

**GRAND TIMBER LODGE OWNERS ASSOCIATION  
BOARD MEETING MINUTES**

**Saturday, May 31, 2008**

**Attendance**

Board Present: Marty Leeke, Tom Wood, Rob Millisor, Lew Phinney, and Gerrit Mahsman

Advisory Committee Present: Chris Maciejewski, Marc Block, Tom Endres, Jerry McCabe, and Dennis Miller, Fred Rosa, and John Haeck.

Management Present: Kit Armour, Amy Hoffman, and Lisa Vaughn.

Absent: Daren Bunn, Mike Dudick, and Carolyna Smiley-Marquez.

**Call to Order**

Marty Leeke called the meeting to order at 9:35 a.m.

**Changes to Agenda**

Items added to the agenda:

- April Financials added to packet
- Switch the order of discussion on New Business on Reserve Study and Budget
- Feedback on conference call with Nico March
- Board Retreat
- Bank account review – add to financials
- How Marty's letter was received

**Minutes**

Changes to the minutes:

- Remove Kim from attendance
- Add John Haeck in attendance

Gerrit motioned to approve the minutes of the February 13, 2008 Board Meeting minutes with corrections. Tom seconded the motion and all approved.

**Unaudited Financials**

Kit discussed the variance report.

Kit said that overall the report looks good and the forecast will be to retire the Operation Fund Deficit this year which is two years ahead of schedule.

Kit said that the overages on budget were fire inspection and property taxes.



Dennis asked if we debate the property taxes with the town of Breckenridge. Kit answered that we do that every year.

John asked if we were confident on the insurance number. Kit said it is a timing issue but we get quotes before we do the budget.

John commented that it looks like we are doing better. Tom added that it reflects the timing issues and it will all come together.

Tom motioned to accept the unaudited financials. Gerrit seconded the motion and all approved

## **New Business**

Marty asked everyone for introductions.

## **Account Review**

Amy said she has not switched the accounts yet.

Kit added that we are holding off until we decide the best solution for the reserve funds.

Kit said that there was a conference call with some of the Board Members and Nico March with The March Group. Nico would invest the funds.

Lew and Gerrit gave an overview of the conference call with Nico March.

Lew and Gerrit said that it would entail investing \$95,000 at a time in a FDIC account in multiple organizations such as T-bills and everything would be federally insured. They added that the cost would be zero.

Kit said that the cost would be zero because The March Group is paid by institutions he uses for investments. Kit added that there is a lot of flexibility with the investments.

There was a room discussion regarding using The March Group or the local bank.

The Board wants Kit to contact other companies to hear what they have to say, look at the policies to see if we need changes, compile general questions to ask the financial companies.

There was a Financial Committee formed with Dennis Miller, Lew Phinney, Gerrit Mahsman, John Haeck, and Kit Armour.

## **Old Business**

### **Dues Collection Update**

Kit printed an accurate report which shows a 5.2% delinquency rate.

Kit said that 3 owners have deeded back their weeks, 2 have set up payment plans, and 10 are in foreclosure.



Kit said that the delinquency rate is looking good right now and the foreclosure fees are posted in professional fee line item. Kit added that the 35% of the sales price of deeded back weeks is posted in miscellaneous income.

### **Project Status**

#### **Maintenance Report**

Kit said that maintenance blocks are being finished. Kit added that maintenance has 2 technicians go into 4 units during a turn day and do extensive work. By doing this every unit could potentially have major work done 4 times per year.

Kit said that we are doing two major cleans a year plus the additional work maintenance is doing.

#### **Housekeeping Reprt**

Marty said that he liked the new white tea scent for the amenities.

Fred suggested putting one pool towel per guest in the units. Kit said that we are going to hire a cabana person to handle the pool towels to eliminate guests using excessive amounts of towels.

The Board agrees with hiring a pool person to handle towel situation.

#### **Action Item List**

- #76 – open
- #75 – Dale’s report is in Board packet
- #74– closed

Tom suggested letting owners know about recycling. Kit said we are planning on putting the green recycling bags in the units for guests to recycle.

Kit said that for the wireless to be free it would cost about \$9 per owner. Rob wants to look into having free wireless in the common areas. Kit will look into.

