

**MOUNTAIN SIDE
COMBINED BOARDS OF DIRECTORS MEETING
FEBRUARY 4, 2012**

MINUTES

1. **Call to Order.** The meeting was called to order by President Jim Whiteley at 8:05 a.m.
2. **Affirmation of Attendance and Quorum.**
 - A. Board members in attendance were Jim Whiteley, Bill Meek, E.J. Gibson, Don Cacace, Herb Allen, Art Burger, and Sharon Schutz. Absent were Bob Lembke and Scott Ponds. Bob e-mailed the Board he was unable to attend due to being snowed in.

A quorum was established.
 - B. Representing Mountain Managers were Phil Wells and Greg Denckla.
 - C. Also in attendance were Bob Datson (unit 238) and Corkie Ramey (unit 160J).
3. **Owner Forum.**
 - A. Bob Datson stated he appreciates all the Board does. He brought up the letter all owners received regarding inspection of units for unauthorized washers and dryers. He felt the letter was accusatory and should at least have mentioned that washers/dryers installed prior to 1991 were "grandfathered" per the Rules and Regulations. His washer/dryer was installed in the mid 80's. The letter was not meant to be accusatory and was simply to let owners know code violations had been found and needed to be dealt with.
 - B. Corkie spoke about oversized vehicles parking in the garage blocking access for some owners. She also felt landscaping behind I and J buildings should begin this spring. It was noted that first floor units will not want their view obstructed. Hedge materials that can be trimmed may be a good choice. Willow trees can also be trimmed and shaped. It was suggested that the developer be contacted. He's committed to do some planting and the HOA could coordinate with him and possibly use the same landscaper.
4. **Approval of Minutes from the 10/29/11 Board Meeting.** A motion was made, seconded, and passed unanimously to approve the minutes as written.
5. **Financial Report.** Herb reviewed financials for both Associations.
 - A. Clubhouse Income Statement: Overall the Clubhouse Association was \$13,548.95 under budget on expenses year-to-date. Delinquencies are not serious (3 noted; 1 paid in January and the other two are minor at this time). The balance in the operations checking account was \$50,104.10.

Clubhouse Reserve: In 2011 \$70,861.99 was spent vs. \$80,450.06 budgeted. The 2012 opening balance for the MCR was shown as \$51,248 and the year end balance is projected at \$114,600. It was noted that the pool mechanical room doors should be added for 2012 – bids will be obtained and this will be an unbudgeted expense.

The balance in the reserve checking account was \$51,248.79.

A motion was made, seconded, and passed to approve the clubhouse MCR budget for 2012.

Owners have complained that the windows between the pool and hot tubs are “dirty”. This is a mineral build up. Several “hard core” products have been tried but the lime build up cannot be removed. Replacement is budgeted for 2016. This could be moved up but not this year. EJ will have Andy Kenny (owner/architect) take a look and suggest some options.

The clubhouse MCR is well funded. With projected contributions each year, there is a steady increase in funding growing to 96.39% funded by 2021. Decreasing the annual contribution may be looked at in the future but not at this time.

- B. Condo Income Statement: Expenses were over budget by \$26,739.55. Insurance reimbursement expense was \$34,908.15 (the HOA was reimbursed by insurance for \$29,908.15 – the full amount less the \$5,000 deductible). There were 5 listed delinquencies and 3 of these paid in January. Collection policies are being followed.

Condo Reserve: \$82374.23 was spent in 2011 versus \$147,735 budgeted. Projects scheduled for 2012 total \$152,613 but not all may be necessary. EJ noted that replacing wood tie steps (safety issue) and landscaping were added last fall. Metal steps will be done at the east ends of B, A, and E buildings. The rest are scheduled for 2015. It was suggested that if prices are good now, all could be done in 2012. The amount is already budgeted in the MCR and would just be moved forward. The amount for the steps will be doubled for 2012 (\$45,000). EJ will have the contractor re-bid the total project. Once this is completed, step replacement can be pushed back in the MCR for 20+ years.

How much to add for landscaping behind I and J buildings was discussed and it was resolved to add \$10,000 to the existing landscaping budget bringing the total to \$14,000 for 2012. (This was noted as \$15,000 at the meeting, however only \$4,000 was originally budgeted on the MCR for Landscaping Replacement).

A motion was made, seconded, and passed to approve the Condo MCR budget for 2012 with the noted changes.

