

<h1 style="margin: 0;">River Meadows @ Ski Tip</h1> <p style="margin: 0;">HOA Board/Member Meeting Minutes</p>		December 30, 2009	
		9:00 – 12:00	
		HOA Annual Members Meeting	
Note Taker:	Darren Walsh	Type of meeting:	Keystone Center
Attendees:	KTTR: Mike Magliocchetti, Andrea Sonderfan Board: Steve Szapor (Unit 3), Darren Walsh (Unit 7) Missing: Debbie Hiratzka		
Proxies:	Torrington's (Unit 8), Gordon's (Unit 4), Thygesen's (Unit 66)		
Approval of Minutes:	Part of the Agenda below		
Next Meeting:	TBD		

Order of Meeting:

- (1) **Open:** Meeting started 9:15 AM.
- (2) **Approve 2008 Annual Meeting Minutes:** Szapor made motion, Walsh seconded. Unanimous Approval.
- (3) **Review 2009 Estimated Year-End Financial Statement of Operations:**
 - a. **ACTION:** KTTR will create Snow Removal report 2007-2010 breaking snow shoveling (Common Area Maintenance) and Snow Plowing. With an explanation of the deltas year over year.
 - b. **ACTION:** KTTR will create new Expense Category "Snow Shoveling Maintenance" under Repair & Maintenance to highlight hand snow shoveling expenses.
 - c. **ACTION:** Board will look into "irrigation water" approaches for 2010 – whether to remove entire grass system or partially remove, and/or bury the system underground. Regardless, the tree/bush drip irrigation system will stay in place and is not affected by this decision.
 - d. **Operating Budget Performance:** Since we only started full year budgeting in 2007, we are just now developing an expense history to support budget forecasting. Therefore, we are making modifications to future budgets as we identify trends. Each of the past two years has shown an unfavorable variance in our total operating expenses. As a result, we made specific decisions that will make up for these prior year deficits with the least impact to the home owners assessment. See our discussions on Working Capital, budget reductions, and deficit make-up in section 4 below for more information.

In 2008 operating expenses exceeded the budget by \$3,567. In 2009 operating expenses exceeded our the budget by an estimated \$5,000 due to the following:

- i. \$2,500 – Snow Plowing due to high snow fall last year
- ii. \$800 – Common area maintenance for snow shoveling and extra lawn maintenance
- iii. \$900 – increase in water irrigation
- iv. \$800 – legal and supply overage to support lawn maintenance work

- (4) **Review & Approve 2010 Operating Budget**
 - a. **Working Capital:** As of this meeting we had \$15,236 in our working capital account. Historically we have not touched this account, which was set up originally as a separate account by the original home owners purchase agreement to provide for liquidity and to cover budget shortfalls. We have decided to target a working capital balance of around \$10,000 per year, which based upon our budget, should provide us with an ample cushion. By reducing the balance from the current level to \$10,000 we will be able to apply \$5,236 immediately towards the 2008 and 2009 deficits. In addition we decided to borrow an additional \$5,000 from working capital to fully cover the additional deficits in past years and make up for current cash flow issues due to some Accounts Receivable in arrears. Therefore, in 2010 we will start the 2010 year at a \$5,000 working capital balance and it will be built back up to \$10,000 by the close of the year (assuming the 2010 operating budget matches actual expenses and all dues assessments are paid in a timely manner).

Going forward in years that we have an operating surplus, the excess funds will either be moved

into working capital or be distributed back to the owners via an operating budget reduction. In years where we have a deficit, the working capital will be used to pay off the deficit and then replenished the following year via an operating budget increase.

- b. **Operating Expense Budget Theory:** In theory our operating budget is developed to match anticipated expenses for the upcoming operating year, no more or less. Beginning in 2010 we will increase or decrease the overall operating budget to continue to maintain a target of \$10,000 in the working capital account. In order to achieve this in the 2010 budget you will see an extra expense item of \$2,900 to make up for the remaining 2008/2009 operating deficits and repay the working capital account.
- c. **Budget Reductions:** In order to control costs during this economic climate, we agreed to reduce the 2010 operating budget presented by KTTR by \$3,400 (which more or less equals the amount of the deficit catch-up expense of \$2,900 added above). The specific services reduced include:
 - i. **Repair & Maintenance (Window Washings):** we eliminated one of the two window washings resulting in a budget reduction of \$2,600. We will revert back to one window washing in 2010 and it will occur mid-year at KTTR's discretion.
 - ii. **Irrigation:** KTTR will work with our landscaper to reduce watering expenses by \$800 through a combination of changes to the zone durations and timings.
- d. **2010 Operating and Reserve Total Budget:** 2010 will see an overall increase in the budget of 4.25% year over year. This is an increase of \$3,010 – the majority of which is comprised of the \$2,900 to fund prior year's deficit. While some budget line items increased (Cable TV, Snow Plowing, Deficit Make-up, Reserve Fund), others decreased (Insurance, Repair & Maintenance due to window washings). Overall we felt that this budget is a good balance and helps us maintain our property with the quality we have come to expect.
- e. **Due's Assessment:** Dues will be increase in 2010 commensurate with the budget increase. Total dues year over year are:
 - i. **Single Family:** from \$588.57 to \$613.52 per month
 - ii. **Duplex:** from \$394 to \$410.69 per month

