

Twin Rivers Board of Managers Meeting Notes – 20 October 2007

The Twin Rivers Board of Managers met Saturday, 20 October 2007 at the Fraser Library. Those in attendance were: Kitty Miller, Clare Cavanaugh, Margaret Gough, Sue Poet, Jon deVos and Sean McNamara. Bob Chipman was not in attendance. Also in attendance was Tim Day, from Day & Associates, CPA.

The action item list is included in these notes.

The next Board meeting is scheduled for Saturday, 26 January 2007, at 3pm in Fraser.

NOTES

Financial Audit

Tim Day provided a report of the financial audit to all in attendance. A copy of the reports was subsequently mailed to Bob Chipman. The purpose of the audit was to verify the Association accounts. The scope of the audit was the fiscal year ending 31 July 2007. The audit was done according to accepted practices for tax-exempt homeowner's associations.

Overall, he provided a "clean opinion" on the Association accounts.

He commented that the operating fund (for routine expenses) is solvent and is not drawing on the reserve/replacement fund for routine expenses, which is proper.

In addition, the reserve/replacement fund currently has an outstanding loan of \$302,469 resulting from the refinanced loan from before 2006 (which paid off previous reserve expenses) plus the expenses of the additional special projects the Association has undertaken in the last two years. And, the reserve/replacement fund is on a track to have an outstanding loan of approximately \$103K at the end of December 2010 when the current loan matures, given approximately \$70K of additional special projects in the coming years and no funds from the operating fund going towards the reserve/replacement fund. Jon reported that the dues increase from earlier this year adds ~\$65K per year towards the reserve/replacement fund, so in the 2-1/2 years before the current loan matures the outstanding loan should be paid down, depending upon additional special projects. Tim stated that the reserve/replacement fund situation appears to be healthy even if there is a reasonable loan balance when the current loan matures at the end of 2010. He added this situation is far better than he saw with the Association accounts the last time he performed an audit.

All Board members agreed to study the audit report and identify any questions they have (Financial #6). Tim Day stated he is available to answer any questions we might have regarding the audit. Jon added that he or Sean would also help answer any questions regarding the audit.

Other Financial Report

The Board discussed the fact that we expect more than \$70K in additional special projects before the end of 2010; therefore the reserve/replacement fund may have an outstanding loan at that time. The remaining special projects in the next couple years include the parking lot paving, trash enclosures, exterior lighting, several roof replacements, etc. Clare reiterated that she plans to do another cash flow analysis of the reserve fund so that we have a current view of the expectations (Financial #4).

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Sue pointed out that when the dues increase was announced to the owners in January 2007, there was a stated implication that it was likely that the dues might be lowered in several years once the major projects were completed. Jon agreed that this was told to the owners. Given the current situation and the Board's desire to have a reasonable reserve, it is highly unlikely that the reserve fund will be positive enough in several years to allow a dues decrease. Kitty will be sending a letter to the owners in December regarding the January open Board meeting and in that letter, she will address the unlikelihood of a dues decrease in the foreseeable future (Admin #9).

Board Organizational Plan

Prior to the meeting, Sean distributed copies of the Allegiant/Association contract and Sue distributed copies of the re-typed version of the By-Laws which Bob agreed to edit against the version in county records.

Board members present reviewed some of the open issues on the proposed organization plan. Margaret and Sean will investigate whether there are any additional By-Laws, or other pertinent documents for the Interval Owners beyond what already exist for the Association (Admin #10). If so, then this information will be added to the organizational plan. Also, the Board agreed that we should establish a project cost of \$5000 for performing an assessment of contractors involved. Also, Kitty felt that personal communications with owners on a regular basis will not to be pursued but rather a quarterly letter from the Board to Association members will be distributed. Sue will issue the organization plan as "final" once Bob provides his input and the above investigation is complete.

Sue distributed copies of various items she will coordinate to implement the Secretary duties for the organization plan (Secretary #1-8). Some discussion resulted in modifying some of the items.

Construction Committee Report

Prior to the meeting, Sue, on behalf of the Construction Committee, had sent email to the Board to approve a maximum expenditure of \$15,500 for the reconstruction of the trash enclosures and crawl space covers. All Board members agreed to this maximum expenditure. The selected bid was for \$10,700 to McCauley and Sons. Work has begun on this project.

Sue pointed out that on the painting project one of the invoices was actually calculated incorrectly by the contractor. The Association actually owes the painter \$123.50. In subsequent email, Board members agreed that we should pay the amount, minus \$25 held for the broken window seal possibly caused by the contractor (Property Mgt #10) (see issue in Other Topics below).

Future Scope of the Construction Committee

Clare pointed out that the construction committee should no longer be responsible for tracking actual expenses vs. the approved expenditures for special projects. She felt that this should be a Board responsibility.

