

Columbine Lake Country Club, Inc.

Board of Director's Meeting

Minutes of January 9th, 2010

I. Call to Order:

-President Dick Lacouture called the regular monthly meeting of the Columbine Lake Country Club, Inc. Board of Director's to order at 8:00 A.M. Other Board members present were Stephanie Kroepfl, Jeff Buckley, John Amerman, Jim DeMersseman, Kirstin Reimann and Scott Wilson. Board member absent was Pieter Knight. Staff members present were Ken Lund and Terry Rotter.

II. Acceptance of Minutes:

-The December minutes were reviewed and accepted as amended.

III. Members' Forum:

-No members were present.

IV. Financial Reports:

-Treasurer Wilson reviewed the purchase journal and noted the loader tires were \$6,393. This will be reimbursed from the Reserve Funds. The legal fees incurred by going to court on one owner will be collected by Mr. Newton our attorney. It is currently reimbursed from Reserves. The cost of the full audit is less than budgeted at \$4,995 which included our 2009 income tax return.

-Treasurer Wilson reviewed the Financial Income Budget Statement. Mr. Wilson went over the Revenue column and stated we are down on the forecasted amount for new home starts by approximately \$30k. There has been an increase in natural gas. The lower cost for propane will offset the higher cost of natural gas. All the other expenses are under and hopefully will not be over at the end of the fiscal year.

-Treasurer Wilson reviewed the Reserve Schedule. The Legal column is fully funded in case of an emergency. Mr. Wilson noted the H.R. A. column is funded at \$6k annually even though this amount has never been completely used. Due to the lack of home starts annual assessments may have to increase this year. The \$32k for the bathroom addition project at the clubhouse has been allocated for other projects contained in the Reserve Schedule.

-Treasurer Wilson discussed the audit from Day & Associates. The Board reviewed the summary of the audit and determined that each recommendation and all corrections be specifically addressed and available to the membership, at the office with the hard copy of the audit. There is one new policy required by Colorado State law for homeowners which addresses conflict of interest. This will be reviewed by our attorney and if necessary any changes will be made. Day & Associates recommends the Board monitor segregation of duties. Day & Associates agrees it would not be cost effective to hire additional staff to segregate all these duties but the purpose is to help shape future internal control structure and staffing decisions. Day & Associates also recommended adopting the capitalization policy to ensure the types of expenditures that are capitalized versus expensed. There will be difference in accounts receivable of \$521.26 in future years unless otherwise we find a way to correct this from previous years. Treasurer Wilson reviewed Day & Associates recommendation what amount of interest to allocate to Reserves annually. Mr. Wilson recommends 100% be allocated to Reserves. **A motion was made and passed to approve the capitalization policy recommended by Day & Associates, and to direct 100% of all interest income to the Reserves for all future budgets and financial reporting.**

_The Board also acknowledged the auditor's comment concerning the segregation of duties and agrees that the hiring of additional personnel to segregate duties is not cost effective. The Board will remain aware of this condition in future decisions concerning internal controls and staffing. No other actions were deemed necessary at this time.

-A motion was made and passed to accept the financials as presented.

V. Manager's Report:

-There is a Tree Hearing following the Board meeting for the last owner found to be in non-compliance during the September 2009 Tree Survey. The owner requested a re-inspection during the holidays which was conducted on December 28th, by Bonnie Basemann with the owner present. During this inspection the owner pointed out to Bonnie that some of the trees she identified as dead did in fact have some green branches remaining that were not visible from the road. Other trees had been treated with the micro-injection system by Timberline Tree Service and had died since the 2008 Tree Survey. It was the inspector's opinion after the walk through that the lot in question was in compliance in September 2009, and therefore should not have received a letter. The owner also met with a tree removal contractor on December 29th, and had the already dead trees removed the following week. He will keep an eye on the others that are almost ready to give up, and remove them when they die.

-The holiday period was busy for most of the two weeks with the heaviest concentration of owners and guests around the New Year's Day and the following weekend. The attendance at the clubhouse was obviously higher than usual, but only a couple of days were packed. The staff operated under the full summer hour schedule for the entire two weeks. All systems worked well during the period, and the clubhouse staff kept things under control. On the whole, snowmobilers and A.T.V.er's were well behaved and followed the rules and speed limits.