(5) **Review Reserve Fund Balance and Budget**

- a. Reserve Fund budget for 2010 is increased by \$1,088 to \$28,292. This is included in the Total Budget discussion in section 4d above and is consistent with the 20 year capital plan we developed last year.
- b. As of the end of 2009 all homeowner dues assessed specifically for the Reserve Fund have been deposited in our Reserve Fund account. The account balance is currently \$80,685.
- c. **ACTION:** Board will review the multi-year capital engineering report and compare it against the Reserve Fund future assessments in order to analyze Reserve account balance projections with future capital expenditures.

(6) **Election of Officers**

- a. There were no additional members volunteering to serve on the board this year to replace Darren Walsh, who is at the end of his original 3 year term.
- b. Darren Walsh was nominated and elected to another 3 year term as a board member.
- c. **ACTION:** Board/KTTR will investigate modifying the By Laws to allow for between 3 and 5 board members. Currently our regulations only allow for 3 board members.

(7) **Old Business:** discussed during the budget sections.

- a. Landscaping
- b. Snow Removal Services

(8) **New Business:**

- a. **ACTION:** Mike advocated that we re-investigate the services/value/concerns around our membership of the Keystone Neighborhood Company. We will work with Debbie Hiratzka on reconvening a committee to look into this.

(9) **Adjourned at 12:30 PM**

All new and outstanding action items from all meetings are presented below.

Other Detail Minutes

Agenda item: Landscaping

Presenter: Mike M.

Discussion:

The HOA feels that the landscaping needs to be looked at closely and steps taken to clean it up. Given that we are paying a landscaper for a deep root feeding program once per year, they are now fully responsible for replacement of our trees and shrubs. In addition we need to remove the above ground watering system after the 2009 growing season.

Conclusions:

There are still many open questions on how to proceed here. See action items below.

Action items	Person responsible	Deadline
✓ 2010 Review and plan around dead trees/shrubs.	KTTR	
✓ Decide on new approaches to above ground irrigation system	Board/KTTR	
✓ Eliminate the clover overtaking the grass areas	KTTR	
✓ Decide on "look" we are after; procure necessary services to get the look we want. Length of grass; weed pulling; seeding; etc.	Board	

Agenda item: Review Financials

Presenter:

Discussion:

Action items updated based on results of December 2008 homeowners meeting.

Conclusions:

--

Action items	Person responsible	Deadline
✓ Email copy of KTTR Annual Contract to Board members	KTTR	
✓ Create new Repair & Maintenance expense category for "Snow Shoveling Maintenance" to track this expenses separately	KTTR	
✓ Check on Snow Removal charges (report on 2007-2010 expenses separating out snow shoveling from snow plowing)	KTTR	
✓ Review Capital Plan and adjust reserve fund requirements as needed	KTTR/Board	

Agenda item: General Items

Presenter: Debbie Hiratzka

Discussion:

General items include topics discussed at the Annual members meeting and Board meetings.

Conclusions:

--

Action items	Person responsible	Deadline
✓ Update By Laws to allow for up to 5 Board members (from 3)	KTTR	
✓ KNC – check into value, taxes, ability to secede, and 10% discount	Debbie Hiratzka	
✓ Gas Fire Pits – decide on whether to amend Rules & Regs document	Board	
✓ Decide on HOA-sponsored holiday lighting for 2009	Board/KTTR	DONE

✓ Pets – clean up bags located on River Meadows premises	KTTR	DONE
--	------	-------------

Other Information

Open Gas Fire Pit on Decks:

The Board discussed whether to allow Gas fire pits (in addition to gas grills) on the decks. HOA will need to offer this as a vote to the members.

Roof Heating Tape

Remember to switch OFF your breaker that controls the Heating Tape on the roof during the summer months. We determined that work on the heating tape is an HOA expense. All requests for HOA items need to be forwarded and approved through KTTR team.

Window Washings are reduced from once to twice per year (mid-year) @ ~\$2,600 each washing