

**TIIMBERLINE COVE HOMEOWNER ASSOCIATION
ANNUAL MEETING
September 16, 2023**

I. CALL TO ORDER/INTRODUCTIONS

The Timberline Cove Homeowner Association Annual Owner Meeting was called to order at 10:05 a.m. via videoconference

Board members participating were:

Paul Joliat, President, Unit 102	Tim Kiehl, Vice President, Unit 304
Steven Gustafson, Treasurer, Unit 103	Robert Cave, Secretary, Unit 305
Barb DelGrego, Director, 302	

Owners participating were:

Marietta Joliat, Unit 102	Nancy Gustafson, Unit 103
Cindi Mansour, Unit 201	Carl & Joyce Low, Unit 203
Art Smithson, Unit 205	Stacey Gilbert, Unit 206
Deb Stacey, Unit 209	Paul DelGrego, Unit 302
Lois & Lawrence Van Heukelom, Unit 306	Sue Peterson, Unit 309
Sherry & Duane Abbot, Unit 404	Carrie Van Duym, Unit 406
Cindy Brusilow, Unit 409	Gary Nichols, Unit 410

With units represented in person or by proxy, a quorum was confirmed.

Representing Summit Resort Group (SRG) was Noah Orth. Erika Krainz of Summit Management Resources transcribed the minutes from recording.

II. APPROVAL OF MINUTES OF LAST MEETING

Motion: Paul Joliat moved to approve the September 17, 2022 Annual Meeting minutes as presented. Carl Low seconded and the motion carried.

III. PRESIDENT'S REPORT

Paul Joliat announced that Ed Chang submitted his resignation from the Board a few months ago. He was thanked for his 16 years of service on the Board. Barb DelGrego was appointed to serve the remainder of his term. Paul included a written report in the meeting packet and reviewed the following items not included in that report.

Unplanned and Unforeseen Expenses:

1. There was a leaking valve in a limited common element that damaged Unit 309. The repair cost was about \$3,000.
2. The fraying cables on the overhead garage door were replaced at a cost of \$500.
3. There was a \$12,000 insurance claim for a smoke incident in Unit 310.
4. New gutters and heat tape were installed over Unit 410 to mitigate water infiltration at a cost of \$2,600.
5. The fire suppression sprinkler deficiency repairs were completed at a cost of \$8,400.

6. Installed 25 limestone column caps to replace the deteriorating composite caps that were allowing water infiltration at a cost of \$26,500.
7. Deck structure repairs were completed on seven units at a cost of \$6,650.
8. The roof was inspected and repaired at a cost of \$9,058. The roof was projected for replacement in 2027 at a cost of about \$600,000. These repairs should push the replacement date out to 2029. The updated estimated for the roof repairs and gutter and heat tape replacement is \$350,000.
9. The snowmelt system was repaired at a cost of \$7,300.
10. The garage unit heater igniter and thermostats were replaced at a cost of \$1,800.
11. There is a leaking valve in the garage by parking spot 310 with the repair cost to be determined.

Proactive Cost Saving Measures:

1. Installed dusk to dawn LED lightbulbs in the hallways.
2. The irrigation system was started by SRG and repairs were implemented by SRG and the Board.
3. Perennials and annuals were planted in the beds by volunteers. There has been ongoing maintenance and weeding by owners.

Upcoming Issues and Potential Future Expenses:

1. There is an asphalt issue in the parking lot in front of Units 101, 102 and 103 where it meets the sidewalk. A solution is being investigated.
2. There is an issue with the dry fire suppression system in the attic that will require repairs.
3. A recall has been issued for the fireplace wall control units in most units. A solution is being investigated.
4. Many insurance carriers are limiting their liability for buildings with values exceeding \$25 million. The current replacement value for Timberline Cove is less than that. Some properties have experienced tenfold increases to their premiums. It is hoped Timberline Cove will not be affected because the building is only 16 years old, is a standalone structure, there is a fire suppression system, fire fuels are removed from the grounds annually and 30 trees in close proximity to the building were recently removed.

