

**Glen Cove Owners Association  
Annual Meeting of the Members at the Silverthorne Library  
Friday, November 20, 2009 at 6:30 pm.**

**Attendance**

Jack Carpenter Unit #67  
Heather Wood Unit #63  
Steve Beck Unit #C33 & G41

Steve & Judy Eskin Unit #26  
Amy & Brian Sward Unit #26  
Michelle Tekampe Unit #C27

**Via Proxy**

Emily Suuronen Unit #S44 to Steve Beck  
Daryl James #S50 to Jack Carpenter

Sheila Wilson Unit #G33 to Steve Beck  
Marc Weinberger #80 to Jack Carpenter

**Management in attendance**

Rick Pyle, Bob Towne & Moya Callahan representing the management company

**Call to Order & Introduction**

The meeting was called to order at 6:32 pm and everyone introduced themselves to the group.

**Quorum & Proxies**

A quorum was achieved as attendance included six members in person and four proxies.

**Election of chairman & meeting secretary**

Steve Beck chaired the meeting and Moya Callahan recorded the minutes.

**Previous minutes review & approval (November 21, 2008)**

Heather Wood made a motion to approve the minutes from the November 21, 2008 AGM meeting and Amy Sward seconded. As all were in favor and none opposed the motion passed.

**President's Report**

Steve Beck explained that as the President he acts as the primary interface to the management company. The Board elects officer positions at the first Board meeting after elections at the AGM. The entire Board votes on any HOA action that comes up. Almost all of the Board's communication is via email. The spring walkthrough does occur with the Board members present to look for maintenance and Rules & Regulation violation issues. Next summer there is a plan to paint the entire project and there are bids in for Board review. The HOA insurance is negotiated through MRP and is currently through American Family. Rick reviews the insurance annually to ensure that American Family is competitive. Regarding the bank accounts, Jack and Steve have authorization to transfer funds between the reserve

and operating accounts with Alpine Bank. Rick does not have access to the reserve accounts only the operating account.

### Financial report

#### *Approve Tax Resolution regarding Excess Income –*

Rick began with the balance sheet from December 2008. At the end of the year of 2008, the HOA had \$80,911.77 in cash on hand, with Accounts Receivable at \$1,073, total assets and Accounts Payable was \$3,498.17. The Advance Assessments are \$2,160.20 and explained that the amount consists of the owners who have paid their dues ahead. The equities are the reserve fund amount and retained earnings were \$2,301.93 with a net income of \$4,750.58. The membership is required to vote to sign off on an excess tax resolution for excess income to keep those funds in the account of the HOA and not refund back to the HOA. The Profit & Loss for operating assessments were as budgeted, however, the working capital was off due to a lack of sales in the community. The late fees were elevated; MRP noted that they are starting to see several Associations have the same issue. Jack and Steve carefully watched the allocated reserve interest and ended up at 100% of what was budgeted. In the expenses, a couple of line items were off from what was budgeted: the landscaping & grounds and the office & administration line items were high. Overall, the expenses came in at about one percent over budget for 2008.

Moving onto the September 2009 financials, Rick noted that the cash on hand was \$97,922.23. Alpine Bank offered a 2% interest rate on the reserves and the banking was moved from Bank of the West to Alpine Bank. The Accounts Receivable was \$3,895.53. The Association is owed over \$3,600 from one owner; they have filed bankruptcy and the unit is in foreclosure. Rick has never seen so many foreclosures or bankruptcy's and the attorney, Mark Richmond, said it could be worse in the next year or two. Rick advised that the HOA move in a more proactive fashion with past due owners. It was decided that the Association has no choice but to maintain the building and pay the utilities if the bank does not. The HOA is being forced to pay and it is coming directly out of the member's pockets. Another member is in arrears, but is paying according to the payment plan with an additional \$100 each month to become caught up. The new Board will determine how to handle delinquent owners and when to file liens

The Advance Assessments were \$2,266.59. The Profit & Loss for 2009 shows the income side in alignment with the budget; however, late fees are a little higher. The reserve income interest is off by about 50%. The overall expenses are at about 87% of the budgeted operating expenses for the year-to-date. Jack had a question on whether the Bank of the West operating account was closed. Rick has been in touch with the Colorado Bank of the West representative as MRP is having difficulty with the local branch closing accounts. The Association offers the ability to pay dues via ACH with Alpine Bank. At the end of 2009, Alpine Bank will not be offering the 2% interest rate and the Association will need to consider CD's or investment accounts.

**Jack Carpenter made a motion to approve the December 2008 year end financials and the financials through September 2009 and was seconded by Amy Sward. As all were in favor and none opposed, the motion passed.**

**Heather Wood made a motion to approve the resolution to apply excess income as written and was seconded by Jack Carpenter. As all were in favor and none opposed, the motion passed.**

**Property Managers Report**

Bob Towne presented the managers report and let the Association know that they had to replace three concrete slabs that were a tripping hazard, which amounted to approximately \$2,700. The infant swings were replaced at the playground. There was some minimal touch up painting completed. The column supports by the walkways will be addressed next year as they were replaced with a cedar wood to handle inclement weather. The irrigation was blown out. The snow poles were installed and the heat tape is ready and was tested at the end of Crystal Cove. Bob will keep an eye on the passage so they do not have the icing issues that they experienced in the past. The sand barrels were repaired and are ready for use. The Association has a plowing contract with RKR. The contract is for a five-month season with unlimited plows at 3" or more within a 24-hour period. They will perform scrape downs once a month or as needed. Bob reminded owners not to park in the street, as MRP will have the car towed at the owner's expense. Bob has personally talked to the people that are repeat offenders and the towing company is Dillon Towing. The Association has parking issues in the winter and painting lines is not a viable option, as you cannot see them when they are covered with snow. Bob asked that owners please make sure all of the trash cans are inside. There will be another roof inspection next week and any repairs will be completed before the winter season. There is a repair needed in the flashing at unit 24 under the eave and when the wind/snow blows in the eave it blows into the unit. MRP will ensure that this will be repaired next week. Bob asked that the garden hoses be disconnected from the spigots next week. If a homeowner leaves the spigot hooked up, then any damages become their financial responsibility.

