

**Lake Forest
Board of Directors Meeting
November 19, 2018**

Kathy Chinoy and Bob Seibert were present in person. Ben Duhl, Dennis Murphy and David Ehrenberger attended by phone. A quorum was present.

Owners present included in person were Jim and Lee Miller of unit 201F. Owners in attendance via telephone included Eileen Korrane of unit 101D, John Huston of unit 303B, Ron and Janet Joy of unit 303A and Cindy Lowe of unit 202E.

Representing Summit Property Maintenance was Keith McBrearty. Representing Summit Resort Group was Kevin Lovett.

* * * * *

I. Call to Order

The meeting was called to order at 6:00 pm.

II. Meeting Was Properly Noticed

President Kathy Chinoy noted that the meeting was properly noticed.

III. Owners Forum

The following comments were made during the Owners forum:

Ron Joy- Ron thanked the Board and EDC for their work and requested an update from the EDC. It was noted that the EDC is slated to report on exterior remodel during the committee reports later in this agenda. It was noted that minutes from this meeting to include the EDC report summary would be available for Owners once approved.

Janet Joy – Janet stated that she appreciated cooperation and good work from the communications committee and that a newsletter draft has been prepared and will be sent to the Board for review.

Ron Crist – On behalf of Ron Crist, SRG stated that there is a dead evergreen tree behind Ron's unit and he is requesting that it be removed (or allow him to remove it). Ron also would like to go on record to state that he would like to buy a garage unit if one becomes available. Ron also would like noted that the light timers at the hot tub need to be adjusted; Bob Seibert noted that he had adjusted the timer early in the day, so all should be properly lite.

IV. Meeting Minute Review/ approval, 9-17-18

The minutes from the September 17, 2018 Board meeting were presented. The minutes were approved.

V. Adoption of Proposed Agenda

Bob moved to adopt the proposed meeting agenda; David seconds and the motion passed.

VI. Ratify Actions Via Email

Bob Seibert moved to ratify the following actions completed via email:

10-17-18 E 204 therapy dog request, approved
Dennis Murphy seconds and the motion passed.

VII. Property Manager's Report

Keith McBrearty presented the following Property Management Report:

Report Format; Keith reported that this will be the new report format for meetings.

Owner Contact; Keith reported that since the last Board meeting, he has been in contact with numerous homeowners and the homeowners have reported that they are pleased with janitorial services and thanked Keith and his staff.

Hot tub activity; Keith noted that the hot tubs have been receiving significant usage. There was intermittent trouble with the jets on the east hot tub; the jet pump electronic control has been replaced. It is possible that there is also blockage in the plumbing line. Keith is working with the hot tub repair company to address. A railing at the hot tub area was repaired; it will need to be painted in the Spring.

Spring to do lists; Keith is working with President Kathy to establish Spring 2019 task priority list.

Key storage; A secure key storage lock box has been placed on property. SRG will be given key for emergency purposes.

Winterization; Keith reported on status of winter preparation. Emore Inc is lined up for snow removal services. The gutters have been cleaned out, heat tapes turned on, irrigation system blown out, mechanical room heaters on and ice melt buckets set out around property.

B Building Ground Water; Keith reported that the ground water is again bubbling near the B building creating an icy condition. The Board will discuss plans to rectify the situation.

Lights; Light inspection continue to take place on a regular basis and burnt out bulbs replaced.

Unit Remodels/ Contractors; Keith reported that there are numerous unit remodels taking place. Contractors are staying in the units as they complete the work, using the common trash and recycling containers for remodel debris / boxes and contractors are using the hot tub area bathrooms. The Board discussed; the Board will work to determine a method to prevent contractors from abusing the facilities. Owners are reminded that they are responsible for the contractors working in their units, the contractors are not permitted to utilize the common facilities (cannot use hot tub bathroom) and the trash / recycling on site at Lake Forest is for common household trash only – it is not to be used for construction debris/ construction trash.

Fire Sprinkler inspection; The 2018 fire sprinkler inspection has been completed. It was noted that the cost to complete the inspections was negotiated down from years past.

Keith reported on inspection items:

Overall system report; the inspection reports state that overall, the fire sprinkler system is in good working order.

Gauges; the fire sprinkler report suggests replacement of all gauges as they are all over 5 years old. Keith is working to retrieve a cost estimate to replace all gauges.

