

Orchard Villa Townhomes Homeowners Association Minutes
Board of Directors
December 6, 2010 – Grand County Public Library

Board members present: Marc Thomas, Chris Ensworth, Barbara Crossan and Bill Topper. Connie Baty was absent. No homeowners were in attendance.

President Marc Thomas made a motion, seconded by Barbara Crossan, to approve the Board minutes of the November 8, 2010 as presented. The motion passed unanimously.

Marc Thomas reported that as of December 6, 2010, the Association had \$7,140 in its operations checking account, \$5,669 in savings and \$26,368 in Reserve Certificates of Deposit. He noted he had transferred an additional \$4,000 from the savings account to the checking account to cover cash flow for the rest of 2010. One homeowner was late in making assessment payments, but Chris Ensworth said the homeowner had told her that payment would be forthcoming this week. Chris Ensworth then made a motion, seconded by Barbara Crossan to authorize President Thomas and Treasurer Connie Baty to pay any bills that came due in December. The motion passed unanimously.

Chris Ensworth reported that proof of insurance for two homeowners was past due from November and six homeowners were due to renew their policies in December. All of the affected homeowners will be mailed reminder letters.

Building 16 has been treated for termites inside and outside, Marc Thomas said. The cost for the treatment by Spanish Valley Pest Control was \$4,750. Bill Topper suggested the Board investigate using bait stations rather than Termidor termiticide for any future termite infestations that occur.

Homeowner Mike Stringham has volunteered to maintain the association's website, Marc Thomas said. The Board was supportive of the offer and told Marc Thomas to thank Mr. Stringham for his help.

Marc Thomas said TLC Landscaping was doing a final lawn watering this week and planned to winterize the sprinkler system by week's end. Bill Topper made a motion, seconded by Marc Thomas, that it be the Board's policy that any approved alterations to the Association's sprinkler system, including those made at homeowner's expense, will be performed by the Association's contractor (currently TLC Landscaping). The motion passed unanimously.

Marc Thomas presented five different scenarios for the 2011 budget, ranging from a 4.3 to 5.9 percent increase in assessments. He explained that the overall budget consists of two components, one being an annual Operations & Maintenance (O&M) budget, the other the Reserve Fund.

The O&M budget for 2011 was considered first. After discussion among Board members, Marc Thomas made a motion, seconded by Barbara Crossan, to approve an Operations and Maintenance Budget for 2011 of \$114,748, an increase of 0.8 percent from 2010.

Funding for the Reserve was then discussed. Bill Topper said he did not feel comfortable with a plan that only called for a minimum of \$10,000 in the Reserve Fund. Chris Ensworth said she shared his opinion and noted that both HUD and FHA now require a 10 percent reserve minimum. Bill Topper made a motion, seconded by Chris Ensworth, to approve a 2011 Reserve Fund budget of \$37,148, with the mandated Reserve minimum now set at \$30,000. While this scenario eliminates the stamped concrete project on the west side of the 400 North entrance and the storm drainage project on North Hale, it does add \$10,000 for common area improvement projects every five years. The motion passed unanimously. As a result, the total 2011 budget will be \$151,906, a 5.3 percent increase over the one for 2010.

The meeting was adjourned.