

**TIMBERLINE COVE
BOARD OF DIRECTORS MEETING
JULY 13, 2009**

MINUTES

1. **Call to Order.** The meeting was called to order at 3:05 p.m.

2. **Attendance and Quorum.**
 - A. Board members in attendance were George Hart, Duane Abbott, Robert Levin, and Julie Neils. Mark Hull participated via conference call.

A quorum was established.
 - B. Also in attendance were Dan and Jessica Bergan (unit 309).
 - C. Representing Mountain Managers were Eric Gill, Susan Witkowski, and Judy Freese (via conference call).

3. **Approval of 5/18/09 Board Meeting Minutes.** A motion was made, seconded, and passed to approve the minutes as written.

4. **Repair and Maintenance Report.**

Eric read through the items on the report.

It was noted that there is a broken sprinkler head on the right side by the path to the hot tub. Mountain Managers will check on this.

It was felt that too much watering is being done and should be adjusted. It was decided to try watering every 3rd day. This will be watched to make sure this is adequate.

Fertilizing was done and will be done again in the fall.

5. **Financials.** June financials were reviewed and Eric noted where the Association is either over or under budget. Year-to-date, the financials show the Association over budget by \$40,392 in expenses, however, without the insurance claim, the Association is actually under budget by \$16,083.

Recycling was discussed and Eric noted that the recycling study he had hoped to get the Association could not be done. The recycling group only wanted to do 2 of Mountain Managers' properties and felt that Timberline Cove was not a good candidate.

Gas was under budget year-to-date but was over budget for the last couple of months. Is it possible to have Mountain Managers prepare a comparison of expense (this year to last) month by month? Eric said this could be problematic since he did not have last year's figures. Next year this will be no problem. He reviewed the bills and explained how payments are made. The amount paid in May is for April usage, etc. June's bill (for May usage) should be lower.

The insurance claim was looked at and Eric explained the reimbursement. \$55,525 was listed under income with \$56,475 in expense.

The balance in the checking account was \$5,542.88 and the money market account balance was \$38,674.26.

Delinquencies were discussed. Ed Chang's properties (Ocoee) are consistently late in paying. Eric noted that he e-mailed Ed today regarding the delinquencies (no response yet). Unit 102 is making payments (paid \$1,200 a couple of weeks ago and is trying to bring account current).

Legal options available to the Association were talked about. All delinquent accounts are charged late fees and interest. When any account becomes 90 days past due, there are more things that can be done. Eric noted that he has had good success with taking delinquent owners to small claims court. It seems that being served court papers by the sheriff really gets owners' attention and most pay instead of going to court. Mountain Managers has done the paperwork for over 20 cases and only 1 has actually gone to court (a judgment was won in this case by the Association). Unit 102 is making payments and the Board agreed to postpone any legal action at this time. Hopefully, another payment will be forthcoming this month. A close eye will be kept on this account. Ed Chang is again behind in dues payments. The Board doesn't feel that he won't pay but he needs to pay on time. The 7 properties constantly in a delinquent state make quite an impact on the budget. Eric noted that late notices are sent every month (not charged to the HOA). The Board would like to see immediate action taken if any account becomes 90 days past due (lien and small claims court).

6. **Old Business.**

- A. Removal of the path to the hot tub is in progress and grass will be planted in the area. It was noted that trees/shrubs need to be trimmed and Eric was asked if Mountain Managers has a hedge trimmer (they do not). Eric feels that employees do not have the expertise to accomplish professional trimming. The Board has been attempting to obtain bids but has been unsuccessful. Eric will provide the names of a couple of contractors that should be able to bid the project.

It was noted that the Board and owners accomplished putting in the fertilizing tree stakes and saved the Association a substantial amount of money (\$1,000). Owners who helped with this project were thanked – their efforts are very much appreciated!

B. Summer Projects

- 1) Fence installation to prevent the property from being used as a "walk through": Eric noted the current barbed wire fence is on the Water Board's property. Other complexes have made agreements with the Water Board to remove the barbed wire in exchange for being allowed to install and maintain a split rail or post/bam fence. This will probably cost in the neighborhood of \$2,500 - \$3,000. Eric is obtaining a bid for Mountain Meadows. Mark expressed concern that snowplowing would destroy the fence; Eric didn't think this would be an issue due to location.
- 2) Installation of bike racks in the garage has been done. The addition of any additional racks was deferred.

