

**TIMBERLINE COVE
BOARD OF DIRECTORS MEETING
SEPTEMBER 17, 2013**

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, George Hart, Ed Chang, Duane Abbott, and Sky Yost. A quorum was established.
 - B. Also in attendance were Ray and Ellyn Stevenson (unit 204)
 - C. Representing Mountain Managers was Phil Wells.
3. **Approval of 7/31/13 Board Meeting Minutes.** A motion was made, seconded, and passed to approve the minutes as written.
4. **Owner Forum.** Ellyn asked about deck railings. These were painted when the building was done last year but some railings have peeling paint. Railings are on a 2 year schedule and should be done next year. It was noted that top floor railings seem to be in good shape but lower floors are peeling badly. It may be time to scrape down to bare wood and re-varnish. Mountain Managers will have the painter provide an estimate for stripping and re-varnishing railings. This needs to be done ASAP if work is to be done this year.
5. **Repair and Maintenance Report.** The report contained 4 items: Credit issued for pricing difference for hot tub cover, revision of Rules and Regulations to add that owners are responsible for digital cable boxes, landscaping (pruning, deep root feeding, rock wall repair, sprinkler head and zone repairs, start up of irrigation system and mulching), and patching of roof seams with rubber and replacement of downspout.

The hot tub cover was incorrectly billed by the supplier. Mountain Managers will generally catch these errors but did not this time.

Duane noted that when unit 305 had concrete work done the HOA was billed \$900. Duane looked at the work that was done and thought the cost was very high. In addition, the surface is coming back up. It was explained that any concrete work done in the County is expensive due to the materials used at this altitude/climate. Phil looked at the deck area before and after the work was done but only to check if work was actually done. Since the owner does not want anyone in his unit, the area was looked at from the side (from the stairs). Mountain Managers uses reliable contractors and does not oversee the job. This is not part of the management agreement.

Duane noted the owner has called the contractor several times and gotten no response. The issue has not been reported to Mountain Managers. Generally, if Mountain Managers calls a contractor with issues, there is no problem getting problems rectified. Mountain Managers will follow up with the contractor.

Duane asked who is responsible for the decks, owner or HOA. Decks are limited common elements and it is believed they are an HOA responsibility but the Declaration will be checked. (Subsequent to the meeting, the Declaration was checked. Decks, balconies, patios, entryways and porches are all defined as limited common elements. Article IV,

section 4.2 states, (Each Owner will keep in good order and repair, including cleaning and snow removal, any Limited Common Element allocated to the Owner's such Unit (including, without limitation, balconies, patios and decks). The Association may for economy, uniformity, or structural integrity perform any Limited Common Element maintenance.")

The report noted that Celtic started up the irrigation system. It was thought that Mountain Managers was responsible for this. It was explained that in order to get all systems started in a timely manner, Celtic, Niels Lunceford, and Mountain Managers all did some of the start up. This is a billable item; the HOA paid Celtic instead of Mountain Managers.

Duane noted that at the last meeting replacement of the Taco pump was approved and asked what the status was. This is being worked on but there was some difficulty in getting a new pump and the decision may have been to rebuild the existing pump. This is something that needs to be done since the pump services the ice melt system for the handicap ramp. The status will be checked and the Board notified.

Comcast issues were brought up. Ellyn asked about the equipment recently installed. It was explained that the larger box on the main TV has the channel guide and on-demand. The other 2 smaller boxes for additional TV's are just basic digital boxes. George noted that he felt Comcast did a bad job when installing the router equipment. In his unit, they basically left the box on the bedroom dresser and did not supply any access codes. He felt the box should have been put in the closet next to the router from Resort Internet. It was explained that if this were a private residence, the owner would have to pick up the equipment from the Silverthorne office and install or pay Comcast to do the installation. Comcast felt it was a good deal that they brought the boxes to the units and installed. George felt they could have done a much better job. Duane noted that he had no problems with his installation. Ellyn had no issues either. Both had cards left in the unit with access codes. George felt that the transition from Resort Internet to Comcast was poorly executed. In the future he'd like to see someone specifically designated to oversee any project like this one.

