

**BOARD OF DIRECTORS MEETING
TRAILMARK HOMEOWNERS ASSOCIATION, INC.
SEPTEMBER 23, 2010**

MINUTES

I. CALL TO ORDER

The meeting of the Board of Directors of the TrailMark Homeowners Association was called to order by President Karen Millspaugh at 6:34pm at the TrailMark Child Care Center, 9743 S. Carr Way in Littleton, Colorado. Board members present were Karen Millspaugh, Wayne Lupton, Lesa Rangel, Doug Filter. Michael McMahon was absent. Also present were Davina Anderson and Richard Crockett representing Hammersmith Management, Inc.

II. HOMEOWNER FORUM – There were four homeowners present. Topics discussed included a late waiver request, a shed violation correction, the status of a community center, and feedback on the website and newsletters.

III. MINUTES

A. July 8, 2010 Board Meeting Minutes – Minutes of the July 8, 2010 Board Meeting were distributed to the Board prior to the meeting. On a motion duly made, seconded, and unanimously carried, it was resolved to approve the July 8th, 2010 Board Meeting Minutes.

B. August 9, 2010 Hearing Meeting Minutes – Minutes of the August 9, 2010 Hearing Meeting were distributed to the Board prior to the meeting. On a motion duly made, seconded, and unanimously carried, it was resolved to approve the August 9th, 2010 Hearing Meeting Minutes.

IV. FINANCIAL REPORT – The unaudited YTD financials for the period ended August 31, 2010 were reviewed at the meeting.

A. Balances

Account	July	August	Change
US Bank (Operating)	\$89,400.01	\$62,719.71	(\$26,680.30)
1st Bank (Reserve Accounts)	\$523,647.31	\$523,941.87	\$294.56
Total	\$613,047.32	\$586,661.58	(\$26,385.74)

B. Budget Variance

1. **Income:** Total income year to date is \$244,077, which is over budget by \$67.
2. **Administrative Expenses:** Administrative costs year to date are under budget by \$26,012. This is primarily due to less than expected expense from legal collection, the audit expense has not yet been paid, and taxes which will be expensed in September were less than anticipated.
3. **Building Maintenance Expenses:** There has not been a Building Maintenance cost this year to date as the funds are allocated for holiday lighting.
4. **Grounds Maintenance Expenses:** Grounds Maintenance costs year to date are over budget by \$8,769. This is due to a trash removal invoice from 2009 being paid in 2010 and higher than expected expense for sprinkler repairs due to the installation for the Weather Trak clock.
5. **Utility Expenses:** Utilities costs year to date are under budget by \$975.
6. **Reserve Contributions:** There are no Reserve Transfers scheduled for 2010 per the budget.

- 7. **Total Expenses:** Total Expenses year to date are under budget by \$18,285.
- 8. **Surplus:** The Association currently reflects surplus funds in the amount of \$42,531.
- C. **Delinquencies:** The Aging report was reviewed including the status of accounts with the attorney for collections. The delinquent amounts owed the Association as of the end of the August 2010 total to the amount of \$23,142.20, which is a decrease of \$2,848.05 from last month. Accounts continue to go through the Association's collection policy per the governing documents.