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Other Topics

Board members identified only one outstanding action item from their notes of previous meetings that had not already been identified. The new action item (Property Mgt #9) solicited some discussion about owners' responsibility to report damage from contractors in a timely manner. The Board agreed that we should have a policy that any suspected damage by a contractor must be reported to Allegiant within 30 days of the damage so that a remedy can be worked with the responsible contractor before final payment is made to the contractor. In this particular case, the owner did report the suspected damage in about that timeframe. This will be added to the supplemental Rules and Regulations (Property Mgt #6).

Action Items

We reviewed the action items and updates are provided below.

NEXT MEETING(S)

The next Board meeting is scheduled for Saturday, 26 January 2007 at 3 pm, tentatively at the Fraser Library. Other meetings scheduled are: Saturday, 14 June 2008 (budget meeting) and Saturday, 9 August 2008 (annual meeting).

Action Items

Last updated: 31 Oct 07; smpoet

Action Item	Description	Who Responsible	Result/ Update	Due Date
Financial #1	There needs to be an analysis of the financial records to audit 2006 spending of special assessment against what the construction committee reported	Clare	Jan07: Board agreed to pursue at request of Construction Committee; 12 May07: Still needs to be done; 20 Sep07: Will also need to be done for 2007 committee spending; 20 Oct07: Clare felt this activity does not add value at this point in time so will not be pursuing	20 Oct07; Closed
Financial #2	Chimney Removal Project: Some whole and all timeshare owners already had gas fireplaces, yet special assessment paid for new gas fireplaces for other whole owners; resolve requested assessment refund issue	Clare	Jan 07: Board agreed to review situation and respond to owners; 22 Sep07: no money will be returned because this solution saved money over rebuilding chimneys	Closed
Financial #3	Special Assessment, Interest Payment: several owners asked to have report showing that those who have fully paid their special assessment aren't also paying interest on the loan resulting from those who have not fully paid their special assessment; provide analysis to S. Poet, J. Fraser and C. Cavanaugh	Sue	Jan07: Board agreed to provide; 01 Oct07: email sent to J. Fraser explaining that loan was refinanced at fixed rate at same rate charged to owners paying in installments	Closed
Financial #4	The reserve analysis needs to be updated and the resulting dues increase compared to financial needs	Clare	12 May07: Board agreed to pursue; 22 Sep07: anticipate audit will address reserve amounts but not the	TBD

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	based upon the updated reserve analysis; paving cost was missing and roof recommendations have been provided; cash flow analysis needs to be done		cash flow analysis; 20 Oct07: Clare agreed this was an ongoing annual activity and has yet to determine when it will take place this year	
Financial #5	Perform an audit of the association financial records for the year ending 31 July 2007	Clare	11 Aug07: reported to owners that it was to take place; don't know what date it was requested by the Board to be done; 20 Oct07: audit report presented to Board	20 Oct07; Closed
Financial #6	Review the audit and identify any issues to be resolved	All	20 Oct07: AI established	26 Jan08
Property Mgt #1	Wireless network: Can the current TR wireless network be expanded beyond the current area so more/all units can access without going to Amenities area; is the Interval Board paying for this service, currently	Bob	11 Aug 07: Board agreed to consider; J. Fraser agreed to ask colleague his advice; 17 Sep 07: J. Fraser reported that colleague not findable (no longer works at previous job); 4 Oct07: letter will go out in monthly statement to owners for volunteer; 20 Oct07: Sean and Jon reported that \$6K is a reasonable estimate based on similar projects; some Board members want to get specific input from owners regarding their desire for this service; will put a questionnaire together for owners to respond on a number of issues and will include this one and use of bike racks	TBD
Property Mgt #2	Owners need to know what to do with their large bulk items that cannot be put in dumpster (furniture, appliances, etc.)	Sue, Sean	11 Aug 07: Board agreed to investigate; 22 Sep07: Sean to put on web page; 4 Oct07: letter will go out in monthly statement to owners to inform of special disposal for large items; 20 Oct07: web page to be updated by end-Dec	TBD; end-Dec
Property Mgt #3	Communication to all owners to review the age of their water heater and consider replacing	Sue	11 Aug 07: Board agreed to pursue; 22 Sep07: Sean has list of age of each H2O heater; 4 Oct07: letter will go out in monthly statement to owners to check H2O heater; 20 Oct07:	Closed
Property Mgt #4	Need to approve and dis/approve expenses for trash enclosure project	Sue	20 Sep07: Not avail. from construction committee; will be done via email so Board needs to comment within days of receipt; 03 Oct07: email to board to approve expenditure of \$15,500 max.	end-Sep07; 07 Oct07; Closed
Property Mgt #5	Put out message about trash removal in May prior to summer activity	Bob	22 Sep07: AI established	May08
Property Mgt #6	Put together a "rules and regulations" supplement and distribute to owners	Bob	22 Sep07: AI established; 20 Oct 07: add rule about informing Allegiant within 30 days of damage done by contractors	TBD
Property	Put out message to get feedback on	Sue	22 Sep07: AI established; 4 Oct07:	Closed

