through July. The surplus includes the assessment monies which will go back to reserves.

The balance in the checking account was \$29,570.19 and the money market account balance (reserves) was \$66,201.14.

B. 2013 Operating Budget

On the income side, no dues increase is anticipated for 2013. Expenses were reviewed and a few items were discussed.

- 1) Gas rates have not yet been locked in with Tiger Gas. It was requested that Mountain Managers do this immediately. Rates can only be locked in for a one year period. Gas has continued to drop over the years and the budget was figured on the \$18,000 budgeted last year.

- 2) Last year was a light snow year. Even with a heavy snow year it is highly doubtful that hauling snow off the premises will ever be needed. It was resolved to remove heavy equipment snow removal from the budget (budgeted at zero for 2013 and will not affect the bottom line).
- 3) Should there be unexpected expenses, (a very heavy snow year, utilities going up, etc.) the reserve contribution can be reduced to meet budget. Should this occur, the Board would need to decide on what would be necessary to return the reserve contribution to the previous amount for future years.

A motion was made, seconded, and passed unanimously to approve the 2013 budget.

- C. MCR. The reserve study lists anticipated expenses for the next 10 years. Funding looks good through 2021 but goes negative in 2022. It is very possible that not all listed projects will need to be done but this will be watched carefully.

A question was asked on hail damage. It's very rare in Summit County to get huge hail where roofs can be damaged. It's much more likely that wind damage will occur which can result in shingles blowing off. Insurance covers "sudden and catastrophic" events and hail/wind would be covered. It is still very important for owners to have their own insurance (HO6 policy) for unit contents. The rule of thumb is to imagine your unit being turned upside down. Whatever falls out is an owner responsibility.

Mulching and crack filling are on the reserve study as a reminder. These items do not have to be paid for out of reserves. Bids are automatically obtained for items listed on the MCR.

2013 projects include seal coating. This will be looked at to see if it's needed; the lot should probably be striped.

Capital expenses are relatively light for the next few years which will give the HOA a chance to build up reserves. 30% funding for reserves is recommended as a minimum. Timberline Cove is above that amount until 2017. The HOA uses a combination of dues and occasional assessments to cover expenses – this is a valid option. The more that goes into reserves, the lower the assessment amount.

Under new revised statutes, owners must approve any transfer of surplus operating funds to reserves. A motion was made, seconded, and passed unanimously to transfer any excess operating funds to reserves at the end of the year.

7. **Old Business.**

- A. It was reported that the Internet is down again – owners need to call Resort Internet. Their number is listed on the device in the closet.
- B. Screen doors are permitted as long as they are kept uniform. Jessica has information for interested owners.

- C. Unit 407 noted that due to the vent at the front of his parking space, he is unable to have a bike rack in this location. He has a rack in the area by unit 410 but it is not marked. Mountain Managers will arrange to have this stenciled "Bike Rack for Unit 407").
- D. Stacy brought up the issue of oversize vehicles in the garage. If they overhang the stripes, they should park outside. Mountain Managers should be notified when there is a problem and it is often effective for owners to put a nice note on the vehicle noting the problem. If there is a parking issue after hours, owners should park outside and notify Mountain Managers in the morning. It was also noted that owners unable to use their assigned space can park in the unloading or maintenance areas. This is a temporary measure and these spaces cannot be used on a permanent basis.
- E. Jessica just put new wheels on the luggage cart but one of the tires is flat. This will be looked at to see if it just needs air.

8. **New Business.**

A. Owner Forum

Stacy asked about the pet rules and whether or not there is a standard clause in leases absolving the HOA from liability for loose dogs. It was explained that there is really nothing you can put in a lease to prohibit suits (that's one reason for good insurance). Leash requirements are in the Rules and Regulations along with the stipulation that only owners may have pets.

Last year the downspout that goes into a gravel area outside of unit 102 had significant amounts of ice form from overflowing water (from the gravel area onto the walkway). It was explained that this was a temporary measure and the problem has been fixed. Mountain Managers will double check this. There was a freeze issue that has not recurred and a close eye will be kept on the area this winter.

Unit 309 stated that a rain gutter off their deck would be great. The rain blows in sheets directly on to the door. Unless a gutter is needed for safety issues (icicles, etc.) gutters are a big maintenance issue. Heat tape must be maintained, electricity paid for, etc. This will be looked at to see if a gutter would be of any help.

All thought having a rain sensor on the irrigation system was a good idea and this will be done before next season. The proper location will need to be determined in order to ensure proper operation.

Deck cleaning was brought up. There really isn't any way to clean your deck without water going through to the unit below except to use a sponge or mop.

An issue had been reported about trucks parking in the back of the Holiday Inn and leaving their engines running. This was reported to the Town of Frisco and the Holiday Inn and the truck noise has improved. Trucks are now generally parking away from the residences and parking more in front of the Holiday Inn.

There continues to be a lot of floor noise between units. This has been worked on extensively for over a year and there is nothing else that can be done. A sound engineer was brought in and all noise is within acceptable levels. To take down ceilings and re-do everything would have meant a huge assessment. Top floor owners are not affected and would not have wanted to share in the assessment.

- B. The contract with Resort Internet will expire in July of 2013. Options include doing away with Internet entirely, renewing with Resort Internet, or switching to Comcast. If the entire building goes to Comcast, it would be about \$25 per month per unit, including the modem and router, (versus \$15-\$18 through Resort Internet). Comcast would have better speed. There are quite a few owners who are experiencing difficulties with not enough broadband, etc. Switching to Comcast would add \$10-\$12 per unit per month. The HOA is under contract with Resort Internet until July 2013. Options are to pay a cancellation penalty, or continue to pay Resort Internet and not use the service. The majority of owners present would like to switch to Comcast ASAP. Mountain Managers will find out the cost to cancel Resort Internet and get a firm bid from Comcast. This information will be e-mailed to the Board and they can make an informed decision. One owner was not in favor of paying double or a cancellation fee and would prefer to wait until the Resort Internet contract expires. Other owners noted they would prefer to change right away. Service has not been very good (down again today). Resort Internet is a good company but service is limited. They are not really set up for high usage. The system is designed more for "resort" communities (short term rentals). When someone downloads large files or streams a movie, the entire building slows down. There will be some slower periods with Comcast as well but only when the entire County is using heavily, not just your building.

Stacy volunteered to send Phil the information she has about 5 year locked in agreements with Comcast. This is something new to Mountain Managers since generally Comcast has a built in annual increase.

Whether or not to add one premium channel (\$5.00) was discussed. A straw vote was taken with the majority being opposed. Owners will still be able to add upgrades on their own. Once the Board has all the information, a decision will be made on when the switch will be made.

It was noted that with a zero budget, a slight dues increase may be needed to pay the additional cost. The Board does not think this is necessary. The budget can be re-worked if necessary. The Board and Mountain Managers will look at this but no dues increase is planned.

9. **Election of Officers.** There were 2 positions open on the Board (3 year terms). The terms for George Hart and Duane Abbott were expiring and both agreed to run for re-election.

George Hart and Duane Abbott were duly nominated. With no other nominations forthcoming, a motion was made to elect George and Duane to the Board by acclamation. The motion was seconded and passed unanimously. The Board agreed to retain the same slate of officers.

10. **The Next Annual Meeting** will be held on September 21, 2013, 10:00 a.m. at Mountain Managers.
11. **Adjournment.** There being no further business, a motion was made and seconded to adjourn the meeting at 11:50 a.m.

Respectfully submitted:

Judy Freese, Recording Secretary

**APPROVED:**

Approved via e-mail

10-10-12

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Jessica Bergan, President

Date