-We are having problems with one of the jets on the spa and have ordered a new electrical contact to solve the problem.

-The new tires on the Loader were installed by G.C.R. Tire Company on December 29th, at the shop. The mechanic had some real difficulty getting two of the old tires off, as they been on so long the wheels had rusted. He was able to eventually get the news ones on and head back to Denver. Total cost of the replacement was \$6,393 for the retreads which saved over \$2,000 from what was budgeted. The cost also included the removal and disposal of the old tires, and they removed nine tires that were lying around from the dumpster, which saved \$72 in disposal fees.

- The Annual Chili Cook-Off is usually scheduled for the second Saturday in February, on the same day as the Board meeting. This year it falls on Valentine's Day weekend, and in the past we have not had good attendance when those two events collide. Manager Lund proposed to move the Cook-Off to the following Saturday the 20th, of February. The Board agreed to move the Chili-Cook-Off to the February 20th, 2010. The change to the Chili-Cook-Off will be addressed on the Website and the February Newsletter. Posters with the new date will be on the office and clubhouse bulletin boards as soon as possible.

VII. Administrator's Report:

-The Boat Lottery will be held immediately following the regular meeting. It was decided last year that Ken Lund, Terry Rotter and two volunteer Board members conduct the lottery. The Boat Lottery results will be posted at the boat ramps in early spring. Letters will be sent to the owners and the Boat Lottery for 2010 will be posted on the website.

-The office has received four lot transfers in the month of December. It appears that homes are selling in the range between \$250k and \$350k. Transfer fees reflect in our revenues for a total of \$600 for December.

-The office received approximately 40 emails regarding the WiFi connection for our owners at the clubhouse. Nineteen owners were in favor and twenty one were not in favor. The owners that were not in favor felt they did not want to pay for the other owners use since it is available in the town. Most of the owners not in favor have their own service through Qwest or Comcast. The Board decided to discuss this issue again next year. All of the owner's feedback is in a folder at the office for review.

-Day & Associates completed our 2009 tax returns. Our taxes paid for 2009 were \$308.00 and Federal tax \$1335.00. You will notice on the purchase journal a \$500.00 and \$1400.00 checks that paid our taxes for the current in advance in order to avoid any penalties.

-The annual reports for payroll are due by January 15th along with Unemployment Insurance Quarterly reports and Federal Taxes. The W-2's, 1099's and 1098 will be completed by the end of January.

-Katie has volunteered to take the Christmas decorations down again this year. The Board expressed many thanks to her for all the hard work she does for C.L.C.C.

III. Unfinished Business:

--Manager Lund, Administrator Terry Rotter, Director Lombard and Director Amerman completed the 2010 boat lottery. All but eight owners were not drawn this year. Letters will be mailed to all owners and the 2010 Boat Lottery Winners will be on the website.

-The Tree Hearing will take place immediately following the Board meeting.

IX. New Business:

-Director Reimann recommended that the Board consider keeping the clubhouse open longer on the Sunday during Christmas week. Manager Lund feels this can be accomplished for next year, if staff and funds are available.

X. Adjournment:

-The regular meeting was adjourned temporarily at 10:10 A.M. for hearings, related to alleged violations of the C.L.C.C. Tree Rule & Regulation.

XI. New Business: (Continued)

-The Board of Directors reconvened at 10:30 A.M. to review the recommendations of the Hearing Panel concerning the imposition of fines resulting from violations of the C.L.C.C. Tree Rule and Regulation (The Tree Rule)

-The Hearing Panel had determined in the case of the one owner in question that trees identified as "dead" during the September 2009 tree survey were in fact live trees that could not be seen from the road. This was determined by a re-inspection on December 28th, 2009 with the owner present.

-Based on the re-inspection and written input from the inspector, the Hearing Panel determined that the lot had been in compliance as of September 15th, 2009 and therefore not subject to any fines.

-After a discussion of The Hearing Panel's findings. **A motion was made and passed that no violations of The Tree Rule had occurred, and that the owner was in compliance and that no fine would be imposed.**

-The Board asked Manager Ken Lund to phone the owner with the Board's decision.

-There being no further matters to discuss the Board adjourned at 10:48.

Respectfully submitted,

Terry Rotter, Administrator

Columbine Lake Country Club, Inc.