

**TIMBERLINE COVE
BOARD OF DIRECTORS MEETING
SEPTEMBER 12, 2012**

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 either in person or via conference call were Jessica Bergan, Duane Abbot, Ed Chang, Sky Yost, and George Hart.

A quorum was established.
 - B. Representing Mountain Managers were Phil Wells and Judy Freese (via phone).
3. **Approval of 6/20/12 Board Meeting Minutes.** A motion was made, seconded, and passed to approve the minutes as written.
4. **Owner Forum.** None
5. **Repair and Maintenance Report.** Phil read through the report covering the period of 06/12 through 08/12. Completed items included replacing the circulating pump and seal assembly in the south hot tub, asphalt crack filling, deep root fertilization of trees, exterior window cleaning, and dryer vent cleaning.

Duane noted a recent item that was not included:

There was an emergency situation over the weekend involving a leak from the sprinkler system causing quite a bit of water to accumulate in the garage. Allied was called for a recommendation on who to call locally. Mountain Fire Sprinkler (Beau) was called and spent over 3 hours determining the cause. The fire sprinkler blue prints do not show the pipes in the correct location and several cuts into drywall had to be done to locate the problem. It was ultimately discovered that there was a puncture in the cast iron pipe in unit 206. This was leaking down the pipe into the garage. A temporary fix was applied with permanent repair to be done on Monday, 9/17. Pipe replacement will be necessary from 306 down to 206. The leak may have been from a manufacturer's defect however, Ed did not believe any warranty would apply at this time. Generally there is a 1 year warranty.

Duane also noted that the fire sprinkler inspections were last done in 2011. The company that did the inspection has gone out of business and Mountain Fire Sprinkler has taken over. Arrangements need to be made for them to do an inspection this year.
6. **Financials.**
 - A. July/year-to-date financials were reviewed. Dues income remains behind budget but expenses are looking good. There were 2 repairs to the hot tubs resulting in a budget overage for that line item. Overall, the HOA was \$11,722 under budget on expenses through July.

The balance in the checking account was \$29,570.19 and the money market account balance was \$66,210.14.

Delinquencies were briefly reviewed. Ed Chang has caught up on all dues payments but still owes some late fees. The settlement reached in 2011 allows for 24 months for payment of the agreed upon amount of \$5,000.

B. 2013 Operational Budget.

No dues increase was budgeted for 2013. This is ultimately up to the Board but it appears the HOA will be OK without a dues increase at this time. Line items were briefly reviewed. The Board felt that the HOA has been close to or under budget on expense items for the past few years and they are comfortable with the current numbers. Since there were assessments for painting and dryer vent cleaning this year, the Board agreed that no dues increase would be done at this time.

C. MCR. It was noted that a \$15,000 assessment has been built into the MCR in 2015 for hot tub replacement if the HOA decides to do this. Another assessment (\$30,000) as been put in for 2017. The HOA can continue with assessments or gradually raise dues to fund future projects. The majority of HOA's assess for roof replacement since this is a very large expense and difficult to cover through dues contributions to reserves. The Board agreed to keep doing what they're doing and noted there have been no problems with collecting needed assessments. There should be a budget surplus this year which can go into reserves which may help to offset some of the projected assessment amounts. It was noted that under a new law, owners must approve any transfer of surplus operational funds to reserves. This will be discussed at the HOA meeting and it will be explained that doing this helps to keep dues down and lower assessment amounts. The projected reserve balance at the end of 2013 is \$72,000 but it will hopefully be closer to \$82,000 with the additional funds transferred.

Hot tub replacement was discussed. This has been discussed at previous meetings. Some owners are not in favor of hot tub replacement and some feel it's an important amenity to have. Owners who rent their units definitely want to retain the hot tubs. The majority of renters request a hot tub and Wi-Fi – both are necessary to be competitive in the rental market. The hot tubs also add value to the building.

It was suggested that one hot tub could be turned off during non peak seasons but the savings would not be significant. It would probably be more of a hassle to turn off/turn back on the tub and you never know what might happen when it's turned back on. The Board agreed to keep both tubs open but to cut back the temperature on one tub during the off seasons and lock down the cover. If needed, the locked down tub can be up and running fairly quickly.

