

**TIMBERLINE COVE
BOARD OF DIRECTORS MEETING
AUGUST 19, 2011**

MINUTES

1. **Call to Order.** The meeting was called to order at 9:08 a.m.
2. **Attendance and Quorum.**
 - A. Board members in attendance either in person or via conference call were George Hart, Duane Abbot, Jerry Frazee, and Jessica Bergan.

A quorum was established.
 - B. Also in attendance was owner Ed Chang.
 - C. Representing Mountain Managers were Phil Wells and Judy Freese (via conference call).
3. **Approval of 6/24/11 Board Meeting Minutes.** A motion was made, seconded, and passed to approve the minutes as written.
4. **Repair and Maintenance Report.** Phil read through the report covering the period of 6/11 through 7/11. Completed items included removal of water, draining lines, and shut down of the inoperable hot tub, removing the \$95 lock out charge from Jessica Bergen's account (the HOA paid this fee), planting shrubs, trimming of trees and shrubs, and reimbursing Duane Abbott for purchase of lawn furniture, grill and art work.
5. **Financials.**
 - A. June financials were reviewed. Year-to-date income is above the budgeted amount by \$1,488. On the expense side, over budget items included security/fire (\$254), snow removal (\$1,515), and elevator (\$530). All other items were under budget. It was noted that no heavy equipment snow removal was needed in spite of the record snowfall. If it was not needed this time, it probably will never be needed and could possibly be eliminated from the budget. The elevator overage goes back to before the change in contracts. Overall, the HOA was \$9,452 under budget on expenses year-to-date and showed a budget surplus of \$10,941 through June.

The balance in the checking account was \$46,826.37 and the money market account balance was \$37,598.74. \$750 per month is being contributed to reserves.

There were no delinquencies – all owner accounts are current.
 - B. 2012 Budget comparison (2011 vs. 2012) was reviewed. The budget was prepared using the current dues structure. Expenses were budgeted based on actuals plus any anticipated increases. It was explained that Mountain Managers tries to budget slightly on the high side to cover anything unexpected. Utilities were reduced and expenses for 2012 are projected at \$5,831 less than in 2011. With income projected at \$163,728 and expenses at \$152,678, the cash flow will be \$11,150. \$12,000 is allocated for reserves leaving a negative net of \$850.

- C. Possible dues increase: Eliminating heavy equipment snow removal from the budget (\$1,500) will create a positive net vs. the current negative number. \$850 will be needed to balance the budget and the remainder can go into reserves. A 2.5% dues increase could be done as an inflationary hedge. It was noted that when banks are considering loans, they are looking at financials and want to see at least 10% of expenses going into reserves. Timberline Cove is a little under this amount and should consider increasing the reserve contribution. All agreed that reserves need to be increased.

A motion was made, seconded, and passed unanimously to eliminate heavy equipment snow removal from the budget. In addition, dues will be increased by 2.5% as an inflationary hedge and to have a more competitive edge with the banks for loans. The dues increase will be effective 1/1/12. Monies received from the dues increase will go into reserves.

- D. MCR: There are a lot of projects slated to be done in 2012. Duane did a recent walk through of the property with Phil and noted that most of the paint still looks pretty good. Would it be feasible to paint only the sun damaged areas and to do the painting in phases? It was explained that a large part of the painting cost is getting the crew and equipment to the site. It's more expensive in the long run to come back at another date. It was further explained that even when paint still appears to be in good shape, micro cracks that are invisible to the naked eye can develop. When this happens water can penetrate and cause damage to the wood. Semi-transparent stain does not have as long a life as solid stain. Mountain Managers recommends doing all painting at once to preserve uniformity and prevent possible wood damage. Two bids were solicited for budgeting purposes and at least two more will be obtained next spring. The two contractors who submitted bids (\$52,000 and \$52,395) were selected because they are consistently the low bidders and do quality work.

It was suggested that painting could be done in two phases. In order to ensure uniformity of color, all stain could be purchased at once. It was pointed out that this would cause storage problems. Also, the painters buy paint as they use it on the job to prevent waste. The breezeway does not need painting at this time. It's not a difficult area to do and no scaffolding is needed. The cost reduction may not be significant. The current bids are all inclusive (siding, railings, caps, dumpster enclosure, etc.). It was resolved to obtain a bid that does not include the breezeway (walls, ceiling, doors, window trim, stairs going down).

A contractor will be asked to walk the property and submit a revised bid. Once the information is obtained it will be forwarded to the Board. The MCR will be revised as necessary prior to the Annual meeting.

There is a built in increase for reserves in 2016 (increase contribution to \$16,000). The dues increase will bring the HOA close to that amount and it was recommended that the contribution be increased to \$16,000 for 2012. Whether or not this is feasible will be known once the MCR is revised. All information will be sent to the Board.

