

**TIMBERLINE COVE
BOARD OF DIRECTORS MEETING
DECEMBER 17, 2011**

MINUTES

1. **Call to Order.** The meeting was called to order at 9:05 a.m.
2. **Attendance and Quorum.**
 - A. Board members in attendance either in person or via conference call were George Hart, Duane Abbot, Jessica Bergan, and Sky Yost.

A quorum was established.
 - B. Also in attendance were Kent and Amy Dukowitz (unit 207).
 - C. Representing Mountain Managers were Phil Wells and Judy Freese (via conference call).
3. **Approval of 8/19/11 Board Meeting Minutes.** A motion was made, seconded, and passed to approve the minutes as written.
4. **Owner Forum.**

Kent and Amy Dukowitz discussed their concerns about signage at the complex. They understand the Board does not want to see multiple signs but they are trying to sell their unit and having signage out front is extremely helpful. They currently have a sign up that was approved by the Board. It was noted that when this was approved, their sign was the only one. Since that time, Bruce Mitchell requested permission to put up several signs. This was denied and Amy and Kent's realtor was asked to remove her sign as well. She e-mailed Jessica asking if she could keep the sign up and allow Bruce or any other realtor to add on to that sign.

At previous meetings a single master sign for multiple realtors to use has been discussed. This would preclude multiple signs. The Board feels that this should be a realtor responsibility. The HOA (owners) should not be paying for realtor's signage. A single "Timberline Cove Units for Sale" sign could be used with clear plastic boxes for realtor information. Realtors will need to get together and resolve cost, etc. Bruce Mitchell has the most units for sale and would be the logical point of contact. Phil volunteered to contact Bruce and explain the situation. The alternative to a single sign paid for by realtors is to ban all signage at the complex. In the meantime, Amy and Kent may leave their sign up until the issue is resolved. Other realtors will also be permitted to display signs.

After discussion, the Board agreed that realtors should be permitted to have 2 signs (front and back). It was decided to give them until January 15, 2012 to have signs made and installed. If Bruce does not fees this is possible, Phil will contact the Board.

A motion was made, seconded and passed to require realtors to have no more than two generic signs – one in front by the entrance (by the Elk), and one in back (lake side). The deadline will be 1/15/12 to install generic signs or permanently remove all signs. Location will be discussed with Bruce – the Board does not feel this is a big deal as long as the signs are placed in an established spot and not moved around. Multiple signs will be allowed until the deadline date.

5. **Repair and Maintenance Report.** Phil read through the report covering the period of 8/11 through 11/11. Completed items included exterior window cleaning, replacement/installation of the bottom section of the garage door, crack filling, inspection of gas fireplaces, and adding glycol to the snow melt system.
6. **Financials.**

November financials were reviewed. Year-to-date income is above the budgeted amount by \$4,313. The reserve was listed as \$750 below the budgeted amount. This will be checked since it should not be under budget. With reserves collected on purchase of a unit and the X-cel deposit refund, total income is ahead of budget by \$16,088. On the expense side, most items were under or on budget. Over budget items included snow removal (not surprising with the amount of snow), grounds, supplies, and elevator. Overall, the HOA was \$11,993 under budget on expenses year-to-date and showed a budget surplus of \$28,081 through November.

The balance in the checking account was \$42,710.47 and the money market account balance was \$53,953.99. Monies from the operations account can be transferred to reserves, however, once the money goes into reserves, it can only be used for reserves and not for operational expenses. Money cannot be transferred back and forth. At the end of the fiscal year, Mountain Managers automatically transfers any budget surplus to reserves. The dues increase was earmarked for reserves, increasing the annual contribution from \$12,000 to \$16,000.

It was noted that a \$30,000 assessment was included in the MCR to cover part of the painting cost but the way things are going, this may not be necessary. The HOA may have enough to cover painting but paying the total amount out of reserves would substantially reduce the account. Lenders want to see a certain percentage put into reserves and they are not too concerned with a low balance when a big project has just been completed. If reserves drop too low and there is an unexpected emergency situation, an emergency assessment might be needed. This is not anticipated with a relatively new building. How to handle funding for painting will be looked at in the spring.

What to do with the hot tubs will also need to be decided. At the HOA meeting, most owners felt that hot tubs are an important amenity, especially for rental units. Rental agencies rate their units partly based on amenities. Location, quality of the units, etc. are also part of the rating system. Currently 1 hot tub is running and 1 is not (needs whole new boiler system at an estimated cost of \$15,000). It was noted at the HOA meeting that putting more than \$10,000 into the current hot tubs would be a waste of money and the money could be applied towards replacement instead. The hot tub companies that have been consulted feel the best thing to do would be to try and re-plumb the existing tubs rather than fill them in and put an above ground tub(s) on top. How to proceed is still under discussion. The Board would like to see as many options as possible before making a final decision. The Board asked which local company was considered the best. Mountain Managers uses both Kaupas and Maximum Comfort. Kaupas is generally less expensive. Both companies do quality, professional work in a timely manner and both offer comparable tubs and equipment. Mountain Managers will continue to pursue options/information. It is hoped preliminary information will be available in February. Hard pricing will then be prepared based on the option the Board selects.

Options under consideration include: New boiler for the 2nd hot tub (\$15,000), filling both in and installing one new, larger above ground tub, digging out both tubs and installing new in ground tub(s), keeping the same shells and getting new pumps, jets, etc. The target date for whatever option is selected is between when the mountain closes and July 4th.

Mountain Managers was asked to check on payment made by Ed Chang (total amount \$5,000 – he had the option of paying in two installments of \$2,500). Information to be e-mailed to the Board. They were also asked to find out if unit 301 sold. The unit was under contract and if it sold, 3 months reserves is owed.