There is one unit that is somewhat of an issue as they rent often. Rick said the leasing information must be shared with MRP so that they can contact the leasing company with any problems. It was noted that as second homeowners rent more, problems increase. Rick suggested increasing the fine structure for the Association. Rick asked the owners to report any issues to the management company.

**Landscaping Committee Report** – MRP had several calls concerning cutting down the natural growth a couple of times this year. As it did not seem to be of value and people were not concerned about the growth, the Association decided to discontinue cutting and save some money on landscaping. Jack had a few comments in favor of discontinuing the cutting as it saved some of the wild flowers. The steps leading to the park have been deferred until the spring of 2010. Bob sprayed "Round Up" in the playground area for weeds. Rick stated that more communities are moving toward a community clean up day and it helps to bring the expenses down.

**Election of Five Directors to Executive Board Members** – The Board consists of five members with one-year terms. The current Board was nominated for 2009 – 2010.

**Heather Wood made a motion to waive the secret ballot, and was seconded by Amy Sward. As all were in favor and none were opposed Heather Wood, Amy Sward, Jack Carpenter, Steve Beck and Michelle Tekampe were elected to the Board of Directors by acclamation**

## Old Business

*Rules & Regulations* – Rick briefly reviewed the Association's Declarations and Rules & Regulations. He suggested that the collection fees, late fees, fines for rule violations, rental restrictions, lien filing, community work day and the staggering of Board terms be addressed in the rules and regulations. The insurance is a large vulnerability for Associations and Rick has been reviewing several documents for his HOA's to ensure the Association is protected. The HOA is aging and Rick wants to make sure they do not take the hit on problems that should fall on the homeowner instead of the HOA. Steve felt that this is a good idea. Rick noted that Mark Richmond has offered an annual retainer in the amount of \$1,000 for two hours of legal work a month, which breaks down to less than \$45/hour in attorney, services. Rick would take the initial view of the Association's documents and then, forward to Mark Richmond for comment. The results would then be shared with the Board.

*Other Old Business* – Jack likes the idea of a sign for the HOA, but it might be too expensive. There was discussion on the TimberLodge sign and Rick commented that it was installed by the membership on a workday. The membership determined that they would need a committee for design and to determine size, lighting, etc. Jessica is the flower lady and she may be interested in assisting with the sign and landscaping. The Board will discuss the sign further in the spring.

## New Business

*2010 Budget*- The dues are slated for a 5% increase to continue the proper funding of the reserves and increase of operating expenses. The insurance is factored in at a 10% increase with the renewal for next year. The landscaping expense was decreased, however, the reserves include steps for the playground. The legal and accounting expense only has the accounting expense included. If the Board decides to retain Mark Richmond, we will attempt to include the retainer in 2009 payments. The postage is a larger expense and MRP is suggesting moving toward a single sheet coupon book in lieu of generating monthly statements. The Board could make electronic communication, ie: email, an option. The reserve consists of a percentage of a total amount. The interest expectations were dropped on the operating account. Rick confirmed that the Association does receive the working capital contribution when a unit sells. If the Association does not paint next year, the contribution will be approximately, \$26,352. In 2010, the expense for base paint for the buildings, decks, steps and railings is estimated at \$54,000. The proposals are in and the bids vary from \$78,000 to \$52,000. Carl Villani's bid is at \$70,000; All Seasons' bid is at \$78,000; Breckenridge Painting is at \$67,000. Each painter is bidding on the same work and material. The Association was painted in 2004 and there is a need to repaint. The Association asked MRP to request references for Platte River as their bid was the lowest and to contact Carl Villani to see if he can revisit his bid as he completed the work in 2004.

**Heather Wood made a motion to approve the 2010 budget as presented and was seconded by Steve Eskin. As all were in favor and none opposed, the motion passed.**

*Reserve Study* – The mortgage lenders have been requesting information regarding professional reserve studies. Colorado law requires HOA's to be fully funded for fifteen years. They have never had a reserve study and would they feel comfortable with a roof replacement bid. The preventative maintenance is

helping sustain the life of the roof. The members felt they were comfortable with the current reserve sheet and felt that most lenders would be happy with their reserves sitting at \$100,000. Stay Dry Roofing is coming out next week for a roof inspection and MRP would ask if they could provide an estimate to replace.

*Corporate Standing-* The corporate standing is up for renewal in March 2010 and will be renewed at that time.

*Other New Business* – A member asked what the cost would be to place a dog run in behind the playground as almost every homeowner has a dog.. There was discussion surrounding the possibility of an off leash dog area. The Board stated that this was an issue they could take under consideration.

The steps should not preclude the possibility of having a wheelchair access to the playground. That area is underutilized and might bring the community together. The membership agreed to place the steps in the most convenient area that would not preclude wheelchair access in the future.

**Adjournment**

As there was no other new business to discuss Steve Eskin made a motion to adjourn and was seconded by Amy Sward. The meeting was adjourned at 8:23 pm.

I hereby attest that these minutes are a true and accurate account of the meeting thus held on November 20, 2009.

\_\_\_\_\_  
Signed

As \_\_\_\_\_  
Board Position

\_\_\_\_\_  
Date