V. UNFINISHED BUSINESS

- A. **Fence Repair Proposals** – The Board revisited five bids previously reviewed for repairs to the perimeter fencing as obtained by Hammersmith Construction Services. On a motion duly made, seconded, and unanimously carried, it was resolved to deny all five of the proposals for fencing repair provided by Hammersmith Construction Services.
- B. **Covenant Enforcement Policy** – The Board discussed the need to amend the Covenant Enforcement Policy requiring the owner in violation to request scheduling and confirm attendance at hearings. The Board also reviewed a draft letter to be used as hearing notices for the community. On a motion duly made, seconded, and unanimously carried, it was resolved to amend the current Covenant Enforcement Policy by changing the paragraph required to be included in all hearing notices per 3.(b) of the current policy, and no other changes. On a motion duly made, seconded, and unanimously carried, it was resolved to approve the draft letter to be used for the hearing notice requiring homeowners call within ten days of the date of the letter to request an appearance before the Board and to be scheduled at the next duly called meeting or to respond to the hearing in writing.
- C. **Insurance Changes** – The Board discussed the upcoming insurance policy renewal and changes to be made to the policy at the time of renewal. The changes to the current policy include increasing the coverage of the fence to \$35,500, reducing the building coverage to \$50,000 and to increase the fidelity coverage to \$600,000. On a motion duly made, seconded, and unanimously carried, it was resolved to table renewal with Farmers Insurance until requested coverage changes could be made and an updated quote received.
- D. **Declaration Amendment Language** – Doug Filter provided language for the Declaration Amendment to allow for the Association to invest the reserve funds. Management was instructed to provide this language to Mark Payne, the Association's attorney, for preparation of a final amendment version.
- E. **Cottonwood Tree Removal** – The Board reviewed tree removal bids provided by Colorado Lifestyles, Davey Tree Company, Environmental Designs, and Swingle. The bids were based on the contractor's ability to gain access through the Botanic Gardens. Richard confirmed he had spoken to a representative at the Botanic Gardens and access would be permitted provided a minimum of 24 hours noticed was given. On a motion duly made, seconded, and unanimously carried, it was resolved to accept the proposal from Davey Tree & Lawn Care in the amount of \$420 to remove the cottonwood tress including suckers located north of 9530 & 9536 S. Everett Way. Management was asked to notify the homeowners when a date had been scheduled for the removal.
- F. **Disbursement Policy** – The Board reviewed and discussed a draft disbursement policy for funds utilized by the committees. On a motion duly made, seconded, and unanimously carried, it was resolved to approve the Disbursement Policy and for the Policy to become an exhibit to all committee charters. Management was instructed to post a copy of the disbursement policy to the website noting the policy was signed but not displaying the actual Board signatures.
- G. **Minute Format** – There was a discussion regarding the format of board meeting minutes, and a couple of samples were provided for the Board to review. The current set of minutes is to be prepared in the new format.
- H. **Commercial Vehicle Definition** – The Board reviewed examples of commercial vehicle definitions from other Associations. Based off of these examples the Board created a definition for the Association. Copies of this definition were distributed to the Board and will be provided to the Covenant Enforcement Committee for their comment. Management suggested after the

committee returns comment the definition draft should be reviewed by the Association's attorney, Mark Payne, to ensure there is no conflict with the Declaration.