Sprinkler head voluntary recall; it was reported that any Central GBR-2 sprinkler heads on site are on a voluntary recall program.

D Building concern with location of the landscape irrigation backflow; it was noted that in the mechanical room of the D Building, the backflow for the irrigation system is located above the fire alarm panel. This is a concern, as if the irrigation system backflow fails, it will dump water all over the fire alarm panel. Keith recommended moving the irrigation backflow. Keith will obtain plan and cost estimate to complete the move.

Sprinkler heads that are painted; it was noted in the inspection report that there are sprinkler heads that have been painted over in the following units:

C101 X2,	C304 X2,	C201 X1,	C303 X2
D201 X1,	D302 X2,	D301 X1,	D304 X1
E306 X2,	E305 X1,	E203 X2,	E206 X1

Sprinkler heads with missing escutcheon rings; it was noted in the Inspection report that there are sprinkler heads with missing escutcheon rings in the following units:

C102,	E201,	E202,	E206
-------	-------	-------	------

Garages with “midway walls”; it was noted that there are garages in which a wall has been built splitting the garage into 2 rooms. The walls constructed interfere with the fire sprinkler system and the walls must be torn down. The walls exist in the following units:

A102, F304

Additional garage inspections; it was noted that not all garages were accessed.

Fires sprinkler system action items; Upon discussion, Dennis moved that, once verified by property management and one Board member, the HOA should complete repairs to all sprinkler heads and bill the individual Owner (Owners are to be notified ahead of time to include the cost); Bob seconds and the motion passed. Keith, Kathy and Bob will meet to discuss further all needed actions on the fire sprinkler system.

VIII. Board Reports

1. President’s Report: Kathy did not have any specific items to report on that have not yet been covered or would not be covered below.

2. Vice President: Bob Seibert stated that the contractor issues must be resolved.

3. Secretary: Marshall Blaney was absent.

4. Finance: Ben Duhl and the finance committee reported on the following items:

Year to Date Financials: September 2018 close financials were reported as follows:

Balance Sheet; the Balance sheet reports account balances of:

Operating, \$83,204

Reserves, \$565,326

P & L vs Budget; the Profit and Loss vs. Budget reports overall year to date operating expenses of \$220,640 vs year to date budget of \$224,024 resulting in a year to date operating expense underage of \$3383. The actual total NOI to date is \$14,074 versus a budget NOI of \$15,061.

Areas of significant expense variance were reviewed.

2019 Budget: The 2019 Budget was presented. Overall, there is no change to Dues proposed. Revenue and expense line items were reviewed. Upon discussion, Ben moved to approve the 2019 Budget; Kathy seconds and the motion passed.

Reserves: The Board discussed the reserve fund to include revenues slated for 2018 reserve projects which were not completed as well as 2019. Reserve project expense allocations were also reviewed.

Budget Ratification: Budget Ratification was discussed. The Budget Ratification meeting will be held on Wednesday December 5, 2018 at 1:00 pm in the SRG office (a conference call line will also be made available). It was noted that unless 51% or more of the Owners object to the 2019 Budget, the Budget is ratified. SRG will prepare and send ratification meeting notice out to the Owners.

Financial Review: The Board discussed completing a financial review. It was noted that historically, between the years of 2005 and 2014, a financial review was completed (as opposed to an audit). SRG stated recommendation to complete an audit / review every year. The Lake Forest Bylaws require an audit be completed every year. The Lake Forest Board of Directors desires to have a CPA complete a formal review each year, not an audit. The Board feels that a formal review is as effective and more economical than an audit. Upon discussion, Kathy moved to pursue amending the Bylaws (Article 5, section 5.8, (k) and article 7, section 7.1) to strike the requirement for an “audit” and replace with “review”; Bob seconds and the motion passed. It was noted that funds are allocated in the 2019 Budget to complete a review in conjunction with the preparation of the 2018 tax return.

FDIC Protection of Reserve Funds/ Discussion of unit sale proceeds: Ben presented an overview of the Finance Committee’s investigations into plans for the proceeds from the sale of the rental unit to include ensuring that all funds remain FDIC insured. Local banks were contacted, and bank programs were reviewed. Upon discussion, Kathy moved to

authorize the opening of a savings account at FirstBank and authorizes SRG to deposit \$250,000; additionally, Kathy moved to authorize SRG to move up to \$200,000 from savings reserve at Alpine Bank to a Money Market Account under CDARS. Bob seconds and the motion passed.