Rob motioned to make the common areas free wireless and pay in the units. Gerrit seconded the motion. There was a room discussion.

Rob revised the motion to have the free common area wireless if cost is lower than \$5. Tom seconded the motion and all approved.

#### **New Action Items**

- Put green recycle bags in units.
- Free wireless if cost is less than \$5 per owner.
- Find out from Miller Dodson why numbers are so different between the two options.
- Kit will check declarations regarding having only one reserve fund.
- Kit will get some comparisons on Homeowners’ Dues from other properties.
- Look into wristband options for guests on properties



## **Natural Gas**

Kit said that we are considering going with another natural gas wholesaler, Asgaard Energy. Kit said with going with Asgaard it would be a \$15,000 savings.

Tom motioned to change our wholesale natural gas company to Asgaard. Rob seconded the motion and all approved.

## **Reserve Study**

Kit discussed the reserve study that the Board was given and encourages all to go through and then send all comments or questions to her.

Kit said we get one complimentary revision and then they will get us a new report.

Kit said we are currently doing the “Cash Flow” method. Kit said that the “Component” method would have all line items separate with a dollar figure that only can be used for that line item. Kit said the “Cash Flow” method is a lot more flexible.

Dennis said that it looks like Miller Dodson has recommended the “Component” method. Kit answered that maybe they are but it is such a different method than what we are used to doing.

Tom added that the “Component” method requires more money up front to put into each individual item.

Rob said that the reserves are there to have funds available when things break so why wouldn't we use the “Cash Flow” method. Rob said that he was elated at the report because he felt we were under funded in our reserves.

Rob recommends having just one reserve account. Kit will check the declarations to see if it is possible.

There was a room discussion about the reserve funds.

The recommendation from the management company is the “Cash Flow” method.

Kit will try and get Miller Dodson to come to the next meeting for a discussion.

The Board would like the new revised report before the next Board meeting.

## **Budget**

Kit said that if we leave the reserve accounts at 4.6% increase it would bring the reserve numbers down.

Tom suggested a 5% increase across the board on line items. Kit added that it takes 5% to operate.

Gerrit asked what the CPI (consumer price index) is. Rob said he thinks it is 4.5%.



Tom said that as long as the dues are not as much as we could rent a week for than I think this is reasonable.

The Board wants Kit to do a Homeowners dues comparison on other properties in the area.

Kit said that the housekeeping staff piece rate has not changed in 7 years. Kit recommends an 8% increase with a system that if staff does not do a good job they do not get the increase.

Tom said that an increase in housekeeping will help get better staff and keep the “Employer of Choice” reputation.

Marty motioned to accept the budget with an 8% increase on housekeeping piece rate which would be a 2.75% increase for a 3 bedroom unit and a 2.22% increase on a 2 bedroom unit. Tom seconded the motion and all approved.

### **Rules and Regulations**

Kit wants to add that if an owner is delinquent on Homeowners Association Dues and has referral dollars in their account, that we can use them to pay their dues.

Marty motioned to accept the change in the rules and regulations to use owners referral dollars if delinquent in Homeowners Association Dues. Tom seconded the motion and all approved.

### **Poaching on Property**

Kit said that we have some locals and people around the neighborhood using the amenities on property.

Kit said that if we hired a “cabana-person” to distribute pool towels and be visible would help and also if we had guests wear wristbands.

Tom motioned to have quests wear wristbands.

There was a room discussion.

The Board wants Kit to look into options and present to Board at the next meeting.

### **Comments**

Marty likes to have the meeting up in Breckenridge.

Kit said we can do that in the off seasons.

Lew asked how the business center is working. Kit answered that it is better.

### **Next Board Meeting**

The next Board meeting and Annual meeting was scheduled for Saturday, November 15, 2008 in Breckenridge, Colorado at Grand Timber Lodge. The Board meeting will be at 9:30 a.m. and the Annual meeting at 1:00 p.m.



## **Adjournment**

Lew motioned to adjourn the meeting. Marty seconded the motion and all approved. The meeting was adjourned at 12:00 p.m.

---

Minutes Prepared by Lisa Vaughn

---

Dwight Brothers, Secretary