6. **Old Business.**

- A. Maintenance Agreement from JNJ Motor Sports: The existing 6 month warranty does not include the regular maintenance service at 25 hours, 50 hours, and 100 hours. In addition to the cost of the agreement, Motobreck will pick up and deliver for a total price of \$90. It was noted that ramps could be purchased for a pick-up truck and save on the cost of pick-up/delivery. Used ramps could be looked for to save additional money. After extended discussion it was decided that staff does not have the tools and expertise to handle required maintenance. A motion was made, seconded and passed to approve the Maintenance Agreement for a 36 month period.
- B. Estimates for window treatment for upstairs window in Clubhouse: Estimates were reviewed and it was resolved to go with Mountain Managers (wood blind – color to match décor).
- C. Painting of racquetball court and handicap bathroom / resurfacing racquetball court: Bids were reviewed. It was resolved to go with the low bid (Proff) for painting of the racquetball court and Woodpride Flooring for the resurfacing of the floor. Mountain Managers will ask Proff to also paint the handicap bathroom.

- D. Replacement of ballasts and lamps in racquetball court: Blue Bird Electric can do this for \$1,054.80 plus the cost of renting scaffolding (\$450) for a total of \$1,504.80. If the lights are high output lamps, they will be replaced with a like product. If they are regular T-12, they will be converted to T-8. There is roof access to look at the lights. The Board authorized Mountain Managers to proceed with this project.
- E. Update on Bill's Ranch Lake negotiations: Bob Lembke was unable to attend the meeting but sent an e-mail stating approval from the OSE didn't come in until about 3 weeks prior to the end of the construction season. United issued an expedited bid request but due to short notice only received one bid which was well above the engineer's estimate of costs. United obtained approval from the State Engineer to defer work until after the spring run-off. The project will be re-bid in the spring. He also stated returning the lake to Mountain Side was OK but if this decision is made, he recommended holding off until a year after repairs are made.

Bob had previously stated that no further negotiations with Bills Ranch Water District would take place until after the dam work is completed. At this point we don't know if OSE approved a variable level dam. Bill will e-mail Bob and try to get this information.

It was noted that the area cannot be developed and is not worth the appraised value. The appraisal was for water storage. If Bills Ranch Water District ends up going elsewhere and diverting water, the lake could dry up. After the dam work is done, there will still be liability costs, tree replacement, maintenance, etc. Mountain Side does not own the lake at this point and it is up to United to proceed with any negotiations. As long as United owns the lake, there is no danger of Eminent Domain coming into play. The original agreement stated United "may" deed back the lake. The agreement was amended to allow Mountain Side to take the lake back on demand. Mountain Managers will contact Felice (attorney) for a copy of the amended agreement and forward to the Board. There's not much more to do except wait until the dam work is done.

- F. Code violations were discussed. It was noted the Town basically will not take any action on work that has already been done. There are 3 categories to consider: Work that was done prior to 1991 (grandfathered per Rules and Regulations), work done subsequent to 1991 (no record of approval/permits), and work done subsequent to 1991 (disapproved by Town and Board). Modifications in F building appear to have been done during original construction and probably met code at that time. Enclosed loft/bedrooms pose a life/safety issue (lack of egress and ventilation). The loft areas are considered mezzanine with only so much square footage. As soon as you add to this or enclose it to form occupiable space, this violates building code.

After extended discussion, it was resolved to send letters to owners stating what was found and that no records of approval/permits being issued were on file. Owners will be asked to provide evidence of permits/approval. If no evidence of approval/permits is forthcoming, the Board will decide on what action is to be taken and owners will be sent another letter giving them the right to appeal the Board's decision. Hearings will be held at Mountain Managers so that conference calling will be available. A hearing committee was established (Bill, Jim, and EJ).

- G. Insurance Deductible: If the insurance deductible is reduced, the rate increase would be 5% of the current annual premium. Bob Strong noted that approval would be needed from underwriting and didn't think this was likely to happen. It was noted that lowering the deductible would result in many more claims which will result in higher premiums. The

Association is big enough and strong enough financially to retain the higher deductible. As buildings age, new categories enter the picture when premiums are determined (wood buildings, non-sprinklered buildings, wood burning fireplaces, etc.). Mountain Managers is working with Bob Strong to get the formula right and smooth out transitions.

It was noted that there is money spent in repair and maintenance that is not insurance related. The HOA spends money all along but it really comes to your attention when a \$5,000 deductible shows up on the financials. Mountain Managers is extremely pro-active when it comes to preventive actions. The problem with the furnace in E building has been solved. The vent pipe was vertical allowing condensation to drip down and put out the pilot light. It is now vented out the side.