IV. TREASURER'S/FINANCIAL REPORT

A. *Balance Sheet as of June 30, 2023*

Noah Orth reported that the Association had \$19,594 in the Operating account, \$117,343 in the Reserve Account, \$100,007 in an Edward Jones CD and \$75,000 in an Edward Jones three-month money market for a total of \$311,944.

B. *Profit & Loss Statement as of June 30, 2023*

The P&L statement reflected a \$4,987 favorable variance to budget. Noah Orth reviewed the significant variances:

1. Sewer - \$1,157 unfavorable to budget due to timing of the billing.
2. Trash Removal - \$563 unfavorable to budget due to extra pick-ups.
3. Snow Removal - \$1,209 unfavorable to budget due to extra plowing service.
4. Gas - \$3,082 unfavorable to budget due to a rate increase.

5. Common Electric Utility - \$872 unfavorable to budget due to usage.
6. Repair & Maintenance - \$4,350 unfavorable to budget due to unanticipated repairs.
7. Grounds - \$10,788 unfavorable to budget due to payment of a late invoice from Greenscapes for 2022 expenses.
8. Hot Tub - \$2,132 unfavorable to budget due to repairs.
9. Elevator - \$429 unfavorable to budget.
10. Legal & Accounting - \$460 favorable to budget.
11. Cable TV - \$752 favorable to budget.
12. Security & Fire System - \$3,076 favorable to budget.
13. Chemicals - \$409 favorable to budget.
14. Mechanical Preventative Maintenance - \$2,886 favorable to budget.

Motion: Tim Kiehl moved to approve the financial report. Paul Joliat seconded and the motion carried.

V. MANAGING AGENT'S REPORT

A. *Completed Operating Projects*

1. Plumbing System Inc. is the new plumbing and heating contractor and will provide biannual preventative maintenance inspections of the mechanical elements.
2. Thyssen Krupp is the new elevator contractor and will provide all services related to the elevator.
3. A financial audit was completed.
4. An insurance audit was completed.
5. The annual inspection of the fire and safety equipment was completed.
6. The annual inspection of the fire sprinkler was completed.
7. The irrigation backflow was inspected.
8. The garage door was added to the back-up generator power.
9. All eight garage door heaters were serviced with new ignitors and updated thermostats to control the heater function.
10. The roof was inspected and repairs were completed as needed.
11. The separating deck support fascia and belly bands were repaired on Units 203, 206, 207, 209, 304, 408 and 409.
12. The hot tub filters and seals were replaced.
13. The drywall penetrations in the mechanical and electrical rooms were repaired.
14. The exterior common hallway light bulbs were replaced with dusk/dawn bulbs.
15. The water spigot keys and hoses were placed outside the garage and hot tub areas for owner use.
16. Gutter and heat tape were installed above Unit 410.
17. The unit and common area electronic lock batteries were replaced.

B. *Ongoing Items*

1. Mechanical room/snowmelt system repairs are in progress.
2. Stone veneer and concrete column cap masonry work is in progress.
3. Asphalt heaving temporary skin patch repair is in progress.

C. *Items to Report*

1. Unit 209 has a master bathroom clog.
2. Unit 309 had a pinhole leak at an elbow joint in the domestic water line.
3. Unit 310 filled with smoke due to a pan left on the burner.
4. A leak in the garage domestic water line was repaired.
5. Per the updated management contract, the garage will be power washed twice annually in the spring and fall.

VI. OLD BUSINESS

A. *Electric Vehicle Charging Station Discussion*

Paul Joliat said the Board did extensive research and ultimately decided to table implementation. He has learned that all automotive companies will be switching to a universal adaptor. In the future, the Association may want to provide an internal solution rather than outside in the parking lot.

VII. NEW BUSINESS

A. *Roof Replacement Proposals*

Proposals were received from several vendors. The estimated cost for roof replacement is \$350,000. This estimate will be used for future budgeting.

B. *Roof Repair and Maintenance*

There is a written report on the roof and it is in good condition overall.

C. *2024 Proposed Operating and Capital Reserve Review*

Paul Joliat said there have been anticipated increases in utilities, water and sewer, management fee and insurance. A \$5,000 contingency line item has been added to account for unanticipated expenses.

