

**TIIMBERLINE COVE HOMEOWNER ASSOCIATION
ANNUAL OWNER MEETING
September 19, 2020**

I. CALL TO ORDER

The Timberline Cove Homeowner Association Annual Owner Meeting was called to order at 10:06 a.m. via videoconference

II. ROLL CALL, PROOF OF NOTICE & INTRODUCTIONS

Board members present were:

Paul Joliat, President, Unit 102
Ed Chang, Treasurer, Unit 405
Stacy Gilbert, Director, Unit 206

Tim Kiehl, Vice President, Unit 304
Steve Gustafson, Secretary, Unit 103

Owners present were:

Scott Dorch, Unit 101
Cynthia Mansour, Unit 201
Gus & Leslie Gastason, Unit 204
Javier Castillo, Unit 208
David & Katie Krieves, Unit 210
Paul & Barbara Delgrego, Unit 302
Lawrence & Lois Van Heukelom, Unit 306
Sherry & Duane Abbot, Unit 404
Martin Koppers, Unit 410

Nancy Gustafson, Unit 103
Carl & Joyce Low, Unit 203
Doug Silver, Unit 205
Deb & Harold Stacey, Unit 209
Don & Brenda Lewis, Unit 301
Bob & Marjorie Cave, Unit 305
John & Susan Peterson, Unit 309
Louanne Curran, Unit 408

Notice of the meeting was sent August 19, 2020. With 21 units represented in person or by proxy, a quorum was confirmed.

Representing Summit Resort Group were Katie Kuhn and Kevin Carson. Erika Krainz of Summit Management Resources transcribed the minutes from recording.

III. APPROVAL OF PREVIOUS MEETING MINUTES

Motion: Steve Gustafson moved to approve the September 21, 2019 Annual Meeting minutes as presented. Bob Krieves seconded and the motion carried unanimously.

IV. PRESIDENT'S REPORT

Paul Joliat reviewed significant projects from the past year:

1. The Board made the decision to keep the hot tub closed for the foreseeable future.
2. He thanked all owners who participated at the July 10th owner work day. The next owner work day is scheduled for July 2, 2021.
3. The landscaping project at the front entry significantly improved the appearance.
4. The Board spent many hours reviewing the Capital Reserve Plan.
5. A preventative maintenance agreement has been executed with Breckenridge Mechanical for quarterly inspections of the mechanical equipment.
6. The Association financial position continues to improve.

V. TREASURER'S / FINANCIAL REPORT

Kevin Carson presented the financial report.

A. Year-to-Date Financials

As of July 31, 2020, the Association had \$18,108 in the Operating account and \$112,923 in the Reserve Account.

The P&L statement reflected \$155,427 of actual expenses versus budgeted expenses of \$160,059, resulting in a \$4,631 favorable variance to budget. He reviewed the following variances:

1. Snow Removal – \$1,500 favorable to budget.
2. Gas – \$1,957 favorable to budget.
3. Repair & Maintenance – \$3,417 unfavorable to budget.
4. Heating System – \$1,126 favorable to budget.
5. Grounds – \$1,179 favorable to budget.
6. Window Cleaning – \$1,995 favorable to budget.

All Reserve transfers have been made year-to-date.

B. 2021 Budget Ratification

The 2021 Budget as drafted includes a 4% proposed dues increase, primarily due to inflationary increases to Cable, Insurance, Trash and Management Fee, and addition of the new preventative maintenance agreement. The significant changes included:

1. Insurance – \$1,884 increase
2. Cable TV – 5% increase per the contract.
3. Trash Removal - \$380 increase based on actuals.
4. Gas – \$700 decrease based on actuals. The rate has been locked.
5. Mechanical Preventative Maintenance – \$5,772 new line item.

There was a question about opening the hot tub. Kevin Carson explained that there would be strict requirements for hourly cleaning and social distancing, which would necessitate hiring a full time attendant. Even with a liability waiver, the Association insurance would not cover a claim. The Board will continue to monitor the situation.

Motion: Tim Kiehl moved to ratify the 2021 Budget as presented. Ed Chang seconded and the motion carried.

C. Capital Reserve Plan

Tim Kiehl said the monthly statements now break out the two dues components for the Operating and Reserves. Three years ago, a new Reserve Study was prepared by outside experts. The Association finances are much healthier after a couple of large increases. The 2020 year-end balance is projected to be \$140,000, up from \$51,000 at the end of 2018. The annual contribution is about \$88,000. The expected useful life of the roof is 23 years and it is scheduled for replacement in 2029 at a cost of \$350,000. The Reserve balance is projected to go negative in 2037, but that is 20 years out and it might be possible to push out some projects. It also assumes no increase to the contribution, which is unrealistic. There appears to be adequate funding for the next ten years.