There are very few items scheduled on the MCR for 2012 and 2013 (crack fill only for 2012-no striping, and crack fill/seal coat/stripe along with mulching for 2013).

7. **Old Business.**

Estimates for hot tub cover replacement were reviewed and discussed. One cover is a floating cover that sits inside the tub and floats. The other is similar to the covers currently being used. Replacement covers are budgeted for every other year. The Board didn't think paying a disposal fee for old covers was necessary – they can be put into the dumpster. It was suggested that a floating cover be tried to see how it works. After discussion a motion was made to purchase one floating cover (\$340) and to eliminate the disposal fee. The motion was seconded and passed unanimously.

The better of the two current covers will be retained for the tub that will be kept locked down during off season. The other one can be disposed of (put in dumpster).

8. **New Business.**

A. The email from Paul Joliat was reviewed:

- 1) Mountain Managers is looking into installation of rain sensors.
- 2) Cleaning of the walkways/tile areas will be discussed later in the meeting.
- 3) Dryer vent reports were forwarded to the Board and repairs were scheduled.
- 4) The key situation is being worked on and Mountain Managers is obtaining estimates to switch to a key fob system.
- 5) An updated Board of Directors list and homeowners list have been posted on the website.

B. Landscaping was discussed. The Board has received a bid from Celtic for landscaping services including start up and shut down of the irrigation system. Mountain Managers was asked how much landscaping services they will do. By contract, Mountain Managers will spread fertilizer (HOA pays for fertilizer), do spot weed spraying, aerate, mow grass, and do start up/shut down of the irrigation system (billed separately). Anything else is subcontracted out. It was noted that Mountain Managers has tried various options to improve landscaping at its HOA's but without much success. Last year, Celtic did all of Mountain Managers' landscaping but they didn't seem to do a much better job than Mountain Managers did the year before. Next year, the properties will be split into thirds for start up of irrigation systems. One third will be done by Celtic, 1/3 by Neils Lunceford, and 1/3 by Mountain Managers. This should allow all systems to be up and running within a week.

After further discussion landscaping could be broken down as follows:

Mountain Managers: Mowing, aerating, spot spray for weeds, fertilize in spring and fall, and start up/shut down of the irrigation system. A rain sensor will be installed when the system is started up (probably will be put in by Celtic).

Celtic Landscaping: Blanket weed control, pruning, deep root feeding. Celtic also submitted a bid for mulch – remove and re-mulch for \$4,500 or lay down a 1" refresh for \$1,600. All agreed there is no reason to remove mulch.

Phil and the Board will finalize landscaping duties at the next meeting.

- C. Cleaning of the walkways and tile areas was talked about. Bids were received from Exclusive Cleaning and Restoration and Servpro. It was suggested that power washing and sweeping be done versus an expensive professional cleaning. This will be an agenda item at the next meeting.
 - D. Board elections. The terms for George and Duane are expiring this year and both have agreed to run again. Both will be listed as declared candidates on the ballot.
 - E. There has been a change in staff at Mountain Managers. Greg Denckla is gone. Steve will be handling some of what Greg did but not all. He will be responsible for property inspections and making sure things get done. Duane and Jessica walked the property with Steve and believe he will do a good job. Greg was in the process of handling items for several Associations and these will be taken care of. Mountain Managers is handling the concrete issue (Jack Dipple's unit).
 - F. Duane asked permission to purchase a set of old fashioned wood snowshoes to be installed over the elevator. The expense of \$150 (plus tax) was approved by the Board.
 - G. Jessica noted that she had a problem with ice building up in the freezer. She was also aware of her neighbors having the same problem. Both have had repairs made. Ed noted that 3 of his units experienced the same issue and noted that it's too late for any warranty. This can be mentioned at the HOA meeting so owners will be aware of the situation.
9. **The Next Board Meeting** will be held on December 5, 2012, 3:00 p.m. at Mountain Managers.
10. **Adjournment.** There being no further business, a motion was made and seconded to adjourn the meeting at 4:40 p.m.

Respectfully submitted: Judy Freese, Recording Secretary

APPROVED:

Approved via e-mail

12/3/12

Jessica Bergan, President

Date