

*West Fork Village
HOA Board Meeting Minutes
March 20, 2014*

ROLL: **Board Members Present:** Jamison Walsh—President
Steve Hooten—Vice President
Cathy Bohannon—Secretary
Kelly Hoff—Treasurer
Rosann Holman—Voting Member
Sandi McNeely—Voting Member

Travis Ryan—On-Site Manager

Keith D. Montey, Jr., American Family Insurance

Others Present: Mary Davidson, Adam Porter, DJ and Staci Emmons

KEITH D. MONTEY, JR., AMERICAN FAMILY INSURANCE—Increase in Insurance Premium:

Keith Montey attended our meeting to discuss the increase in our HOA insurance premiums and how we can reduce it. He distributed a sheet summarizing the history of our claims since 2005. Until the hail in 2013 the average amount of our claims per year was ~\$14,000. The increase in the 2014 premium is based not only on the size of our claim for hail damage (\$795,300), but also the number of claims submitted in 2013—(we also had several small-scale claims during the year, several of which were the result of water leakage).

Keith described philosophies of different insurance agencies on increasing premiums and compared to other companies, he was surprised at how low the increase was based upon our claims this year. The easiest and most common way to lower claims is to increase our deductible. Our current deductible is \$2,500—maintaining our current deductible, our premium is \$41,963 per year (~\$10,000 higher than the 2013 premium). If we increased our deductible to \$5,000, our premium would be \$38,911 and if we increased our deductible to \$10,000, our premium would be \$30,234 which is very close to our 2013 premium.

Part of our problem with the small claims in 2013 was the manner in which our covenants are written with regard to requiring proof of negligence in leakage; e.g., refrigerators/water heaters. We need to rewrite our covenants placing more responsibility on owners vs. the HOA; e.g., require refrigerators and water heaters be under warranty or damage will not be covered by the HOA.

***Jamison Walsh:** Do we want to go the direction of increasing our deductible to \$10,000 and cover smaller claims as opposed to submitting them to our insurance company?*

Keith Montey: American Family Insurance is the only company who continues to allow one deductible per complex as opposed to one deductible per building

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***Sandi McNeely:** She and her husband have been involved with other complexes and this is the first one she's been a part of where the HOA covered damage in subflooring resulting from water leakage coming from appliances.*

Keith: American Family insures 40 different HOA's and all are different in their covenants.

***Sandi:** WFV HOA needs to start requiring proof of insurance from owners within a certain amount of time following the purchase of a unit.*

***Jamison:** We need to revise our covenants and then increase our deductible to \$10,000.*

Keith: The confusion on the coverage of the windows and screens resulted due to the way our covenants are written—that part also needs to be rewritten and clarified.

***Jamison:** That falls in line with our collection policies—we're under a very fast timeline.*

Keith: Water claims can be misunderstood—American Family replaces carpeting in circumstances of liability at full new value—some insurance companies replace carpeting in these cases at depreciated value.

***Jamison:** If we don't rewrite our covenants and increase our deductible (thus reducing the number of incidents submitted for reimbursement), we will push ourselves right out of being insurable.*

Keith: He suggests that we hire an attorney whose expertise is HOA law to assist in rewriting the covenants. He will check on some in our area and get back with Travis.

OPEN DISCUSSION:

Mary Davidson: She thanked Keith for his and his office's prompt reply in updating mortgage companies with proof of insurance.

Keith: Should other owner's need his office to supply proof of insurance, send an e-mail to his office with pertinent information (kmontey@amfam.com).

No one had specific issues to bring before the Board.

MINUTES:

MOTION: It was moved and seconded to approve the January 16, 2014 and February 13, 2014, minutes as submitted—Motion passed.

REPORTS:

1. Roofs & Gutters:
 - a. All are done with the exception of Building 14—the product is on backorder for two weeks.

- b. Gutter company has been billing for drip edge that they have not been providing. Travis needs to go to Kevin and talk with Hometown Roofing making sure they know that we've noticed. If necessary, tell Derek (our adjustor from American Family Insurance) not to send another check to Hometown Roofing until the problem is corrected.
2. Maintenance Repairs for 2014:
 - a. We have several projects yet to be completed: asphalt, concrete, decks, and handrails.
 - b. We are over budget for 2014 in repairs. Decks are very expensive--\$2,700 per deck, ten have been done, we need to do eight this year.