It was noted that the above actions will immediately reduce risk and keep the funds liquid as the building project moves forward. Once the building project financing information is complete the board may review the use of CDARS at either bank. The finance committee will review Investments Policies for recommendations to the Board.

It was further noted that President Kathy Chinoy and Kevin Lovett from Summit Resort Group would be signers on the accounts.

Rental unit insurance cancellation, refund check: It was noted that the insurance for the rental unit has been canceled and State Farm is issuing a refund for the unused portion of the premium, dating back to the date of the sale.

5. Standing Committee Reports:

a. Exterior Design: David Ehrenberger presented the EDC update. David noted that good progress has been made towards finalizing materials for presentation and recommendation to the Board. Good progress has also been made with regard to design. Dennis has prepared a professional statement of work that defines the architectural elements and design as well as priority (Basic vs. Enhanced). Basic items within the statement of work are essential items and Enhanced items are “optional” type items. David reported on individual product items and status of recommendations for the Board’s review (it was noted that all recommendations will be given to the Board by the end of the year):

- Color palate selection; good progress has been made on color palate options. Once completed, this will be presented to the Board for review.
- Decks; “Timber Tech” is the decking product recommendation. David stated that with regard to the 1st level concrete decks, it is the recommendation of the EDC to repairs concrete patios with defects as needed.
- Windows / doors; “Andersen Proline Aluminum Clad” is the recommended window for triple sash replacement.
- Siding; “LP Smartside” is the recommended siding replacement product.
- Railings; options are currently under review with recommendation pending.

David and Dennis spoke to the status of the design process. It was noted that phases 1 and 2 (of 3 total design phases) are complete. The preliminary drawings, RFP and Statement of Work have been sent out to five contractors for bid. Bid proposals are due 12/10 and then contractor interviews will take place 12/10 through 12/14. The EDC would like to select contractor by the end of the year. Once the bids are received, they will be reported to the Board.

The EDC reported on the status of amounts paid to the architect to date as well as invoices pending. Upon discussion, Dennis moved to approve payment on the account of \$8,012.73 to the Architect; Ben seconds and the motion passed.

b. Grounds: Kathy presented the Grounds Committee report. It was noted that Madeline Mishkind is investigating landscape maintenance and improvement plans for 2019.

c. Communication: Kathy noted that a newsletter draft has been prepared and will be sent to the Board for review.

d. Drainage: Investigations into drainage repairs continue. Electric heating systems that are installed under concrete/ asphalt are being explored. Options will continue to be explored and reported to the Board.

e. Rules: Kathy noted that the rules committee is working to set a date to meet. The Board was asked to submit to Hub and Kathy any rules they feel need to be reviewed and researched and if there are new rules they would like to be considered. The Board was asked to review the current Governing Documents and prioritize how they wish Hub and his committee to research which topics. Bob presented two changes:

- 1- Number of Board members
- 2- 3 Bid rule

IX. Old Business

There were no old business items to discuss.

X. New Business

The following new business items were discussed:

1. Unit E 301 Dog request; Unit E 201 submitted request for two dogs at unit. Upon review, the request was approved.

2. SRG Property Management Agreement renewal; the Summit Resort Group Property Management Agreement is up for renewal this coming January 1, 2019. Upon review, Kathy moved to approve the renewal to include a 3% increase in the monthly management fee and on a “month to month” contract basis; Bob seconds and the motion passed. Kathy stated that the goal is to convert to an annual contract, once Kathy and SRG have had a chance to discuss the agreement in further detail.

3. Board of Directors appointment of Committee Members (D & O coverage); The Board discussed implementing a formal appointment of Committee Members. Upon discussion, Kathy moved to appoint the following non-Board members as “non-voting” committee volunteers, so that they are covered by the Lake Forest liability insurance; Ron Joy, Patty Tofe, Cindy Lowe, Ron Crist, Janet Joy, Madeline Mishkind, Hub Helm, Doug Delong and Sue Sorenson; Bob seconds and the motion passed.

XI. Next Meeting Date

The next Board of Directors meeting will take place Monday January 7, 2018 at 6:00 pm.

XII. Adjournment

At 8:00 pm the meeting was adjourned.

Approved: _____ approved 1-7-19