Last year was a record year for freezes throughout the County. Mountain Side has had claims every year and over the course of several years, these even out. Most loses are well below the \$5,000 deductible. It was resolved to leave the insurance deductible as written.

- H. Stair rails at buildings E and J: Railings will be added between the 1st floor and the garage. Money has been budgeted in the MCR and the work will be completed by Alpine Ventures.
- I. Annual meeting food options: A sample menu was reviewed from Bonne Q BBQ (local company). The Board would like to see a price comparison between Bonne Q and Q 4 You for approximately 90-100 people.
- J. Survey proposals were reviewed. 3 were received – Backlund Land (\$\$18, 835), Range West (\$18,000) and Schmidt Land Surveying (\$\$15,000). Bids were obtained based on an RFP written by EJ. It's important to have something that shows the sightings of the buildings, improvements, elevations, utility locations, etc. This is an unbudgeted item and it was decided not to proceed at this time. It may be possible to get a less detailed survey done in the future.
- L. Prohibiting oversize vehicles from parking in the garage was discussed. Revising the Rules and Regulations may not do much good since many issues are caused by renters who do not see the Rules. Will can place notices on vehicles asking that the oversize vehicle be parked outside. Owners are asked not to park oversize vehicles in the garage and to pass the word on to their tenants/guests, etc.

7. **New Business.**

- A. Walk through schedule: Bill was scheduled to do the February walk through on 2/3 – no list has been provided yet. EJ will do March and Don will do April. If you are scheduled to do a walk through and did not receive the list from the previous walk through, contact Phil for an updated list.
- B. Credit card fees through Smart Street: Bob Lembke objected to the \$10 processing fee charged by the new bank to owners who pay dues by credit card. The bank change has already been made and the fee is strictly Smart Street's. There is nothing that can be done regarding the fee. Owners have the option of paying via several different methods if they do not want to pay the credit card processing fee.

EJ noted he received an e-mail from an owner complaining about the mass e-mail that went out regarding use of a bank's bill pay system to pay dues. The owner felt this was an unnecessary e-mail, caused confusion, and caused him to make a call to his bank to make sure everything was in order. It was explained that Mountain Managers does not have any way of separating out certain e-mails from the bulk distribution lists. The e-mail was clearly marked in bold type at the top of the notice "This message is for owners who use their bank's bill pay option for HOA dues payments."

- C. Replacing 2 fans in the ceiling in the clubhouse can be done for \$1,000 plus parts (estimated at \$150 per fan) by SBR. The Board approved proceeding with this project. Samples of type and color are to be forwarded to EJ.
 - D. E-mail from the Millers (units 206G, 279E, 317D: All owners are welcome at Board meetings but they may not vote on any issue. Agendas are posted on the website. The problem with the furnace in E building garage has been fixed.
 - E. E-mail from Jay Stasz (unit 267D): Converting the racquetball court to exercise room/weight room, etc. has been discussed at several meetings. Due to the expense, maintenance, and insurance issue, the Board decided not to make any changes, This may be re-addressed in the future but not at this time.
 - F. Some owners received a letter from Ronald Patrick in late summer/early fall asking about a plan for enclosures for all dumpsters through out the complex. This has been discussed at previous meetings. The cost would be upwards of \$10,000 per dumpster. This may be looked at again after the new dumpsters and recycle bins are installed in spring. It was noted that there is no room at some dumpster locations for recycle bins and a couple of central re-cycle stations may be considered.
 - G. The end units in C and F buildings are considered to be in the new flood plain. While only 2 units are singled out, if a flood ever occurred, it would affect the entire building (garage/foundation). How the flood plain was determined, etc. is being looked into by Bob Lembke and Bill Meek.
 - H. Using the pool for therapy groups was brought up. The Rules and Regulations prohibit use of the recreational facilities by anyone other than owners and guests. This is primarily due to insurance requirements. It would also be difficult for staff to get the pool cleaned and ready for use prior to the normal 10:00 a.m. opening time.
8. **Owner Forum.** No additional comments.
9. **Schedule the Next Board Meeting:** 5/12/12, 8:00 a.m. at the clubhouse.
10. **Adjournment.** There being no further business, a motion was made and seconded to adjourn the meeting at 11:55 a.m.

Respectfully submitted:

Judy Freese, Recording Secretary (minutes prepared from a tape recording of the meeting).

APPROVED:

Approved via e-mail

2/26/12

Jim Whiteley, President

Date