6. **Financials.**

- A. July financials were reviewed. Dues collection was under the budgeted amount by \$4,149. Some of this is late dues (not a serious issue) and some may be due to timing (prepayments that were made in December versus January). Expenses were reviewed. Utilities were slightly over budget, Repair & Maintenance was over (roof repairs) and snow removal was over due to additional plowing done after the end of the plowing contract date. The Board felt the cost was high. The contractor is one used often by Mountain Managers and there is no question that he is scrupulously honest. Overcharging has never been an issue. Gas was over budget primarily due to an extended winter season with unseasonably cold weather in April and May. Gas rates have now been locked in at \$4.60 with Tiger Gas. Overall the HOA was \$3,233 over budget on expenses through July and showed a negative net surplus of \$7,272. This is probably closer to \$3,233 since there are no serious delinquencies and late dues payments will catch up.

The balance in the checking account was \$18,132.99 and the money market account balance was \$91,281.35.

B. 2014 Proposed Operating Budget.

The budget comparison was reviewed. The proposed budget is based on the current dues structure. With projected total income at \$167,820 and expenses at

\$159,540, the cash flow will be \$8,280. If the reserve contribution is held at \$16,000, the net will be a negative \$7,720. There are two options: decrease the reserve contribution or increase dues. Generally, the HOA should aim to keep reserve funding at 30-50%. The funding percentages are OK until the roof overlay scheduled for 2022. It was noted this may not need to be done at that time.

There are two assessments factored into the MCR (\$15,000 in 2015 for hot tub replacement and \$30,000 in 2017 for painting). The Board's philosophy has usually been to use both dues and partial assessments for larger projects and this has been working well. The last dues increase was 2 years ago and George felt another is probably due but it should be relatively small. Discussion took place on a dues increase of anywhere from 2 to 8%. A 5% dues increase would basically cover this year's shortfall but provide no cushion for increasing inflation, etc. The reserve contribution needs to be kept at 10% of income to satisfy some bank's lending requirements.

After discussion, a motion was made, seconded, and passed to raise dues 5% effective 1/1/14. Mountain Managers will adjust the budget prior to the HOA meeting.

7. **Old Business.**

- A. Amending the Declaration to allow for trailer parking was discussed. The decision was not to pursue this issue.
- B. The energy audit was discussed. There are quite a few items that can be done for very little cost and as many as possible will be done without hiring an outside contractor. These items include re-setting garage thermostats to a lower temperature, replacing the Temp-Stat thermostats, relocating thermostats, lowering the temperature on the elevator room heater, etc. Heat tape is turned off in summer. Insulation in the attic will not be addressed at this time. More efficient boilers will not be looked at until the current ones are close to needing replacement. Options can be explored at that time. It was felt that insulating hot water tanks would not be very beneficial since they are contained in a heated garage. Mountain Managers was asked to obtain prices on water tank blankets. There is currently a heat lamp for the elevator that was put in at the recommendation of the elevator company to prevent the elevator from getting stuck in cold weather. Mountain Managers was asked to contact the elevator company to see if any alternative solutions have been found to solve the problem.
- C. Heat tape issues. It was noted that there is nothing that can be done to prevent water from getting onto decks when it rains and the wind blows. Everyone has the same issue and gutters/heat tape will not solve the problem.

- D. The rain gauge is not working. Mountain Managers is aware of the problem and Celtic will be putting in a new gauge that will be properly located. A rain gauge was previously put in by Mountain Managers and is not functioning. The HOA was not billed for the first gauge.
 - E. At the last meeting Duane reported that one of the prints in the lobby area had been stolen and the cost to replace would be about \$200. A motion was made, seconded, and passed to authorize Duane to replace the print at a cost of \$200 plus tax.
 - F. The insurance appraisal was just received. The appraisal came in at a replacement cost of \$15,000,000. The HOA is currently insured at \$11,000,000. Phil will be talking to Bob Strong regarding recommended coverage but it may be prudent to push value to the appraised amount to avoid any potential insurance issues if there is ever a catastrophic loss. Ed felt that the appraiser's estimate of \$269 per square foot to replace might be a little high but not way out of line.
8. **New Business.**
- A. The annual meeting agenda was reviewed. The MCR will be revised to push garage door replacement out five years as well as mulching. These two items will be removed from the list of projects scheduled for 2014 on the agenda.
 - B. Wood floor specifications. Due to noise issues, the Board needs to specify that appropriate sound dampening material is used if an owner is replacing carpet with wood flooring. Samples of other HOA's rules will be sent to the Board.
9. **The Next Board Meeting** will be held immediately following the HOA meeting to elect officers. The next regularly scheduled Board meeting will be set at that time.
10. **Adjournment.** There being no further business, a motion was made and seconded to adjourn the meeting at 5:02 p.m.

Respectfully submitted: Judy Freese, Recording Secretary

APPROVED:

Approved via e-mail

10/24/13

Jessica Bergan, President

Date