VI. NEW BUSINESS

- A. 2009 Audit & Tax Returns** – A copy of the 2009 Tax returns and the 2009 Audit prepared by Weidner & Associates was distributed to the Board prior to the meeting. The Board and Management reviewed comments in the audit. Management recommended changes be made to the language referencing the 2010 Reserve Study as it has not yet been accepted by the Board. Research is also required to better define dollar amounts owed in the inter-fund balances between Operating Funds and Reserves. Management will report back to the Board findings on this research. The Board also discussed a delinquent account documented in the audit which has been deemed uncollectable. On a motion duly made, seconded, and unanimously carried, it was resolved to write off delinquent account #142-9414220 in the amount of \$3268 as it has been deemed uncollectable. On a motion duly made, seconded, and unanimously carried, it was resolved to table acceptance of the audit pending corrections in language pertaining to the reserve study, and research of numbers related to inter-fund balance.
- B. 2010 Audit Engagement Letter** – The Board reviewed an audit engagement letter from Weidner & Associates for preparation of the 2010 Audit. The proposed rate was a three percent (3%) increase. Management inquired if the Board would like to obtain additional bids for the 2010 Audit. On a motion duly made, seconded, and unanimously carried, it was resolved to table the proposal provided by Weidner & Associates and for the Management to obtain additional bids from other firms for review. Two to three additional bids will be provided for the Board's review at the next Board Meeting.
- C. DRC Appeal for Paint (9351 S. Johnson Lane)** – The Board reviewed an appeal to a DRC decision on the paint colors of a home which was denied by the DRC. The home applied for DRC approval at the time it was in the process of painting and the DRC denied their request. The Board reviewed the appeal including photos of similar paint schemes existing within the community. On a motion duly made, seconded, and unanimously carried, it was resolved to overturn the DRC committee's decision and approve the homeowners' paint colors for the home located at 9351 S. Johnson Lane. A letter will be issued to the homeowners advising them of the decision.
- D. Snow Removal Contract** – The Board reviewed a Snow Removal Contract from Colorado Lifestyles for the 2010-11 snow season. The contract had no increase in the standard rates from the previous 2009-10 contract. On a motion duly made, seconded, and unanimously carried, it was resolved to approve the snow removal contract from Colorado Lifestyles with services being performed on a time & materials basis.
- E. 2nd Monthly Check Run** – The Board discussed whether it would be advantageous to have a second check run completed during the winter months to take advantage of a NET 10% payment discount offered by Colorado Lifestyles. Management will request Colorado Lifestyles place both the standard rate billing and the NET 10% discount billing on their invoices. Management will also request that Accounts Payable watch for these invoices; and if there is a significant savings, then the invoices be brought to the Board's attentions. Additional check runs will be done as requested and, as necessary, at the cost of \$50 per additional run.
- F. Ratify Settlement for Sale of Account #9633150** – The Board discussed and reviewed the decision to accept a settlement on the delinquent amount owed by account #9633150 in order to allow a short sale to proceed. Management explained that if the Board accepted the \$2,000 settlement offer, it would be a wise decision because, if the property had gone into foreclosure, the Board would have only collected \$192 for the super lien. On a motion duly made, seconded, and unanimously carried, it was resolved to ratify the decision made outside a board meeting to accept payment of \$2,000 to settle account #9633150; and to write off the remaining \$1881.82 to bad debt once the settlement amount is received from the title company.
- G. Holiday Light Proposal** – The Board reviewed the bid for holiday lighting obtained by Mike McMahon from Holiday Decorations Colorado. The bid contained three options for lighting at three different rates. On a motion duly made, seconded, and unanimously carried, it was

resolved to accept Option #2 on the proposal from Holiday Decorations Colorado in the amount of \$4,419.20.

- H. Colorado Lifestyles Bid (Independence Stairs)** – The Board reviewed a bid from Colorado Lifestyle for landscaping improvement to the area around the Independence Stairs. The Board also discussed the need to explore adding ground lighting around these stairs. Management was instructed to obtain a bid for adding lights to this area. On a motion duly made, seconded, and unanimously carried, it was resolved to accept the proposal for landscaping improvements from Colorado Lifestyles in the amount of \$796.
- I. Late fee Waiver Request** – A homeowner in attendance at the meeting spoke to the Board regarding the financial circumstance of his home and requested the Board's consideration in waiving late fees for his account. On a motion duly made, seconded, and unanimously carried, it was resolved to waive late fees for account # 142-9393290 in the amount of \$135.08.
- J. 2011 Budget** – A draft copy of the proposed 2011 Budget was distributed to the Board and the Finance Committee prior to the meeting. The Board and Management reviewed and discussed each line item for the 2011 Budget as amended by the Finance Committee. Management will make some additional changes per the discussion and distribute a new draft for final Board comment. The Board instructed Management not to distribute copies of the budget with the Annual Meeting/ Budget Ratification meeting notice, but to direct members to the website to view the approved draft for presentation to the membership.

VII. Management Report – The management report was accepted as presented.

VIII. Correspondence and Reports – The Board requested that future architectural reports show the type of request under review. The Board also discussed hearings had been put on hold pending review and amendment to the hearing process.

IX. Adjournment – With no further business to discuss, on a motion duly made, seconded and unanimously carried, it was resolved to adjourn the meeting at 8:43 pm. The next regular meeting will be the Joint HOA/TMMD Annual Meeting held on November 16th, 2010 at the TrailMark Child Care Center.