

Dillon Bay Condominiums Meeting of the Executive Board of Director's of Dillon Bay Condominiums held at Mount Royal Properties offices and via teleconference on August 5, 2009 at 9:00 am.

Attendance

Mark Lubbers (Unit D202)
Sally Liu (Unit B103)

Laurie Helmick (Unit B102)
Scott Hummer (Unit D104)

Management in Attendance

Rick Pyle, Bob Towne and Moya Callahan representing the management company.

Call to Order/Quorum

Mark chaired the meeting and called the meeting to order at 9:02am. As four of the five Board members were present, a quorum was met.

Approval of previous minutes

Scott Hummer made a motion to approve the minutes from February 22, 2009, and May 16, 2009, as presented and was seconded by Sally Liu.

Review of financials

Rick presented the year-to-date financials from June 2009. The total assets are \$77,654.22 and Rick explained the Due to, Due from of \$6,600 was a carry over and will be transferred. The Advance Assessments were explained as the amount of funds the Association received for future dues. Rick stated that the threat of low cash flow is pretty minimal. Rick moved onto the P&L statement. He reported that because a budget was not ratified, or approved, MRP has been making adjustments to the budget. The only item missing on the budget was the repair of the pillars. Quotes should be received this week, but have only received one response from the suggested contractors. Bob is meeting with Pete Campbell, of Campbell Construction, today regarding the pillars. Some of the members contacted Rick about the Comcast upgrade, however, the Board felt that they were moving in the direction of the members according to the desire of the Association at last year's annual meeting. Rick explained that the Irrigation line item, 5120, is start up costs; Irrigation line item 5265 is clean up costs.

In terms of annual meeting, the HOA is in pretty good shape on a budgetary standpoint and can be explained as they are in a transitional year. The Association did not have a reserve plan over the next 15 – 20 years with the previous management company. The budget needs to be completed within 90 days of the fiscal year and MRP will have those completed by November.

Scott Hummer made a motion to approve the YTD June 2009 financials as presented and was seconded by Laurie Helmick. As all were in favor and none opposed the motion passed.

Management Report

Bob reported that they touched up the painting on all of the rails. The driveway cracks were filled, but they had an issue with their hopper and Bob is inspecting later today. The sprinklers should be running once a day, but Scott said that they are running twice a day. He reported that it was running mid-day. There was a complaint that it was running too early in the morning. Bob felt that since we are getting rain in the afternoon they could cut back 10-15 minutes per zone. Scott noted that there is no water pressure and Bob explained that when the heads get changed out, they would have different nozzles and outputs, which can be adjusted, by area. Scott Hummer asked about the timing per zone and Bob said they were currently running at about an hour per zone. The timers will be reduced to 40 minutes per zone and change the start time to run between 10:00 pm and 6:00 am. Scott Hummer stated that he was very disappointed with the grass cutting the last two times. The area between Scott's garage and the steps to the hill was not mowed. Sally Liu thought the area between the tennis court and the street was supposed to be mowed also. Bob understood it was the responsibility of Americana. The Board felt that MRP should figure out who is responsible and get that done. Rick was out there when they were cutting the grass and they placed the blades as high as it can go. BobbyCat gave a price for removing the rock at the tennis court and the sod of \$2,000. Mark Lubbers asked if the Association had the money to use another \$2K for the landscaping. Given the time of year and the cost for sod, would it be better to table the project until next spring? Could the Association live with the rock and next spring lay the sod at the beginning of the season? The Board agreed that they would table this issue until next spring.

There was discussion surrounding the lilac bush at the entrance, as it is a hazard. Laurie Helmick stated that if it is cut back instead of trimmed at the base, it will be ugly and should just be removed. All agreed that the bush needed to be removed.

The weeds were sprayed around the tennis courts.

Old Business

2009 Budget –The overall income has no dues increase and Rick does not foresee any increase for some time. If the Board can retain the reserve funding at \$4,000 or more per month, the Association will not need a dues increase. The largest change was the cable and Internet in August and is the total cost with taxes and services. Then, the budget saw a reduction in the reserves with some of the projects going on. The first assumption was that the garage inspections would be billed to the individual owners, however was changed to an HOA expense. The tennis court elimination is now in the budget. The \$2K to Bobby cat in 2010 for landscaping improvements. The pavement seal coating is in the budget in the amount of \$5,500 in 2009 and the Board decided to see if this was agreeable with the members before they move forward this year. The net reserve is \$55,316 in the operating, however, if the Association removed the tennis courts, it will be reduced to \$50,000.

The expense of the pillars was built into the architectural report, but has not gotten numbers for the repair. Should the Board wait on this project, or move forward this year? The original issue with building C did not seem to increase, but was the other one that was startling as it changed in scale. Patrick Heise will come back out to the property and measure this month. The beam is both sinking and twisted and it was manipulated with a steel plate. One issue is stability and the other is possibly something that we need to

deal with this year. The Board needs to see the findings before the AGM, as they will need to give some comfort to the owners on this issue. The first report was from Americana. They said the sprinkler heads were too close to the building and undermining the integrity of the foundation. The rotors are self sealed and as long as the connections are tight, should not get any leaking. A good estimate would be approximately \$40,000 for the pillar repair and concrete work. Rick will run by American Family to see if this is a possible insurance claim, however, a building defect may be hard to prove this far out from the original construction.