Owner questions and comments addressed the following topics:

1. Target Reserve Balance - The experts recommend a 70% minimum funding level. Three years ago, the balance was less than 10% of the target. The Board will discuss the target percentage this year. The current goal is to get to 50% funded. The Board and owners will need to decide if the Reserves should be fully funded or use a blend of Reserve and assessments to pay for large projects.
2. Future Dues Increases - The dues have been relatively low for many years, which makes the property attractive. The Board reviews expenses on an annual basis and avoids increases whenever possible.
3. Investment of Reserves – The Association never had enough of a balance to invest in the past. Currently, the funds are held in a money market account due to overall low interest rates. Katie Kuhn said the Board can work with a financial advisor on investment once the balance is larger.
4. Window Replacement - Windows are an individual owner expense so they are not included in the Capital plan. Paul Joliat will research the window specifications.
5. Building Walkway Cleaning - Paul Joliat said a line item should be added every few years for pressure washing the walkways.
6. Building Security – There have been issues in the past with people sleeping in the lobby. SRG has ordered RFID locks for the lobby door and Jacuzzi area that match the unit doors.
7. Elevator – The elevator drops about 1” when it sits at the first floor and jerks when it restarts. Kevin Carson said Peak Elevator is contracted for maintenance. He will inform them of this problem.

VI. MANAGING AGENT’S REPORT

A. *Completed Operating Projects*

1. The insurance policy was renewed with Farmers.
2. The annual inspections and tests were completed for the fire extinguishers, fire alarm, fire sprinkler system and backflows.
3. Repaired the elevator.
4. Power washed the garage.
5. Repaired and replaced the door locks as needed.
6. The trees were deep root fed.
7. Repaired pinhole leaks in a hot water recirculation line.
8. Executed a preventative maintenance contract for the mechanicals.
9. Improved the front entry landscaping.
10. Repaired the garage door.
11. Refinished the spa hallway floor.
12. Cleaned the dryer vents.

B. *Capital Projects*

1. Tested 5 dry head sprinklers.
2. Replaced domestic hot water recirculation pump.
3. Repaired the dumpster enclosure.

C. *Pending Items*

1. Lobby security upgrades.
2. Deck railing refinishing.
3. Snowmelt system repairs.
4. Jacuzzi gate and lock repairs.
5. Garage storage rooms cleaning and organization.

VII. OWNER EDUCATION

Information regarding the importance of having Reserves was included in the meeting packet.

VIII. OWNER'S FORUM

Owner comments and questions addressed the following topics:

1. Hotel – There is storage behind the hotel that is unsightly. The hotel management and staff have been approached about this issue and the Frisco Police Department was involved. Paul Joliat said he filed the complaint with the Town, sent photos and received a response. He believes the Town will be taking action. If not, another avenue might be to contact the Summit Daily News.
2. Front Door Locks – All emergency services will be provided access information for the building after the new locks are installed. A lock box may be installed at the front of the building in an unobtrusive location.
3. Rentals – The Board is trying to develop a list of owners who rent their units long or short term.
4. Garage – There have been problems with oversized vehicles parking in the garage. Owners should inform their rental management company and tenants that oversized vehicles cannot be parked in the garage.
5. Rules & Regulations – RVs and trailers must be parked at the back of the lot and cannot be parked for longer than 72 hours without Board permission.
6. Asphalt – There is an area where the asphalt is curling under the concrete. SRG will follow up.
7. Boat Racks – The boat racks are relatively full. Katie Kuhn said access to the racks is on a first come first served and all items should be labeled with the owner unit number. The Board can discuss options for expanding storage at their next meeting.
8. Storage – There are some items being stored on common property. Owners are asked to report improperly stored items to management.
9. Window Washing – There was a request to schedule the window washing earlier in the season. The plan for next year is to have the windows cleaned in mid-June.

IX. OLD BUSINESS

There was no Old Business.

X. NEW BUSINESS

A. *Flower Beds*

There are flower beds at the front sign, at the building entrance, at the bike path and two at the Jacuzzi area. To keep expenses down, the Board would like owners to volunteer to weed and prune the beds during the summer instead of contracting with a landscaping

company. Volunteers from the annual meeting were: 101 Dorch, 102 Joliat, 103 Gustafson, 201 Mansour, 203 Low, 204 Gustason, 302 Delgrego, 304 Kiehl, 404 Abbot. If any other owners are interested in volunteering while they are at their unit, please reach out to Paul Joliat, paul.joliat@michiganair.com. More information will be forthcoming in the spring. Many hands make for light work!

B. Elevator Lobby

The elevator lobby paint needs to be refreshed. There was a suggestion to improve the lighting in the lobby. There was owner support for this action.

C. Air Compressor

Paul Joliat suggested purchasing an air compressor for common use that could be stored by the luggage carts. There was owner support for this action.

XI. ELECTION OF MANAGERS

The term of Ed Chang expired and he was willing to run again.

Motion: Carl Low moved to nominate Ed Chang. The motion was seconded.

There were no other nominations from the floor.

Motion: A motion was made to re-elect Ed Chang by acclamation for a three-year term. Paul Joliat seconded and carried.

XII. NEXT ANNUAL MEETING DATE

The next Homeowner Meeting will be held on Saturday, September 18, 2021 at 10:00 a.m.

XIII. ADJOURNMENT

The meeting was adjourned at 11:16 a.m.