- 3) Enhance front entry with tile to match lobby tile: Robert had received an estimate from Floors & More - \$1,300 including tax. Tile will go partially up the ramp and will need to be a non-skid material. Eric asked how tile grout would hold up to ice melt – this will need to be looked into.
- 4) Furnish/decorate entry to the building (bench inside door, new paint, artwork). American Furniture Warehouse has a bench for \$150. Old snowshoes, skis, etc. could be used for décor (owners may have some items they would be willing to donate). Painting a warmer color will also enhance appearance. Sherry would also like to see a luggage cart made available to carry up suitcases, groceries, etc. She'd like to see this purchased before ski season. Cost would be \$312.

It was also felt that a bench and hooks could be installed in the hot tub area hallway (this will be added to the list).

- 5) Mats have been installed in the elevator and garage areas. There are 2 extra mats in the electrical room – one large and one small. It was requested that one of these be put inside the doorway that goes to the hot tub area. Robert will take care of this.
- 6) Crack filling: Eric noted that this is an HOA expense and not the responsibility of CFC. This needs to be done yearly as on-going maintenance. However, CFC should pay for the infra red patching needed on the large crack between the asphalt and concrete. When this area was originally looked at, it was determined that the area to be patched was approximately 720 square feet. The latest estimate (Columbine) is for over 1,000 square feet. CFC had agreed to 750 square feet but has done nothing and the scope of work has changed. This is in addition to the amount owed showed on the financials. What is shown on the financials is for work that has already been done but not reimbursed. A letter was sent to Ed Chang outlining what is owed (reimbursement):

Sidewalk replacement (north side of dumpster)	\$1,480.00
Heat tape for new gutters	\$ 452.28
Bike storage hooks (Ed agreed to pay half)	\$2,012.07
Front entry light	\$ 262.50
Lobby door chain	\$ 61.80
Lobby door – doorstop	\$ 56.02
Hinges for front door	\$ 79.80
Sprinkler system repairs (#301)	\$1,650.00
Sprinkler system repairs (#303)	\$ 175.00
Irrigation system repair	\$ 332.41
Repairs to dumpster doors	\$3,409.49
TOTAL	\$9,971.17

In addition there is now another problem with the dumpster. After the new hinges were installed to prevent damage to the support posts, the posts and hinges no longer have the "give" they had before (the whole wall actually moved which if left alone would have resulted in major damage to the posts). The doors need to be shortened 6-12" and new wheels installed. The wheels need to be the type that follows the contour of the asphalt.

Another issue is the dead trees/shrubs that have not been replaced. The landscaper returned last year and replace a few shrubs but never came back and addressed the other dead plants/trees. It was noted that newly dead plants/trees that have survived 3 years would not be covered under warranty.

There is also another new problem with water getting under the north stairwell and entry to the lobby. Foundation problems could be a very costly issue.

At this time discussion took place on what options were open to the Association to pursue collection of monies owed and to complete other items that need attention due to original construction defects and/or warranty issues. There is normally a 6 year warranty on construction items but new laws may provide for no time limit on original building defects. Meeting with an attorney was discussed. The Board was in favor of having an attorney address this issue since Ed Chang has been unresponsive. They want an attorney that will act aggressively to see these issues resolved ASAP and not hang on for more months/years. If there are structural issues, these must be addressed now. It was resolved that George and Duane would set up a meeting with Ron Carlson (hopefully on Monday) to discuss this matter. Eric will work on a complete list of things that need to be addressed and include as much detail as possible.

Going back to the summer project list:

- 7) The hot tub cover has been ordered (2 piece cover)
- 8) Mulch – hold off until next year – get estimate
- 9) The heater in the lobby has been unhooked and turned off. If necessary, it can be turned back on in the winter but it should not be needed.
- 10) Hand rails have been sanded and stained.
- 11) Dryer vent cleaning. Some were done in January but they may have been the wrong ones. There are still some bad ones that need attention. The original bid (Service Monkey) was for \$35-\$45 per unit but is now \$90 per unit. A Glenwood Springs company stated that with the booster fans, the vents need to be cleaned from both sides (it is unknown if Service Monkey is cleaning from both sides). It was suggested that the HOA be responsible for cleaning vents from the outside to the booster and the owner be responsible for cleaning from the inside to the booster fan. It was also noted that many of the booster fans were incorrectly installed. Some have been fixed, others have not. Whether or not to add dryer vent cleaning to the MCR was discussed and whether to do this annually or every other year. Ed's 7 units are rarely occupied and could be skipped. There are maybe 30 units (about 11 bad ones) that need to be done.