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Mgt #7	parking lot lights, stairwell lights, bike rack usage, etc.		letter will go out in monthly statement to owners on these items; 20 Oct07 : no feedback to date	
Property Mgt #8	Put up a sign on the new trash enclosures regarding how to dispose of large bulk items	Sean	22 Sep07 : AI established;	TBD; end-Dec
Property Mgt #9	Owner reported double pane seal on bathroom window broken during week painters painted that building	Bob	11 Aug07 : AI established; 20 Oct07 : Association will reimburse owner up to \$25 if they replace their window by the end of May 08; \$25 will be held from payment to the contractor; need to inform owner	Dec 07
Property Mgt #10	Pay JFK painting additional money owed, \$123.50 minus \$25 for Property Mgt #9	Sean	20 Oct07 : AI established with various email in days following meeting	mid-Nov07
Admin #1	Make K. Miller's statement of history on Twin Rivers available on the TR web site	J. deVos, Sean	11 Aug07 : J. deVos agreed to do this; 22 Sep07 : Kitty has provided to Jon	TBD; end-Dec
Admin #2	Propose, review and baseline Board organization plan	S. Poet, All	14 Sep07 : S. Poet agreed to prepare draft; 20 Sep07 : draft for review distributed <i>via</i> email;	20 Oct07; Dec 07
Admin #3	Review notes of past meetings to identify additional action items and provide to Sue	All	22 Sep07 : AI established; 20 Oct07: Prop. Mgt #9 added	20 Oct07; Closed
Admin #4	Prepare implementation plan for each function of Board for this year	All	22 Sep07 : AI established; 20 Oct07 : Sue provided; others will review to see what needs specific AI in their area	20 Oct07; 26 Jan08
Admin #5	Provide Board members with current copy of contract with Allegiant and any subsequent change agreements to the contract	Sean	22 Sep07 : AI established; 18 Oct07 : Sean provided copy of contract	20 Oct07; Closed
Admin #6	Put copy of Declarations and Bylaw on the web page; put copy of organizational plan on web	Sue, Sean	22 Sep07 : Sue will see if she can do an OCR on two documents so more readable; 20 Oct07 : By-Laws retype provided and Bob to do specific review; Declarations forthcoming	TBD; end-Dec
Admin #7	Each Board member to put together notebook with pertinent material for their role to have available for future Board members; to contain Declarations, Bylaws, Org. Plan, Allegiant contract and other routine activities/plans	All	22 Sep07 : AI established; 20 Oct07 : in process	TBD; 26 Jan08
Admin #8	Put a current list of Board and Timeshare Board members on the web with corresponding email address, not phone number	Sean	22 Sep07 : AI established;	TBD; end-Dec
Admin #9	Send letter to owners regarding January open Board meeting, result of audit, unlikelihood of reducing dues in foreseeable future, and other timely things	Kitty	20 Oct07 : AI established	Dec 07
Admin	Identify any controlling by-law or	Sean,	20 Oct07 : AI established	early-Dec

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#10	similar documents for the Interval Owners beyond what exist for the Association	Margaret		07
Secretary #1	Find and give to Sue missing Board meeting notes as far back as Aug '06 annual meeting (missing Sept '06 and Oct '06)	Sean	20 Oct07: AI established; per Kitty, no need to go back beyond a year	mid-Nov07; Closed
Secretary #2	Prepare draft meeting annual meeting notes of Aug '07	Sean, Sue (?)	20 Oct07: AI established	mid-Nov07
Secretary #3	Make "final" any Board meeting notes as far back as Aug '06 annual meeting	Sean, Sue, et. al.	20 Oct07: AI established; per Kitty, no need to go back beyond a year; need to resolve Nov06 notes which referenced the existence of Oct06 notes	mid-Nov07
Secretary #4	Define process for preparing, reviewing and "finalizing" Board meeting notes	Sue	20 Oct07: AI established	end-Dec07
Secretary #5	Audit Association members list as defined in Declarations/By-Laws	Sue, Sean	20 Oct07: AI established	end-Mar08
Secretary #6	Audit Association records of Board meeting notes	Sue	20 Oct07: AI established	end-Mar08
Secretary #7	Analyze and if necessary, modify the Twin Rivers web site; coordinate with Interval Owners (who can represent Interval Owners?)	Sue, Sean, ??	20 Oct07: AI established	end-Dec07
Secretary #8	Make proposal for occasional (twice yearly?) personal contact with each owner; perhaps each Board member responsible for contacting ~10 owners	Sue	20 Oct07: AI established; per Kitty, she doesn't feel personal contact needed but rather quarterly letters	end-Mar08