Replacement of the dumpster enclosure is budgeted at \$10,000 which seems high and could probably be reduced. The bike storage hooks need to be removed from the MCR (this is an owner expense and no monies are budgeted). Also scheduled in 2012 is painting of the garage interior (\$5,000). This will be reduced to \$1,000 and moved out to 2014.

Seal coating/stripping is budgeted for 2012. Mountain Managers is now convinced that seal coating is not needed every 2 years. Research has been done and contractors have stated that condo/residential parking lots can be done every 3 to 5 years. Crack filling only will be done in 2012. Seal coating will be scheduled every 5 years and striping will be done every other year. It's important to crack fill every year. Mountain Managers is using a new contractor who utilizes a rubberized crack fill versus seal coat material. A different material is also used for the joints where the asphalt meets the concrete. Jessica noted that the job appeared to be very sloppy and overlaps on sidewalks, etc. The Board was not happy with how it looked. Mountain Managers will contact Jet Black to come back and correct. It was also asked if the blue footprints could be removed from the cement. The concrete is very porous and it may not be possible but Mountain Managers will try to remove or at least lighten.

\$700 is budgeted for replacing steps next year. This will be moved if it's not necessary.

A special assessment will be needed for painting. Reserves will cover part of the cost but it's very important not to totally deplete reserves. This will be discussed at the Annual meeting and the Board will finalize the decision at their first Board meeting of next year.

6. **Old Business.**

- A. The painting specifications were attached to the meeting packet. This is used every time Mountain Managers obtains bids for painting. For Timberline Cove, an item was added requiring that deck and stairwell railings be sanded and stained using Silkens stain. This has been proven to work very well.
- B. Multiple use real estate signs were being handled by Robert Levin. Robert failed to give the information to Duane prior to leaving the County. The plan was to eliminate individual real estate signs and have one sign with multiple slots for realtor information. Duane will e-mail Robert and this will be an agenda item at the next Board meeting.
- C. Dryer vent cleaning was accomplished at HOA expense on 6/22/10. Whether or not to continue to do this every 3 years or make it an owner expense was discussed. Due to the potential fire hazard, vents will be cleaned every 3 years. Jessica asked if the HOA would pay for cleaning vents if an owner elected to do it more often. It was explained that once every 3 years is probably adequate even with regular use. Jessica's was fairly clean when it was cleaned in June. Clogs usually occur when there are sharp angles in the vents and the fire danger exists only when the clog is close to the dryer. Owners can check the vent close to the dryer themselves if they are concerned about lint clogs.

Fireplace inspections are also mandatory. Inspections are scheduled by Mountain Managers and each owner is billed individually for the inspection. The same could be done with dryer vent cleaning. It was pointed out that owners ultimately pay – either by separate billing when service is performed or with higher dues if the HOA pays.

It was decided to make both mandatory. Fireplace inspections and dryer vent cleaning will be scheduled by Mountain Managers and owners will be billed for both services. This will help in the effort to keep dues as low as possible. Dryer vent cleaning will be scheduled again in 2013 and fireplace inspections will be done again in 2014. Fireplace inspections were accomplished by The Fire Place. Robert Levin negotiated a lower price than Service Monkey was offering. Service Monkey will be approached again and asked if they would reduce the cost of fireplace inspections if they do both the fireplace inspections and the dryer vent cleaning. This may not be feasible since the services are being done in different years and not at the same time.

7. **New Business.**

- A. Painting estimates were previously discussed.
- B. Robert Levin has sold his unit and is no longer eligible to be on the Board. Ed Chang was nominated and unanimously elected to fill the remainder of Robert's term (expires in 2011). Ed's name will be placed on the Annual meeting ballot as a declared candidate.
- C. Jerry is also selling his unit and is expected to close in the near future. The Board can appoint someone to fill the remainder of his term (expires in 2013). The Board will try and find someone to fill the position. As soon as the unit sells, the Board can make the appointment and the new Board members can be introduced at the HOA meeting.
- D. Jessica asked if the landscaping crew could mow lawns later than 7:00 or 7:30 a.m. Quiet hours run until 8:00 a.m. and Celtic will be asked to mow after that time.
- E. It was noted that Mountain Managers may not subcontract landscaping again next year. It was hoped there would be a big improvement by having landscaping done by a professional company but that has not been the case. Using Celtic landscaping is far more expensive than having Mountain Managers' staff members do the work.
- F. Phil stated that he has hired a new employee that will be helping out in Property Management, supervising employees in the field, etc. He has a great deal of experience and should be a welcome asset to Mountain Managers.

8. **The Next Board Meeting:** No date was set for another Board meeting.

9. **Adjournment.** There being no further business, a motion was made, seconded, and passed to adjourn the meeting at 10:37 a.m.

Respectfully submitted: Judy Freese, Recording Secretary

Approved:

Approved via e-mail

12/15/11

Jessica Bergan, President

Date