

**TIIMBERLINE COVE HOMEOWNER ASSOCIATION
ANNUAL MEETING
September 18, 2021**

I. CALL TO ORDER

The Timberline Cove Homeowner Association Annual Owner Meeting was called to order at 10:00 a.m. via videoconference

II. ROLL CALL, PROOF OF NOTICE & INTRODUCTIONS

Board members participating were:

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

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

Owners participating were:

Charles Rand, Unit 101	Nancy Gustafson, Unit 103
Carl & Joyce Low, Unit 203	Edmund & Leslie Gustason, Unit 204
Doug Silver, Unit 205	Deb Stacey, Unit 209
Don Lewis, Unit 301	Paul & Barbara Delgrego, Unit 302
Karen Murphy, Unit 303	Bob & Marjorie Cave, Unit 305
Lawrence & Lois Van Heukelom, Unit 306	Sue Peterson, Unit 309
Sherry & Duane Abbot, Unit 404	Philip & Catherine Gagnard, Unit 407
Martin Koppers, Unit 410	Tom & LouAnn Curran, Unit 408

Notice of the meeting was sent August 23, 2021. With 19 units represented in person and five by proxy, a quorum was confirmed.

Representing Summit Resort Group (SRG) were John Morgan, Paul Fretz and Robert Loeb. Erika Krainz of Summit Management Resources transcribed the minutes from recording.

III. APPROVAL OF MINUTES OF LAST MEETING

Motion: Carl Low moved to approve the September 19, 2020; Annual Meeting minutes as presented. Paul Joliat seconded, and the motion carried unanimously.

IV. PRESIDENT'S REPORT

Paul Joliat reviewed significant projects from the past year:

1. He welcomed John Morgan as the new Property Manager.
2. He thanked the owners for following posted COVID safety protocols.
3. The jacuzzi re-opened Memorial Day weekend.
4. The Board involved the Frisco Police Department and Community Service Officers and had the 55-gallon drums, plastic containers and the piles of asphalt and concrete removed from behind the hotel. The construction vehicles being parked at the hotel are from employees working on the I-70 project.
5. Improved the landscaping along the bike path to eliminate the standing water.
6. Added an air compressor in the garage.
7. The Board approved purchase of an additional watercraft storage unit. Owners are asked to store their carts in their units or in front of their vehicles.

8. There was a raccoon infestation in the attic that took some time to eradicate. All access points have been sealed and the attic has been cleaned up. The cost was \$11,477 and SRG shared in the cost. There is one raccoon still roaming the property and efforts continue to trap and relocate it.
9. Solicited owner feedback on short term rentals and hot tub access. There is interest in limiting short term rentals to a seven-day minimum and in improving the hot tubs. A subcommittee was formed to tackle the hot tub project.
10. The annual summer spruce up and barbecue was a success with 14 owner participants. The owners who took part were thanked. This event will be held next year on Friday, July 1, 2022.
11. The monthly happy hours were very successful.
12. Added a community workbench and tools for ski tuning and miscellaneous projects. There is a punch code lock on the door.
13. He thanked the other Board members for their work on behalf of the Association this year.

V. TREASURER'S / FINANCIAL REPORT

A. *Year-to-Date Financials*

John Morgan reported that as of July 31, 2021, the Association had \$8,590 in the Operating account and \$167,252 in the Reserve Account.

The P&L statement reflected a \$2,390 favorable variance to budget. He reviewed the significant variances:

1. Water - \$736 unfavorable to budget.
2. Sewer - \$475 unfavorable to budget.
3. Snow Removal - \$1,557 favorable to budget.
4. Security & Fire - \$1,095 favorable to budget.
5. Elevator - \$2,245 unfavorable to budget.

The Reserve contribution will be \$87,996 for the year.

B. *2022 Budget Ratification*

Paul Joliat stated that the 2022 Operating Budget more clearly identifies the annual expenses for window and dryer vent cleaning, grounds and landscape maintenance, mechanical preventative maintenance and legal and accounting. The proposed increase is 12.2% plus the \$75,000 Special Assessment.

C. *Review of Major Component Reserve Schedule*

A professional Reserve Study was done in 2018. At that time, the annual Reserve contribution was only \$18,000. The Reserve Study indicated the Reserves were significantly underfunded. The target is a 70% funded level. The Association is projected to end the year with a Reserve balance of \$135,000 – \$175,000, with the high end of that range equating to a 15% - 20% funded level. The recommendation of the Board is to increase the Reserve contribution from \$88,000 to \$98,000 per year and to levy a three-month Special Assessment of about \$75,000 to provide funding for painting in 2022 and to make headway on the Reserve balance.

Roof replacement is scheduled in 2032 at a projected cost of \$450,000. The Association will spend over \$1 million in next 11 years. Steve Gustafson noted that the average annual Reserve spending is \$104,000 and the annual contribution is about \$98,000, so the Special Assessment is necessary to maintain an adequate balance.

Owner questions and comments addressed the following topics:

1. Actual versus Budgeted Expenses – The budgeted and actual Reserve expenses in 2020 were very close. For 2021, there is \$95,000 budgeted and the actual expenses should be around that amount, depending on the fire sprinkler expense. Raccoon remediation was an unexpected cost.
2. Dues – There was a request to provide a spreadsheet with the dues for each unit with future proposed budgets.

There were no owner objections and the 2022 Budget was deemed ratified.