The dues differential of \$4,313 was noted. This is due to monies being owed last year and paid in this year, prepaid monies, or past due amounts collected. The Board asked for a breakdown of dues income.

7. **Old Business.**

- A. Staining of the exterior of the complex is scheduled for 2012 along with gutters/heat tape, siding repair, miscellaneous stonework, interior painting, crack filling, steps, and a hot tub cover if needed.

The hot tub cover does not fit correctly and is very difficult to put on. Most people do not bother. An uncovered tub loses heat and getting a new cover might save a couple of hundred dollars per year. It was noted that utilities are substantially under budget and saving a little bit by purchasing a new cover at this time is probably not worth it. It was suggested that a bubble wrap cover be used (much less expensive) but it should be used in conjunction with the hard cover. If people throw on the bubble wrap cover but skip the hard cover, it would still offer some protection. The Board voted to proceed with purchasing a bubble wrap cover if it is less than \$100. Mountain Managers will find out if there is a bubble wrap cover that is good enough to use alone without the hard cover.

Painting bids have been received as follows:

- | | |
|--------------------|---|
| 1) Peak Paint | \$51,500; \$895 for interior painting |
| 2) Proff Paint | \$52,000; does not include interior painting |
| 3) Empire Painting | \$59,200; does not include interior painting, doors, metal handrails or louvers |

Summerwood recently painted using a Denver company (Star) and they were extremely happy with the results. Proff is also Denver based and has been doing an excellent job. Peak is a local company and has also done very good work for Mountain Managers. Empire is the most expensive and has exclusions. Proff's bid does not include interior painting but it is expected this will be in the same ballpark as Peak. The bids from Proff and Peak are very close which is a good indicator that this is what the job should cost.

Mountain Managers uses local companies whenever possible but Peak lost out on a couple of jobs to Proff because they could not complete the work in the right time frame. Proff is a larger company (more people) and may be able to complete the job quicker. Peak is anxious to get more of Mountain Managers business and may go out

of their way to do a good job. Mountain Managers will talk to both companies and confirm price, start date and expected time of completion. If Peak is the lowest bidder, they will be awarded the contract provided they can guarantee that the work will be started and completed in the requested time frame. An early start date is preferred. Mountain Managers is comfortable with either company. All contractors working for Mountain Managers are properly insured. It was resolved to have Phil talk to both contractors, make the decision, and get the work scheduled.

Assessment: Whether or not a painting assessment will be needed was talked about. Per a previous discussion at the HOA meeting, 6 months notice was to be given to owners prior to any assessment. It was noted that there should be enough money in reserves to do the painting. Reserves could then be replenished through an assessment. There is not enough money to do both painting and the hot tubs (cost unknown). One assessment for both painting and the hot tubs is preferable to multiple assessments. It was resolved to go ahead with selection of the painting contractor, obtaining the hot tub information and then making the assessment decision in March. The due date of the assessment, amount, and payment options will depend on the hot tub decision and whether new tubs are feasible. Painting cannot be deferred. Semi transparent stain is used and it does not protect as well as a solid. Delaying painting could result in damage to the wood which can get expensive.

- B. The gas grill cannot be converted to natural gas; a new grill would need to be purchased. This is something that may be considered in the future but the grill does not get very much use.
- C. Covering attic vents to prevent cinders blowing in was looked at. It was originally thought that there was no access from inside the building to install the covers but Ed Chang has said there is attic access. Using binoculars, screening or some other material can be seen behind the louvers. There does not appear to be any kind of fire hazard but Mountain Managers will have someone go into the attic and check.
- D. Jessica contacted the company who left 80 phone books in the lobby (3 different types) and let them know the HOA does not need this many. These will be tossed into recycling.

8. **New Business.**

- A. The Comcast Cable Agreement expires 7/1/12. 60 days notice must be given in order to terminate the agreement without penalty. Resort Internet is less expensive but is geared more towards short term rentals and has limited channel options. A new company has been brought to Mountain Managers' attention and this will be checked. It's a dish network and owners can pick the package they want. It has not yet been determined how many dishes would need to be installed. Timberline Cove currently has DVR's and would like to retain these. The HOA has a pretty good deal with Comcast now. Comcast can also do the Internet along with cable but it is more expensive. Owners are not too pleased with the Internet service they have with Resort Internet. Mountain Managers has heard similar complaints from some of its other HOA's. Resort Internet provides Internet but it's not necessarily fast, etc. It's fine for the average user but not the power user. Those who use it for business need to upgrade. The HOA has a contract with Resort Internet and cannot switch at this

time. Everyone felt it's worth having internet in all units and those that need better and faster can upgrade on their own. The Board will need to think about the Comcast agreement and whether or not to renew it. There will be time to review options at the spring meeting.

- B. As the complex ages, the Board feels it is important to do something each year to improve appearance. Things like adding a bench and table have already been done. It was suggested that some old snowshoes or skis would look nice in the lobby area. Hanging baskets and/or planters were also mentioned but someone would have to ensure they get watered. Planting flowers is also an option. Many HOA's have regular owner work days where owners pitch in and plant flowers and take care of other items around the complex.
- C. The elevator room is very cold. It was explained that the heater was disconnected because people kept turning the heat way up. This continued to happen even after the control knob was removed. It was resolved to reconnect the heater and see what happens.

- 9. **The Next Board Meeting** was scheduled for Wednesday, 3/7/12, 3:00 p.m. at Mountain Managers. Conference call information will be provided on the meeting notice.
- 10. **Adjournment.** There being no further business, a motion was made and seconded to adjourn the meeting at 10:50 a.m.

Respectfully submitted: Judy Freese, Recording Secretary

Approved:

Approved via e-mail

1-9-12

Jessica Bergan, President

Date