

The Townes at Kettle Creek Owners Association, Inc.
Annual Membership Meeting Minutes
November 12, 2013

The Townes at Kettle Creek Annual Membership Meeting was held at Pine Creek High School.

The meeting was called to order by Kathy Dolan at 6:05 p.m. Present were:

Kathy Dolan	President
Arlene Chumley	Vice President / Treasurer
Konrad Kahle	Secretary
Hal Kyles	Attorney (Orten, Cavanaugh and Holmes)
Darren Burns	Z&R Property Management

A total of 24 homes were represented in person or by proxy. Roll call was conducted at the door by Z&R along with certification of any proxies that had not been submitted in advance of the meeting. The notice requirement was waived due to the presence of a quorum.

Kathy Dolan introduced herself, the rest of the Board and Darren. John Hall moved to approve the 2012 minutes as submitted and the motion carried unanimously.

Legal History of 10632 Leadville Creek:

Hal presented a history of the collection process against 10632 Leadville Creek leading to the foreclosure and acquisition of title by the Association through a sheriff's deed. The deed of trust is now being foreclosed by Bank of America. After presenting the history and giving an updated payoff figure, it was determined that selling the unit was not advisable. Darren and the Board made it very clear that the new information on the payoff figure and Hal's advice to rent the unit was all brand new and had not been offered to them at any time before the meeting. John Hall made a motion to rent the unit to recover as much as possible back before the foreclosure and the motion carried unanimously. Darren was asked to manage the rental and agreed to do so and waive his fee.

President's Report:

1. **2nd Phase of Construction Defect projects completed** – The two south perimeter walls were deteriorating and the south fence (concrete wall) on top of them also needed work. The project was bid out to three contractors and Sunwest Construction was chosen to complete the work. They removed the concrete fence, rebuilt both walls, corrected the drainage and replaced the landscaping with no problems.
2. **Fencing installed around retention pond** – To increase safety around the retention pond area, low maintenance split rail fencing was installed around the perimeter. The design allows for access by maintenance equipment but keeps the area clear and reduces the Association's liability.
3. **Crack Filling Complete** – To prolong the life of the asphalt, crack filling was completed again this year to keep water from getting underneath the asphalt.

4. **Striping Completed** – All of the visitor parking spaces and speed bumps have been repainted.
5. **Full Community Painting Completed** – The entire Community received a fresh coat of paint and is now under a 7 year warranty on the work.
6. **New Landscapers** – Unfortunately, with very short notice, Timberline landscaping attempted to renew their contract with a 23% rate increase. The Board quickly bid out the contract and was able to hire Unlimited Landscaping and a reduced rate.
7. **Additional Xeriscaping** – To continue our efforts at water conservation, another grass area was converted to xeriscaping.
8. **Concrete Replacement** – 4 of the worst sets of stairs in the Community on Ironton Creek were replaced. The contractor did 6 bad sections of sidewalk at no additional charge.
9. **Audit and Reserve Study Completed** – The audit (on the website) came back clean and the reserve study shows that we are funding reserves at the proper pace.
10. **Ad Hoc Rules Committee Formed** – The Board authorized Darren to choose a Committee to review and recommend changes to the Rules and Regulations. Their final recommendations will be forwarded to the Board this week for final review.

Future Challenges & Projects:

1. The retaining walls along the eastern perimeter (Powers) still appear to be in good shape, but Sunwest Construction did bring some concerns to light. Basically, there are trees planted very close to these walls in a number of areas. In the coming years, these trees will grow very large and could compromise the walls. While this is not an immediate threat, the Board is aware of it and will be examining options for preventing the trees from damaging these very large and very expensive walls.
2. The Community is due for a seal coat of the asphalt. This project will be investigated beginning in the late spring of 2014.

Financial Report:

Darren presented the 2014 budget in detail and took questions. The budget has been scaled back as much as possible but the insurance premium for 2014 increased significantly and this may eat up some of the surplus funding to reserves for the year.

The insurance is out for bid, but the market is very tight and premiums are increasing statewide. If the Association renews with American Family, they will NOT have a wind and hail deductible for 2014, but any other carrier will most likely require a 2% wind and hail deductible.

According to the reserve study, the Association is very close to 47.9% funded, which puts the Association firmly in the “fair” category. The 2014 budget provides excess reserve funding (depending on the insurance premium) which should put the Association in line with the reserve study expectations for 2014.

Announcements: There was general discussion on few topics and John Hall reported that his light fixture, damaged by the painters, and his landscaping rocks had yet to be corrected by the painters. Darren will contact the painters right away and follow up.

NEW BUSINESS:

Konrad Kahle volunteered to serve another term on the Board of Directors. Darren opened the floor for other volunteers to be nominated to serve on the Board and there were none. Arlene moved to elect Konrad by acclamation and the motion carried unanimously.

Officers were elected as follows:

		<u>Term</u>	<u>Address</u>
Kathy Dolan	President	2014	3096 Ironton
Arlene Chumley	Vice President/Treasurer	2014	10634 Silverton
Konrad Kahle	Secretary	2015	10836 Tincup

The meeting was adjourned at 7:40 p.m.



Darren H. Burns
Property Manager



Konrad Kahle
Secretary