

**TIIMBERLINE COVE HOMEOWNER ASSOCIATION
ANNUAL MEETING
September 14, 2024**

I. CALL TO ORDER/INTRODUCTIONS

The Timberline Cove Homeowner Association Annual Owner Meeting was called to order at 10:02 a.m. via videoconference

Board members participating were:

Paul Joliat, President, Unit 102

Steven Gustafson, Treasurer, Unit 103

Tim Kiehl, Vice President, Unit 304

Barb DelGrego, Director, 302

Owners participating were:

Kimberly Abeyta, Unit 101

Robert Doran, Unit 202

Stacey Gilbert, Unit 206

Brenda & Don Lewis, Unit 301

Marjorie & Bob Cave, Unit 305

Sue & Jon Peterson, Unit 309

Susan Liddell-Caudillo, Unit 406

Louanne & Tom Curran, Unit 408

Gary Nichols, Unit 410

Nancy Gustafson, Unit 103

Ed & Kim Voyles, Unit 203

Deb Stacey, Unit 209

Paul DelGrego, Unit 302

Lois & Lawrence Van Heukelom, Unit 306

Sherry & Duane Abbot, Unit 404

Phil & Catherine Gagnard, Unit 407

Cindy Brusilow, Unit 409

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: Duane Abbot moved to approve the September 16, 2023 Annual Meeting minutes as presented. Bob Cave seconded and the motion carried.

III. PRESIDENT'S REPORT

Paul Joliat welcomed new owners Ed & Kim Voyles (Unit 203) and Susan Liddell (Unit 406). He thanked the Board for their hard work and noted the Board has invested over 50 hours in budget preparation and completed Board training. There was another successful Spruce Up Day with 17 owner volunteers. The focus has been on planting perennials to replace annuals. Mulch was purchased from Lowes and spread by owners and SRG. The irrigation was started up and repaired in house as a cost saving measure. The trash removal company was changed from Waste Management to Timberline in an effort to reduce expenses. The landlines for the elevator, gas meter and fire suppression system are being eliminated and replaced with cellular service. The payback will be less than 12 months and should save the Association about \$3,000/year. All fireplaces were inspected and cleaned with the exception of one that was not accessible. Cleaning and inspection will be done on a three to five year cycle. The snowmelt system has been leaking glycol for years. The two distribution manifolds were replaced and the system has been pressure tested. The carbon monoxide detectors in the garage were serviced

and repaired and have been given a clean bill of health. They are scheduled for replacement next year. Repairs to the concrete walkways on the second, third and fourth floors are ongoing. The demolition work has been completed and the replacement concrete will be scheduled. The joint between the concrete and steel will be caulked around the entire second, third and fourth floors. The wood patio railings, wood caps and metal railings are being repaired as needed. There are issues with many of the columns supporting the patios and roof structure. They are 14" x 14" square and are experiencing twisting and rotation caused by a combination of extreme temperatures and humidity. The worst twisting is on the lake side. The problem is being addressed by engineering consultants and contractors. Bids for remediation have ranged from \$80,000 - \$400,000. The scope has been narrowed to reduce the price and the apparent low bidder is being worked with to finalize pricing. There are also issues with the aging fire suppression system. There have been leaks in the dry system in the attic space and other unheated areas. The leaks are being patched but there have been expenses of \$3,000 - \$6,000 per year. Bids are being obtained for a permanent fix. The Board will discuss the viability of filing an insurance claim. The elevator and elevator lobby tile will be repaired.

The insurance premium increased 35% last year and is projected to increase another 35% this year. The deductible was increased from \$5,000 to \$25,000 to mitigate the impact on dues last year. The insurance company is requiring removal of all open flame devices including barbecues, heaters and smokers from decks and patios by February 1, 2025 or coverage will be dropped. The Association is looking at keeping one or two barbecues for use in the jacuzzi area. Electric grills will be permitted. It was noted that owners may be able to sell or give away their grills if they are in good condition on the "Buy Nothing Summit County" or "One Man's Junk" groups on Facebook. They can also be disposed of at the landfill or recycled at the Silverthorne recycling center.

IV. TREASURER'S/FINANCIAL REPORT

A. *Balance Sheet as of June 30, 2024*

Noah Orth reported that the Association had \$8,647 in the Operating account, \$161,338 in the Reserve Account, \$233,000 in a 12-month Edward Jones CD and \$1,817 in Edward Jones cash/mutual funds for a total of \$404,803.

B. *Profit & Loss Statement as of June 30, 2024*

The P&L statement reflected a \$8,019 favorable variance in Total Expenses. Noah Orth reviewed the significant variances:

1. Trash Removal - \$850 unfavorable to budget.
2. Elevator - \$2,329 unfavorable to budget due to timing of the inspection expense and replacement of ADA compliant push button phone.
3. Window Cleaning - \$3,355 unfavorable to budget due to the service being budgeted in July.
4. Legal & Accounting - \$767 favorable to budget.
5. Insurance - \$1,599 favorable to budget.
6. Sewer - \$722 favorable to budget.
7. Cable TV - \$654 favorable to budget.
8. Gas - \$4,676 favorable to budget.
9. Repair & Maintenance - \$1,530 favorable to budget.

10. Grounds - \$2,508 favorable to budget.
11. Hot Tub - \$872 favorable to budget.

Motion: Paul Joliat moved to approve the financial report. Steve Gustafson seconded and the motion carried.

C. *2024 Approved Budget*

All monthly Reserve contributions of \$8,456 have been made through June. The total Reserve contribution for the year will be \$101,472.

