

**HIDEAWAY TOWNHOMES  
ANNUAL HOMEOWNERS MEETING  
AUGUST 9, 2014**

**MINUTES**

1. **Call to Order.** The meeting was called to order at 10:01 a.m. by President Ed Mountford.

2. **Attendance and Quorum.**

A. 16 owners representing 12 units were in attendance and 12 proxies were received. A quorum was established. Attendance sheets and proxies are filed with the original minutes.

B. Representing Mountain Managers were Phil Wells and Judy Freese.

The Board and other owners in attendance introduced themselves and Phil Wells was introduced as the owner of Mountain Managers (new management company).

3. **Approval of Minutes from 8/10/13 Annual Meeting.** A motion was made, seconded, and passed to approve the minutes as written.

4. **Financials.** It was explained that with the change in management companies, there was also a change in accounting systems from accrual to a cash system. With accrual, expenses are broken out month by month whether or not monies are actually spent in that month. With a cash system, monies are only reflected in the month(s) they are either received or paid out. This actually gives a much clearer picture of exactly what has been spent/received and when.

A. June Financials: Income was ahead of budget by \$5,452 and expenses were under budget by \$4,270. The HOA was showing a positive net of \$9,723 at the end of June. It was pointed out that there are a lot of snow related expenses that have not yet been paid and it is anticipated that the HOA will likely end the year in a deficit position.

At the end of June the balance in the checking account was \$26,183.46, the money market account balance was \$204,505.22, and the CD balance was \$80,343.52.

B. 2014 Operational Budget: This is the previously approved budget prepared by Wilderndest and projects a year end deficit of just over \$6,500.

The Board noted that the change in management companies was not done lightly. Several companies were asked to present proposals and the Board narrowed their choices to two with Mountain Managers ultimately being selected. The management fees are slightly less and items such as security checks and updating of the reserve study are included versus being charged separately. In addition, there is no automatic management fee increase of 3% per year. Last year the HOA experienced a 65% increase in insurance premiums. Mountain Managers uses the same company and with the installation of low temperature sensors the policy was renewed with a small premium increase. Insurance companies look closely at what loss prevention actions are taken by an HOA. Mountain Managers is very proactive when it comes to loss prevention and has a very good reputation with the insurance company. This does make a difference. The low temperature sensors prevented quite a few freeze ups this past winter. Security checks are strongly recommended for unoccupied units. Units requesting security checks are required to be on a master key system. Unit 243 asked Mountain Managers to check and ensure their unit is on master. This will be done and the owner notified. (Subsequent to the meeting, it was found that Wilderndest provided 2 rings of unit keys to Mountain Managers but no master key.)

- C. Owners are required to approve the transfer of any surplus operational funds to reserves at the end of the year. A motion was made, seconded and passed to approve the transfer if any surplus operational funds are available.

5. **Old Business.**

- A. Asphalt work is on-going. There has been some delay in obtaining a contractor to do the concrete pad for the Phase III dumpster. It's been a very busy summer for all contractors. The work has not yet been scheduled but it is still hoped that it will be completed before the snow flies.
- B. Questions were asked about the enhanced enforcement of parking and short term rental rules. The Board spent many hours on clarification of the Declaration. Neither rule is new but enforcement has not been as diligent as it could be. Rentals are still permitted but only for tenancies of 30 days or more. Nightly/weekly rentals are prohibited. A copy of the lease and the owner's unit insurance policy must be provided to Mountain Managers. Owners may rent on their own or through a management company – the same rules apply to both options. Parking rules will also be enforced. The Rules state that owners are not permitted to park in guest spaces at any time. This is being enforced, however, it was noted that guests staying less than 72 hours do not need a permit. Mountain Managers will not be ticketing vehicles without permits unless they have been parked for an extended period or it is known that a unit is abusing the parking rules. There were owners who felt this issue should be revisited and a motion was made to try this for a year and then reassess next year. The motion was seconded and passed. It was noted that any rules made/revised must not be contradictory to the Declaration.
- C. Unit 245 received a letter in July regarding oil stains in the driveway. They stated that the stains were not there in April and no one should have been in the unit. It was a Board member that reported renters doing vehicle repairs in the driveway. The owners are trying to ascertain who would have been in the unit - no one should have been in the unit or parked in the driveway.

6. **New Business.**

- A. Roof discussion: There have been some major roof issues. The previous management company had a roof inspection done and a report was received. The Board authorized repair of active leaks. Mountain Managers was not initially aware that there were leaks that continued after the ice/snow was off the roofs. Once this was clarified, a contractor was sent to the complex and work will be done over the next couple of weeks. Roof replacement has been contemplated by the Board and Mountain Managers recommended an inspection by an independent roof inspector that has no bias (doesn't install roofs). The independent contractor has looked at several roofs and provided a detailed report listing existing issues including construction problems that have led to leaks, etc. New roofs will include correcting flashing, getting siding off the roofs, gutters, heat tape, possible additional insulation, proper venting, etc. There are a substantial number of issues that need to be addressed and it's important that roofs be done correctly.