Jamison: *We may need to do a special assessment to help alleviate these costs.*
Travis: *He believes we can spread them out—there aren't any more that are that critical.*
Jamison: *Budget and plan for ten to twelve per year.*
3. Community Events:
 - a. Garage Sale—Dates—June 6-7 (first weekend in June)—we need to have some minimal ground rules on parking.
 - b. Community BBQ—Maybe when we open the pool—revisit this later.
 - c. Community volleyball games or other ideas, please speak with management or someone on the Board to get something started.
4. Owner/Non-owner Ratio: 84/96—This issue has not been a big problem, it was decided to take it off the regular agenda—present it once per year.
5. Unpaid Charge Summary:
 - a. The top two on our list have had default judgments filed—make sure legal fees are added to the total amount.
 - b. A third one is headed for foreclosure—we need to have a lien placed on that one.
 - c. The fourth one needs to be sent to collections.
6. Preservation Committee Update:

A copy of the rough draft was submitted at the January meeting. The question now is how should they proceed? Rosann Holman will break them down by sections and they will be addressed in that manner. She would like us to review the draft and send comments/suggestions by March 27.
7. Covenant Committee:

Travis *suggested we assign a committee to review and recommend the changes needing to be made in the covenants.*
The request for interested parties will be posted in the mailroom and in our next newsletter.
Sandi: *Approach those you know have expertise in that area.*
Rosann: *She suggested Herb Davidson would be a good resource for this committee.*
8. New Attorney—Keith Montey will check around to see if he can recommend someone.
9. Insurance Quotes—After meeting with Keith Montey, we will not continue to pursue another insurance agency.
10. Ice Damming on Roof and in Gutters:
 - a. One suggestion was to put heat tape on the edges—electricity access may cause a problem.
 - b. Get some quotes on adding “cletes” on the roof to hold the snow until it melts.
11. Garages:
 - a. They are going quickly—all six will be sold. The Board decided, via e-mail, to sell all that were empty and available. Do we need to release more?
 - b. Do we need to increase the price?
 - c. Give current renters (owners) a deadline by which their decision needs to be made with regard to purchasing what they are renting prior to opening up more—otherwise sell as they come available.

- d. We need to check with Bruce Lichtenberger (our accountant) to see what our tax liability is with each garage sold.
- e. No—we will not release more right now.

OLD BUSINESS:

1. Rules Enforcement Procedures—Draft:
Travis: He would like all resolutions to be sent to all owners prior to their passing.
Review the draft provided and submit comments by March 27.
2. Advantage Bank Savings Account:
 - a. We still need to remove Dylan from the account and add one or two current Board members to it. Travis believes that Dylan can be removed via the minutes from the Annual Meeting in July. Steve Hooten and Jamison Walsh will go with Travis on Tuesday, April 1 at 10:00 am.
 - b. We have approximately \$74,000 in our operating account--\$50,000 is a good amount to keep in this account. Travis suggested we move \$24,000 to a CD and provided a list of different banks with current interest rates. Following discussion, it was decided to check online at Bankrate.com; check the Sunday newspaper; Ally Bank. Go with the highest interest rate and split up as we have before.
Sandi: It appears it is best to commit to a two-year CD as the interest rate is much better.
3. CPA Audit:
 - a. Do we need to have one done? Would we rather have an internal audit done by a committee or Board members? Travis included a checklist that may be used for the internal audit.
 - b. Travis submitted estimates from Bartels & Company, LLC and Hoover Harris & Co., PC.
 - c. Due to funds already committed to repairs, etc., it was decided to add this issue to our Annual Meeting agenda and ask if they want us to spend that money for that purpose.
4. Mason Estimates for Damaged Wall:
 - a. Travis submitted estimates from four companies: Helms Masonry Corp., \$300; Pete Duran, \$850; Builder Bob's Handyman Service, \$900; and Richard Lyons Contracting, \$850.
 - b. Since Helms Masonry Corp.'s estimate was ~ a third of the others, it was suggested that Travis confirm their estimate to be sure all was understood.
MOTION: It was moved and seconded to approve up to \$1,000 to repair the wall—Motion passed.
5. Gutter Estimates for Auxiliary Garages:
 - a. Three estimates were submitted for the rain gutters: C&S Rain Gutters, \$2,932; Front Range Seamless Gutters & Sheet Metal, \$2,932; Phillips Seamless Gutters, \$3,500.
 - b. It was noted that this needs to be done since water flows into the garages if we have a heavy rain or snow melting.
 - c. Review as closely as possible our cost vs. the \$120 charge/year for garage maintenance—if we are not making money on the \$120 charge, we can do a one-time assessment of \$55 per garage to cover the cost.
 - d. Due to the extended warranty of Phillips Seamless Gutters, it was decided that we would go with them for the gutters.