Building D has a rodent problem. The Board asked MRP to contact Mountain Pest Control to come out and increase the frequency of service.

The Board felt that the membership has been pretty supportive with reserves and they just need to be honest with the group as there are some major expenses on the horizon. Rick suggested that the HOA obtain a roof inspection, seal the seams and complete some preventative maintenance the next couple of years. The cost for an inspection is about \$300 per building. Rick feels that they have built most scenarios into the budget and could get this completed for approval by next week. Sally Liu gave approval of the budget with the anticipated change, as she will be out of town.

Comcast/Internet – The installation went well. Cathy Hyde from MRP was there for the first hour with Comcast and then popped in through out the day. There were three people that changed their locks that Comcast could not enter. You cannot force owners to be on a master system, but they will accept the damages for entry if there are any problems.

Tennis Court – Sally Liu, Scott Hummer and Rick completed a walk through of the property. Rick asked Strategic Fence if they had any interest in the tennis court fence and received a quote to bring it down at \$1,300. This would possibly be a good area for snow storage, over flow parking, a hot tub or a picnic table in the future. Scott expressed that he does not want a parking lot where the tennis courts are located and feels they should not focus on extending the parking area. The member survey from a couple of years ago was pretty firm that they wanted the tennis courts removed. Bob will talk to the plowing company to see if they can use the area for snow storage, however, Mark is concerned about water run off and possible damage to the lower units. The Board decided that there was an emotional element with the tennis courts and wanted to take this to the entire membership before the fence comes down.

Other old business – Laurie asked if there was any response from the tax appeals. They went through several appeals and the assessor's office reduced the amount very quickly at Dillon Bay.

New Business

AGM Agenda Items – Moya will send out the agenda items to the Board and if there are any other issues to add, please send them to Moya.

Rules & Regulations – Murray Bain was not quick to respond to the review request, however, his quote is for \$400 to go through the checklist and then advise on what to do. The Board can form a committee and can ask for volunteers for the rules committee. Rick will identify the concerns and take to the committee to work on how to make the changes. The committee only makes the recommendation to the Board and the Board approves. Then, it is suggested to take the changes to the attorney for final review. Rick felt the

rules should be updated every couple of years. Mark Lubbers recommends Bob Montgomery to assist with the review of the Rules and Declarations.

Mark Richmond has a retainer offer of \$1,000 per year for the HOA's. Rick feels that Mark has a pulse on the county and his services are of value. Laurie stated she has been impressed with Mark and does know his business.

The budget should be uploaded to the website once it is ratified. We can notify the members that the preferred method of correspondence only be via email. There are several owners that do not use a computer. We can mail information to these members but any future buyers will need to be via email.

A&M Locksmith – rekeying – There were a few owners that were unhappy and did not understand why the Association spent the money. The Board discussed how it has experienced two management changes and felt the locks needed to be changed. Mark commented that he was supportive of hardware, but thought the unit door was ok and he was surprised at how worn it actually was. There were a few things they had to do extra and spent a couple hours fixing those things. Rick felt the rekeying was a success. Bob has all of the old locks and the Board requested that he recycle those locks.

Mark Lubbers stated that the HOA had a pretty good summer and complimented the management with how they dealt with the renters at C102. Lisa from Mt Managers sent a two-page email asking how we came up with these types of fines that were levied. Rick responded with all of the information and MRP feels very strongly about how the situation was handled. Rick posed the question to the Board if they would like to offer to reduce the fines by 20% to avoid a possible hearing with the owners of C102. Laurie commented that Judy and some of the other owners feel very strongly about this issue. The Managers do not have a good reputation and she does not want to send the message of backing down. Laurie feels very strongly about moving forward with a hard line regarding the rules and there was agreement among the Board to move forward in this manner.

Mark is proposing to go through the owner database and see who has short or long-term rentals. We are to inform the membership of the Rules & Regulations and advise that the Board has instructed MRP to enforce those rules.

Mark made a couple of comments where there have been minor issues with the MRP transition, however, he appreciated receiving a packet prior to the meeting and receiving the financials in a timely manner. He complimented the management company with what they have been doing. Rick appreciates the compliment and explained that there is a learning curve with new HOA's and he feels terrible about the yellowing of the lawn. MRP will try to minimize the issues and continue striving for perfection.

Bob will be asking RKR and Hilco to bid the property for the winter plowing. The bids are with heavy equipment, scrape downs once a month and unlimited plows November 15 – April 15.

Bob presented three possibilities for the replacing the fence along the highway: (1) split rail wood fence at \$7,000 removal & installation, (2) there is an equestrian with PVC at \$14,000, and then replacement is \$5,600. The Board decided to hold off on the replacement for the time being.

The Board touched upon the carpet cleaning and replacement. This issue will be worked into the reserve portion of the budget for 2010.

There was discussion on handling the movement of the AGM meeting and concern that there may be more people due to the new management company. If there are any specific grievances from the membership, they will be asked to please email the management company to discuss with the Board.

Adjournment

As there was no new business to discuss, the meeting was adjourned at 10:54 am.

I hereby attest that these minutes are a true and accurate account of the meeting thus held on August 5, 2009.

 as 

Signed

Board Position



Date