Service Monkey and the Glenwood Springs company are comparable in price but it's not known if Service Monkey's price includes cleaning the vents from both sides. It was decided that more research is needed and the issue was tabled. It may be better to contact people outside the County or even a handyman. It needs to be determined what the real danger is if vents are not cleaned. It was felt that the dryer could overheat and catch fire – the fire would start in the unit not in the duct. Mark was asked if he could call around the Lakewood/Denver area and see if he could locate someone to come up to look at the vents and bid the work. Mark is starting a new company and does not have the time to do this right now.

- 12) Stonework is budgeted for \$1,750 in 2009 – this will not be needed this year.
- 13) Garage door keys – additional keys are available through Mountain Managers at a cost of \$30 each.
- 14) Window cleaning – Only the high windows that owners can not reach were done last year for \$1,600. The bid this year is \$1,400 for the same windows. All in attendance felt that the money would be better spent on the tile. A motion was made, seconded, and passed to skip window washing this year. Window cleaning is not on the MCR (but will be added) so the HOA would still be using \$1400 unallocated dollars to do the tile work. Tile is \$4.73 per square foot (tile only, no installation). A good non-stick product can probably be found in this price range.

All projects discussed were good ones. The question becomes how much money does the HOA have to spend in conjunction with MCR projected expenses? The Board must be fiscally responsible and make sure money is set aside for anticipated major projects and unforeseen emergency situations.

- C. Noise mitigation was discussed. When repairs were done in 102, Ed Chang brought it to our attention that the drywall was possibly not installed correctly. It looks like the incorrect installation creates a vibration transom – all points vibrate and project noise. This is something else that is a construction defect and needs to be addressed. Owners don't necessarily want all their ceilings torn out but options need to be explored.
- D. Service Monkey has recommended annual fireplace/chimney inspections (safety check only – no cleaning). They will do this at \$40 per unit. Eric explained that some HOA's do this every year and others make this an owner expense. For Associations that have the annual inspection done, Mountain Managers gets the reports and notifies each owner of any problems found. The Fireplace Store said that fireplaces should be good for 3-5 years so this may be considered next year. This will be discussed again in the spring.
- E. Gas was discussed again. Rates have been locked in through 2010. Prices are still low and it might be a good idea to see if gas can be locked in through 2011. If the price goes up the HOA will be in great shape. If it goes down, the HOA will still be ahead of the game with the current low price. Eric will be asked to talk to Tony and find out how far out prices can be locked, get the current price, and his opinion.

- F. Robert asked about the bird spikes (to prevent nesting) that were installed being an owner expense. He felt that since this is in common area the HOA should bear the expense. Only the top floors with beams need to be done (probably 8-10 units). Ed change paid for the spikes – ask Eric if there are any more available and if not, who should pay for the next purchase.
- G. Julie raised some questions on insurance coverage for water damage that originated in another unit. It was explained that the HOA's policy covers unit damage. Items such as a leaking hot water heater should be covered by the owner's HO6 policy. Julie noted that some things were not covered when her unit needed extensive repairs. The Board asked if Mountain Managers would arrange to have an insurance representative present at the next meeting to answer questions regarding HOA vs. owner responsibility and coverage requirements.

7. **New Business.**

- A. The e-mail from Mike Burnam (unit 205) was reviewed. Mr. Burnam had suggested that the list of summer projects be prioritized (already agreed on by the Board). He felt that it might be beneficial for owners to rank the list in the order they felt is most important. The Board feels this is their responsibility.
- B. Compliance with federal law concerning covers on the spa drains: Shannon with Maximum Comfort has stated that the spa drains are not in compliance (very few in the County are compliant at this time). It will cost a couple of thousand dollars to retrofit the drains with the appropriate covers. There is a tremendous back log of orders for the parts to do the work. A letter has been sent to Maximum Comfort asking for an estimate and report on what needs to be done. Shannon has not yet had a chance to prepare the information. It was noted that insurance companies are really pushing this issue since liability could be huge.
- C. It was noted that the annual meeting is coming up on October 3, 2009. George and Duane's terms on the Board will be expiring. Both have agreed to run for re-election. Mark will be staying on the Board if needed but will be unable to contribute much while he gets his business going. He will be available for meetings, etc.

8. **The Next Board Meeting** will be on Friday, August 28, 2009, 3:00 p.m. at Mountain Managers.

9. **Adjournment.** There being no further business, the meeting was adjourned at 5:25 p.m.

Signed:



8/28/09

George Hart, President

Date

Judy Freese, Recording Secretary

Date