V. MANAGING AGENT'S REPORT

A. *Completed Operating Projects*

1. A garage door panel and cables were replaced after it was hit.
2. Garage carbon monoxide detectors were inspected and are scheduled for replacement in 2025.
3. Western States repaired the dry fire suppression system.
4. Parking lot crack seal, seal coat and striping was completed.
5. The metal handrails were refinished.
6. Repaired the snowmelt system manifold leaks.

B. *Ongoing Items*

1. Main entrance and elevator car rille refinishing.
2. Unit common entrance walkway concrete edging and sealing repairs.
3. Twisting vertical post bracing.

C. *Items of Interest*

1. The garage door was hit twice and has been repaired.
2. There is a garage ceiling leak from a drain stack which has been investigated.
3. Proposals for a potential landscaping upgrade for the southeast corner of the building.

VI. OLD BUSINESS

There was no old business.

VII. NEW BUSINESS

A. *2025 Budget Ratification*

The 2025 Budget as drafted included an 8.4% increase to the Operating assessment and a 10% increase to the Reserve assessment for a combined increase of 8.9%. There will be a \$70,000 Special Assessment due by June 30, 2025 for the roof and gutter replacement that is planned in 2029. There is the potential for a \$50,000 - \$100,000 Special Assessment in 2025 to fund unbudgeted expenses for repairs to the twisting timbers and dry fire suppression system replacement.

Steven Gustafson reviewed the significant changes to the budget:

1. Operating Dues - \$21,168 (8.5%) increase.

2. Legal & Accounting - \$6,000 increase for a full financial audit.
3. Management Fee - \$4,700 increase.
4. Insurance - \$10,000 increase.
5. Grounds & Landscape Maintenance - \$2,000 decrease.

There was a suggestion to eliminate cable as an Association expense since most people are using streaming services or to reduce the service to one television per unit.

Action Item: The Board will look into the cost of bulk cable versus the cost for owners to obtain their own cable.

Tim Kiehl reviewed the status of the Reserve projects. There are unbudgeted expenses anticipated for items such as the twisting beams and the fire suppression system. Some of these expenses can be offset by postponing projects. The projected year-end Reserve balance in 2025 is \$391,047, equating to a 24% funded level. In the next 10 years, the annual costs add up to a total of \$1.6 million. The projected year-end balance at that point is \$788,322, equating to a 47% funded level. There will need to be about \$2 million of funding in the next 10 years, which will cost about \$200,000 per year. There is a \$70,000 Special Assessment each year for five years that started in 2024 to fund the roof and gutter replacement in 2029. Starting in 2029, there is a \$35,000 Special Assessment every year going forward to reach a funding level of about 50% at the end of ten years. It was noted that in 2023, the owners indicated their preference for a blend of dues increases and assessments with the goal of keeping dues as low as possible.

Owner comments addressed the following:

1. Several owners expressed concern about the ongoing increases to dues and the impact on marketability of the units. In response, it was noted that Timberline Cove dues were relatively low in comparison to other properties.
2. There was a suggestion to reduce the Reserve contribution for a year or two to stabilize the dues increases. It was noted that this would make it more difficult to reach a 50% funded level.
3. There was a question regarding the funds that are collected when units sell. It was explained that these funds are not budgeted since it is not known how many units will sell each year, but the funds are reflected in the financial report at year-end.
4. There was a suggestion to request insurance quotes from other agencies that might offer more favorable rates. The response was that the Board is talking to three different agencies about competitive bids for the next renewal cycle.
5. There was a suggestion to file an insurance claim for the twisting timbers before the insurance policy renews with a potentially higher deductible.
6. There was a suggestion to look at ways to generate income for the Association through charging for electric vehicle stations or fees for rental units.

A roll call vote on ratifying the 2025 Budget was conducted. There were four owners opposed to approval of the 2025 Budget but this did not equate to a 51% majority and the 2025 Budget was deemed ratified.

B. Insurance Open Flame Equipment

The Association must adopt a policy prohibiting open flame devices as of February 4, 2025. Failure to adopt this policy or non-compliance could result in non-renewal of the insurance policy. Electric grills will be permitted.

C. New Timberline Cove Condominium Entry Policy

The Board and SRG developed a Condominium Entry Policy. It states that owners will be given 48 hours notice for non-emergency access (mainly for inspections and certain maintenance). If there is a need for emergency access, the staff will knock on the door, identify themselves and state the nature of the emergency, which could include water leaks, smoke alarms and gas leaks.

D. Board Member Change

Bob Cave resigned from the Board on August 1, 2024. He was thanked for his service. Art Smithton was appointed by the Board to fill the vacancy.

VIII. ELECTION OF DIRECTORS

The terms of Steve Gustafson and Art Smithton expired and both were willing to run for re-election. There were no other nominations from the floor and the two incumbents were elected by acclamation.

IX. OWNER FORUM

Cindy Brusilow suggested creating a list of owners who are willing to share their kayaks and paddleboards. Paul Joliat volunteered to share his kayaks.

Don Lewis felt spending money on a common grill area, electric vehicle charging stations and landscaping projects should be reconsidered, given the Special Assessments and other unforeseen and unbudgeted expenses. He commented that the view of the equipment across the street is a perennial problem. Paul Joliat noted that the landscaping project is in the early stages. The goal is to stabilize the property and reduce annual maintenance. He added that the Association has taken action in the past to get the area across the street cleaned up. The Board could create a subcommittee to work with the Town of Frisco.

X. NEXT ANNUAL MEETING DATE

The next Homeowner Meeting was scheduled for Saturday, September 13, 2025 at 10:00 a.m.

XI. ADJOURNMENT

Motion: Tim Kiehl moved to adjourn at 12:19 p.m. Paul Joliat seconded and the motion carried.

Approved By: _____ Date: _____
Board Member Signature