It is estimated that 6 plex buildings will cost in the neighborhood of \$30,000 and 4 plex buildings about \$25,000. It was not anticipated that Phase III would need to be done as soon as Phases I and II but the inspection showed that Phase III is in the same condition as the others. Re-roofing will begin next summer with the worst ones being done first. The independent contractor will be preparing roof specifications so that all contractors will be bidding on the same scope of work. He will also oversee the work and do periodic inspections during the project and again when work is finished to insure work is done properly and in accordance with specs. This will not be inexpensive (\$40,000 to \$50,000) but after speaking with the contractor, the Board is very confident in Jim's knowledge and expertise. It will be necessary to get through this winter and the number one priority is to have all leaks repaired prior to winter.

The Board will be doing a lot of work prior to making final decisions including whether to do the roofs all at one time or in phases. Funding options will be explored. It may be possible for the HOA to borrow all or part of the money for the roofs and repay the loan through dues payments. Banks are very willing to lend money to HOA's and the interest rates are favorable. Once all numbers are finalized and financing decisions made, owners will be notified about possible assessments even if it's only a preliminary "heads up".

- B. Insurance deductible. Many HOA's have made the HOA's insurance deductible an owner responsibility. This is not meant as a punitive action but it makes financial sense to have the owner's HO6 policy cover the deductible at a much lower cost to the homeowner than to have the HOA pay a \$5,000 deductible for every insurance claim. All owners should already have insurance covering personal contents. The general rule is to imagine your unit is turned upside down. Anything that falls out is an owner responsibility to ensure; what stays in is covered under the HOA policy.

There were some comments about owners being made responsible for repairs that they had no control over and could not prevent. This is understood but with owners responsible for interior repairs up to and including the HOA's deductible, the HOA can better manage expenses without taking a big hit for multiple insurance claims. This can help keep dues increases and assessments down. This has not been discussed previously with the Board and no decisions have been made. It was mentioned today to give owners an opportunity to comment. Should this go into effect, there will not be a big increase in the cost of the owner's HO6 policy. Most policies already include covering the HOA deductible and if it does not, the additional charge is about \$10 per year.

- C. Trash build up around recycle bins and dumpsters has been noted. People do not recycle properly and this will get worse once glass is not allowed (1/1/15). Food in recycle bins can attract bears and other critters. Signs are ineffective and the board has decided to eliminate recycle bins. Owners who are conscientious about recycling can take recyclables to the recycle center in Silverthorne located at 314 Third Street. A larger dumpster with a sliding door will be obtained for Phase III.
- D. Dog issues: The rules clearly state that dogs must be leashed when outside. There have been issues with dogs running loose especially in Phase III. Owners were asked to help out by e-mailing Mountain Managers with information on unsupervised dogs. Offending owners must be identified before any action can be taken. Mountain

Managers needs to know the unit number of offenders so letters can be sent. There have also been some stray dogs in the area. Calling Animal Control is not very effective unless you can hold the dog until they get there (not recommended).

- D. Questions were asked on when the cable agreement is due for renewal and if cost could be renegotiated. The expiration date will be checked; Mountain Managers has been successful with renegotiations at some other complexes. It was noted that basic digital boxes are included with basic cable. Owners should only be paying for any upgrades.
7. **Election of Board Members.** There was one vacancy on the Board for a 3 year term. Rocky Paden agreed to serve and was duly nominated. No further nominations were forthcoming and a motion was made, seconded, and passed unanimously to elect Rocky Paden by acclamation. There will be vacancies on the Board next year and owners were asked to think about stepping up and volunteering to serve. Being on the Board requires a solid commitment, dedication, and hard work!
8. **Schedule the Next Annual Meeting.** Owners are legally required to approve the budget. Meetings used to be held in the fall which makes sense for budget approval. Owners seem to be split on when the meeting should be held. The governing documents will be checked to ensure there is no set meeting date. An e-mail ballot will be sent out to owners with the minutes asking them to state their preference for the HOA meeting date (November or August). This is ultimately a Board decision but owner feedback will be considered. (Subsequent to the meeting it was found that the Bylaws were amended n 2013 to state "...and each subsequent regular Annual Meeting of the members shall be held on a date set by the Board of Directors.")
9. **Adjournment.** There being no further business, a motion was made and seconded to adjourn the meeting at 12:10 p.m.

Respectfully submitted:

Judy Freese, Recording Secretary

**APPROVED:**

Approved via e-mail

8/14/14

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Ed Mountford, President

Date