

**APPROVED MINUTES
BOARD MEETING, HILLCREST VILLAGE
HOMEOWNERS ASSOCIATION
DECEMBER 10, 2009**

Board Members Present: Donna Franz, President; Dave Ruby, Vice-President; Mike Scherer, Treasurer; and Sally Gardenswartz, Vice-President were present. Val Lawton, Secretary was absent.

Home Owners Present: Gerry Miller, Betty Perry, Bob Hofstader, Doris Craigmile, Len Silverman, Devon Bowes, Linda Hoffman, Florence Radetsky, Artis Silverman, and Mindy Humphrey were present.

Tracy Mulvihill, Community Manager was also present.

Call to Order: The Board Meeting of the Hillcrest Village Homeowners Association was called to order on December 10, 2009 at 4:40 p.m. by President Donna Franz. Ms. Franz recognized Dave Ruby who stated that a quorum of Directors was present to conduct business.

Approval of the Minutes: It was moved and seconded to waive reading the minutes of the September 22, 2009 Board Meeting. The motion carried, and the minutes were approved with no corrections.

The Treasurer's Report: Ms. Franz recognized Michael Scherer, Treasurer to cover the proposed 2010 Operating Budget. Mr. Scherer covered the proposed budget line by line pointing out that there are basically two areas of expense: Maintenance and Operating. Operating expenses are less controllable expenses as they are driven primarily by gas, electric, and water expenses that continue to rise through rate hikes. Fortunately on the maintenance side we have been able to lower some line items based on previous years work and anticipated savings, i.e. garage door repair (both door springs have been replaced), sprinkler repair (major work was done during the reconstruction), carpet cleaning (stairwells only in 2010) to name a few. Our largest line item expense is insurance. It will remain the same in 2010; however, we will be looking at bidding it out. We are also bidding out our lawn maintenance. Keeson has done a good job for us in the past, however, this last year they have not been proactive. There will be no increase in management fees. We will continue to contribute \$15,000.00 annually to the reserve fund. Mr. Scherer went on to say that the good news is that we will not need to increase the Association dues under this recommended proposal. This is the 4th year for no raise in the dues. We know that it will be harder to keep overall expenses flat, but the Board is committed to continue to bid work out and always look for ways to conserve energy and waste. Ms. Franz thanked Mr. Scherer for his work and opened it up for discussion. A question from the floor was "Why do we have a consulting line?" That line was added in 2009 to better associate expenses for engineers or other professionals that we need to call upon. It was also noted that we have lowered our legal line to be more in line with the typical legal expenses, i.e. Colorado State Law compliance, contract review, etc. Ms. Franz went on to say that as stated in our DCC & R's although we have a single point of contact with our attorney, Kim, she does represent the entire

Association and that means every homeowner. We have had incidents where homeowners have had a question or concern and contacted Kim direct before calling the Management Company or a Board Member. This has been rare, but bottom line, it does cost all of us. Kim has been kind and has not always charged us. If there is something that can and should be handled by the Management Company or the Board, please do that first. In the future, Kim may refer the caller to the Management Company or Board so that we are not charged unnecessary legal fees. Mr. Ruby asked if there was any way that we could determine by Unit how much water is being used. The answer was no. Mr. Ruby did suggest that sometimes the flappers leak in toilet tanks and they can be replaced to help conserve water. There was no further discussion and a motion was made to approve the proposed budget, it was seconded, and unanimously approved. Mike Scherer thanked Sharon Joseph for her continued work on the Budget Committee.