VI. MANAGING AGENT'S REPORT

A. Completed Operating Projects

1. The insurance policy was renewed.
2. The annual inspections and tests were completed for the fire extinguishers, fire alarm, fire sprinkler system and backflows.
3. Repaired the elevator.
4. Executed a preventative maintenance contract for the mechanicals.
5. Improved the front entry landscaping and drainage.
6. Repaired the garage door.
7. Cleaned the dryer vents.
8. Jetted the storm drains.
9. Relocated wildlife and repaired damage.
10. Repaired the snowmelt system.
11. Updated the Reserve Study.

B. Pending Items

1. Lobby security upgrades with coded locks.
2. Jacuzzi cover replacement.
3. Garage storage improvements.
4. Timberline Cove Operations & Maintenance Handbook.
5. Rainwater drainage and gutter improvements.

VII. OWNER EDUCATION

Information regarding the importance of maintaining a Reserve Fund was included in the meeting packet.

VIII. OWNER'S FORUM

Owner comments and questions addressed the following topics:

1. Tree Removal – There was a request from two owners to remove three Aspen trees to improve the lake view. There are several other Aspens that are too close the building, causing drainage issues and providing animal access. The bushes could be extended to replace the trees. The Board will follow up on this issue.

2. Garage – Access to the garage should not be restricted to owners only. It is an important amenity for rental guests.
3. Kayaks – There was a suggestion to provide some community kayaks. Owners were asked to write their name, unit and phone number on their equipment (kayaks, paddleboards and bikes) that is stored in the garage.
4. Garage Storage – There have been complaints about the storage of items in front of parking spaces. It is unsightly and causes cars to stick out and impede access.
5. Expenses - The Board will be working with legal counsel to clarify items that are an Association versus an individual owner responsibility and expense.
6. Special Assessment - The Special Assessment will equate to three extra months of dues to bolster the Reserve balance.
7. Dues – There was a request to cap the annual dues increases. Paul Joliat pointed out that the dues are driven by expenses. The Board focuses on controlling costs to the best of their ability.
8. Shower Leaks – John Morgan will forward information to the ownership once he receives it.
9. Rental Management – There was a suggestion for owners to rent through a single rental management company to provide a revenue source. The Board will discuss this suggestion.

IX. OLD BUSINESS

A. Window Replacement

Paul Joliat researched replacement windows. The information will be posted on the website. Any Owner who wants to replace their windows will need to ensure uniformity. It was noted that failed glass can be replaced and may be covered under the warranty.

B. RFID Locks for the Lobby

Paul Joliat said lobby security will continue to be a challenge due to the multiple points of access. Coring the existing steel doors to install new keypad locks might not be the right decision given the remaining useful life of the doors is only about five to seven years.

X. NEW BUSINESS

A. Review & Discussion of Owners Survey – Short Term Rentals & Hot Tubs

Several owner comments during the Owner's Forum addressed this topic. They were as follows:

1. Three owners (about 10%) did not respond to the survey. Some owners rely on short term rental income to offset costs and many rentals are less than seven days. Restricting the rentals to a seven-day minimum could affect the marketability of the units.
2. The type of renter has changed. Longer term guests tend to take more ownership and treat the property better. Some of the management companies do not screen the guests. Excessive occupancy in the larger units, oversized vehicles in the garage, vandalism and trash are problems. There is a trend in the County to limit short term rentals to provide more worker housing.
3. The County is trying to limit the number of low-end properties renting short term to provide affordable housing for low-income families. It is not fair to assume all short-term renters cause damage to the property or behave badly. There is also a

question regarding if the Board/Association has the legal authority to take this action.

4. The Board has consulted with an attorney and making a change to the Declarations to limit short term rentals would require an affirmative vote of at least 2/3 of the membership. The Board conducted the survey to determine the owner sentiment about this issue and will act in accordance with the majority. Whatever proposal is presented will need to be enforceable.
5. There are some verified incidents of damage to the property caused by renters.
6. The survey revealed that 88% of the ownership support limiting access to the garage.
7. Charging a higher rental rate can help eliminate problem renters.
8. The constant turnover of rental guests is annoying.
9. The doors should be adjusted to lock automatically. Most doors that are left unlocked are rental units.
10. The current owners who rent could be grandfathered and new owners could be restricted to a seven-day minimum.

B. SRG Management Agreement Extension from 1/1/22 Through 12/31/24

The Board has signed the Management Agreement extension. Paul Joliat noted that part of the cost share agreement for the raccoon mitigation included the contract extension with no fee increase through 2024. This will save the Association about \$4,000.

XI. ELECTION OF MANAGERS

The terms of Steve Gustafson and Stacey Gilbert expired, and they were willing to run again. Robert Cave submitted a self-nomination. There were no other nominations from the floor.

Motion: Paul Joliat moved to close nominations. Paul Low seconded and the motion carried.

The candidates introduced themselves the provided biographical information. The election was conducted electronically, and Robert Cave and Steve Gustafson were elected to the Board.

XII. NEXT ANNUAL MEETING DATE

The next Homeowner Meeting will be held on Saturday, September 17, 2022, at 10:00 a.m.

XIII. ADJOURNMENT

Motion: Tim Kiehl moved to adjourn at 12:19 p.m. Steven Gustafson seconded, and the motion carried.

Approved By: _____
Board Member Signature

Date: _____