Tim Kiehl reviewed highlights of the Reserve/Capital Planning document.

1. The Board learned that owners prefer to keep dues lower and pay for Capital expenses through Special Assessments.
2. The monthly Reserve contribution was increased 3% from \$98,556 to \$101,472.
3. There will be a \$70,000 Special Assessment payable by June 30, 2024 to start funding the anticipated roof replacement in 2029.
4. The Reserve Study is being used to guide financial planning. The anticipated spend over the next ten years is \$1.350 million for painting, elevator, roof replacement and asphalt repair and resurfacing. Reserves for 2034 and beyond are planned to be at a 50% funding level.
5. The projected Reserve balance as of January 1, 2024 is \$282,000. The required funding between 2024 – 2033 is \$1.818 million, equating to an average annual funding of \$181,800 over the next ten years.
6. Decisions regarding the timing of projects are made based on need and circumstances, not on the Reserve Study schedule.

7. The Reserve Study anticipated total expenses of \$58,250 in 2023. Actual expenses will total about \$81,000, and include some items that were not included in the Reserve Study.
8. The Reserve Study anticipated a remaining useful life of the roof of three to five years.
9. The estimated cost to replace the roof in 2023 is \$250,000. Assuming 3% inflation, the estimated cost to replace the roof in 2029 is \$300,000, plus \$50,000 for gutters and heat tape.

Owner comments:

1. Carl Low spoke in favor of allowing owners to keep their money and invest it rather than accumulating a large balance in the Association account for large projects such as the roof, and paying for large expenses by Special Assessment. Tim Kiehl said the principal behind Reserve Studies is that owners pay for the usage of the elements during the period of their ownership. He noted that there have been owners who have been delinquent with dues payments and there could be problems collecting payments for Special Assessments, which would impact the ability to complete projects.
2. Deb Stacey said it seems that the newer owners are taking on the burden of paying for these replacements and the older owners did not contribute. She asked the Board to reconsider the amount of the Special Assessment.
3. Stacey Gilbert said she was told by a roofing contractor that roofs should not need to be replaced if there is ongoing maintenance. Paul Joliat noted that the Board is trying not to make decisions arbitrarily. Reserve Associates was hired to perform a professional Reserve Study and it was updated last year. They are recommending a “strong” level of Reserve funding, equating to a 70% funded level. The current funding level nowhere near that amount.
4. Cindy Brusilow suggested a middle ground with a lower assessment this year.
5. Steve Gustafson noted that the Special Assessment is a Board discussion and is not voted on by the owners.

D. 2024 Budget Ratification

A roll call vote was conducted. There were three owners opposed to approval of the 2024 Budget but this did not equate to a 51% majority and the 2024 Budget was deemed ratified.

VIII. OWNER EDUCATION/FORUM

A. Garbage Disposal Back-Ups

SRG is encountering increasing numbers of clogs in garbage disposal lines due to improper use. Owners who rent are encouraged to post signage in their units regarding items that should not be put down the garbage disposal.

Action Item: Noah Orth will post the document he included in the meeting packet on the website.

B. Insurance Claims Process

Noah Orth reminded owners that they are required to carry coverage for their unit interiors. Owners are asked to notify Noah if they file a claim.

C. Unit Security Inspection Authorization

SRG provides summer (bi-weekly) and winter (weekly) unit security checks. SRG must have a signed authorization form on file to enter the units.

IX. ELECTION OF DIRECTORS

Barb DelGrego was appointed to the Board in July after Ed Chang resigned and she was up for re-election. There were no other nominations from the floor. Since the election was uncontested, Barb DelGrego was re-elected by acclamation.

X. NEXT ANNUAL MEETING DATE

The next Homeowner Meeting was scheduled for Saturday, September 14, 2024 at 10:00 a.m.

XI. ADJOURNMENT

Duane Abbott recognized the existing Board for their work on behalf of the Association.

Motion: Carl Low moved to adjourn at 11:34 p.m. Paul Joliat seconded and the motion carried.

Approved By: _____ Date: _____
Board Member Signature