Ms. Franz discussed how the Board is using the 20 Year 2006 Reserve Study to help determine how much money should be in the Reserve Account at any given time. The study is a roadmap as to how and when to best spend our reserves to maintain and improve our investment. Many items that were to have come out of the reserve account this past year were covered through the lobby disaster or reconstruction. Therefore, we are in better shape than anticipated. As an example, in 2009 the reserve study suggested that we would need to replace all of our carpet at an expense of \$41,661.41. We already replaced the first floor which was covered by insurance and in 2010 we will replace the 2nd and 3rd floors for a total of \$21,400.00. This is significantly less than projected and on schedule. Through our calculations, based on the information we have today, with a \$60,000.00 Reserve Account Balance starting in 2010 and increasing by \$15,000.00 per year over the next ten years, we should be able to cover every major expense from replacing garage doors and heating/cooling systems to sump pumps and boilers. This includes continuing to maintain painting our railings every 5 years and re-sealing our exposed wood beams, etc.

ARC Report: No reports.

President's Report: Ms. Franz opened by saying that as discussed in several previous Board Meetings, we had three priorities for the disbursement of any settlement money: First and foremost, we needed to finish the reconstruction and cover all of those expenses so that we would not need to assess again; second, to replace the money that was taken out of the Reserve Account that paid for deck testing, engineers, legal expenses, etc.; and third, have some money left to give back to the homeowners. Fortunately, we were able to do just that. Of the \$150,000.00 settlement, \$60K was used to complete the building foundation, excavation, landscaping/sprinkler system, and retaining wall reconstruction work. \$40K was put into the Reserve Account which brings the Reserve back to our original \$60K. The remaining \$50K was used to repay those who paid lump sum assessments and pay down the loan for those that chose the monthly option. These amounts were calculated based on the % of ownership by each unit owner, what they had paid and/or been assessed, and resulted in either a check or a lower monthly special assessment amount. Ms. Franz said that the checks for those who paid lump sum amounts would be handed out at the end of the meeting. Now that the 2010 Budget has been approved, new coupon books will be mailed at the end of December reflecting these changes.

Security codes were changed. Please refer to Tracy's letter of November 20, 2009. So far so good, the mail, delivery, etc. are using the East Door which is for all vendors, contractors,

agents, etc. Only Residents have access to and can use the West Door and elevator with their security code. Remember to not give it out. This is not a new rule.

New Business: The management company received a request for a Christmas Day move in. Our Rules and Regulations state that moves should be scheduled two weeks in advance with the management company Monday through Friday. Everyone agreed that moves should never take place on a holiday for a number of reasons. Most importantly, that is when residents have company, parties, etc and we cannot tie up the entrance, parking, lobby, and elevators. The management company is responsible for meeting the movers first thing to make sure they know what is expected, i.e., moving the lobby furniture out of the way, hanging the elevator pads, etc. Therefore all moves must be done within their hours of operation. Although this is not a change, when we update our Rules and Regulations, we will add verbiage regarding no moves on holidays.

Ms. Franz reminded everyone that following the meeting would be the party and that we had invited those who were instrumental in our reconstruction: From Palace Construction: Lou Jahde-CEO, Jon Wagener-COO, and Paula Aldrich-Project Manager; from Awning Company of America, Rick Ansay; Allen Freeman from Visual Arts Design, Daniel Levine from ACC Landscape, and Kim Porter our attorney.

Open Forum: Linda Hoffman, Unit 112 asked if there were any plans to plant flowers. Ms. Franz said just what is on the landscape architects plan-the hibiscus trees and roses. Gerry Miller, Unit 211 asked about paying off her portion of the special assessment and how would the interest work. Ms. Franz told her that she could speak directly with our accountant, Terri, and she could give Gerry the numbers. Interest would apply. Linda Hoffman asked if there was anything that could be done about the snow plows coming at 3:00 a.m. on the East side. Ms. Franz said she did not know what the ordinance was for snow plowing. For construction and garbage removal it is 7:00 a.m. We will look into it. Devon Bowes asked about the chandelier not coming on early enough in the evening. Dave Ruby said he would check the timer and move it up earlier to coincide with the winter hours.

There being no further questions or issues, a motion was made to adjourn the meeting, it was seconded by Dave Ruby, the motion was carried and the meeting adjourned at 5:30 p.m.