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6. Alpine Gardens' Estimate for 2014-2015
 - a. Mike from Alpine Gardens is willing to pay for the repair of the air conditioners and the extended rock around them to protect them from future damage if we are willing to sign a two-year contract with them. If we go with just a one-year contract, he will ask that we pay half of the cost of the upgrade.
 - b. The "price" of going to a new company is the attention they will require to be sure they are doing what we want, how we want it done—Alpine Gardens knows what we want and how we want it done. They have been very willing to work with us and are open to negotiation.
 - c. We may want to increase our budget next year for plants.
 - d. Snow Removal:
Mary Davidson: What time are they supposed to be here to clear snow?
The time they come seems to fluctuate—it depends on if and when it has stopped snowing.
Travis and Jamison will go back to Mike with regard to what time they will be here to shovel snow.
It was suggested that we might want to consider purchasing a snow plow with a gator and to have someone here do the plowing.
7. Book of Resolutions #1-11—Discussion—Tabled. Will schedule a special meeting in April to deal with only resolutions.

NEW BUSINESS:

1. Recycling: Increased pickup to once a week—it used to be twice a month.
2. 2014 Budget
 - a. Garages
 - 1) "Garage Sales" were added to the budget—estimated selling ten garages per year.
 - 2) Fran is receiving 6% commission.
 - b. Repairs are down due to shortage of funds.
 - c. Fitness Room/Clubhouse
 - 1) We need a new "Elliptical".
 - 2) All equipment is being used.
 - 3) Weight machine is dated.
 - 4) Travis plans to add one new piece of equipment in the Exercise Room per year.
 - 5) Look into replacing cloud storage with an internal unit in the Clubhouse. Add this to May agenda.
 - d. Assistant Manager: Jake Tegtman
 - 1) We need Jake full time for four months. Jamison has reworked his contract and allocated a block of 1300 hours/year maximum. Jake and Travis may adjust Jake's hours as necessary not to exceed the 1300 per year. Any overtime must be approved by the Board.
 - e. A question was asked about line item "5130"—This is Zulema's salary.
3. Transfer of Money from Operating Account into Reserves.
 - a. As was stated earlier, we have \$74,000 in our operating account.
 - b. It was decided to cap our cash in the operating account at \$50,000 and move excess to reserves.

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4. Hot Tubs:
 - a. We need new hot tubs and have been discussing them for several years.
 - b. Estimates on new hot tubs are \$12,000 each. How many do we want and when do we want to buy them?
 - c. Since our plan is to move \$24,000 from our operating account to reserves, it was suggested that we use the \$24,000 for two new hot tubs this year instead of opening a new account and buying a third one next year.

MOTION—It was moved and seconded to spend the \$24,000 that was to have been moved to a new CD on two new hot tubs and to budget for the third next year as long as Bruce Lichtenberger, our accountant does not object—Motion passed.

- d. Retain the best of the three existing hot tubs as a backup.
 - e. Travis will contact Aqua Spas and Bruce regarding this action.
 - f. Retain the \$24,000 in the operating account until we know whether or not we are going to buy the hot tubs.
 - g. The covers are new so those may be used on the new hot tubs.
5. A question was raised regarding the shower on the patio outside the pool—it is broken, but may be repaired.

NEXT MEETING: Special Meeting: Thursday, April 24, 2014, 6:00-8:00 pm

**UPCOMING MEETINGS: Thursday, May 15, 2014, 6:30 pm
Annual Meeting, Saturday, July 19, 2014, 10:00 am**

Meeting Adjourned at 9:00 pm.

Respectfully submitted,

Cathy Bohannon, Secretary