

**PROSPECT POINT TOWNHOMES ASSOCIATION, INC**  
**ANNUAL HOMEOWNER MEETING**  
**August 7, 2010**

**I. CALL TO ORDER**

The Prospect Point Townhomes Association Annual Homeowner Meeting was called to order by Malcolm Orton at 9:15 a.m. in the Best Western Frisco Conference Room.

Board Members Present Were:

Malcolm Orton, President, 1508D/1518A	Bob Roggow, Vice President, 1508C
Ann Johnson, Director, 1504A	Diane Gordon, Director, 1514B

Homeowners Present Were:

Edwin Kilpela, 1504C	George Gordon, 1514B
Dick & Penny Thomas, 1516C	Robert Weinschenk, 1522B
Joanne Mayer, 1516A	Tom & Karen Keinath, 1506A

Representing Summit Resort Group were Peter Schutz, Kevin Lovett, and Chris Trettle. Margot Mayer of Summit Management Resources was recording secretary.

Chris Doyle from Doyle Construction was a guest at the meeting.

**II. PROOF OF NOTICE AND QUORUM**

Notice was sent in accordance with the Bylaws. With ten units represented in person and seventeen proxies received a quorum was reached.

**III. APPROVAL OF PREVIOUS MEETING MINUTES**

Diane Gordon made a motion to approve the minutes of the August 1, 2009 Homeowner Meeting as presented. Bob Roggow seconded and the motion carried.

**IV. PRESIDENT'S REPORT**

Malcolm Orton thanked the owners for their continued cooperation. He said that the issue most often discussed by the Board was the budget. He said the Board works to compromise between cost and quality whenever bids are solicited.

Malcolm Orton reported that the Association balances were \$11,900 in Operating and \$42,000 in Reserves. The Association was favorable to budget in Operating expenses mainly due to cost savings in snow removal and there was no dues increase this year.

Upcoming projects included:

1. Retention pond.
2. Exterior landscaping and road.

3. Asphalt overlay (about ten years down the road) at an estimated cost of about \$100,000. Half of the cost will be funded from the Reserve Fund and the other half will be a Special Assessment.

Completed projects included:

1. Seal coating.
2. Planting flowers.
3. Landscaping improvements.
4. Preventative tree spraying.

## V. FINANCIAL REPORT

### A. *Financial Status as of June 30, 2010*

As of June 30, 2010 the Association had \$10,640 in the Operating account, \$9,446 in the Alpine Bank T-Bill account and \$72,896 in the Reserve account. Overall, the Association was \$4,612 under budget in Operating expenses. Any year-end surplus will be transferred to the Reserve account.

### B. *2010/2011 Proposed Operating Budget*

Kevin Lovett presented the proposed 2010/2011 Operating Budget. Annual projected expenses increased by \$2,592. Areas of change included:

1. Insurance - 6% projected increase.
2. Management Fee - 2.9% increase per contract.
3. Trash Removal - \$144 decrease.
4. Electricity - \$70 increase.
5. Postage - \$24 increase.
6. Accounting and Legal - \$35 increase.

The next major Capital expenditure will be Roofs and Siding in 2015/2016 for about \$275,000.

Kevin Lovett said owners had two options to fund the expense increase:

1. Option A – A 3% increase to monthly Operating dues which results in an approximate \$7 - 10 increase per month per unit.
2. Option B - One time Special Assessment.

The Board proposed a Special Assessment instead of a 3% dues increase. Diane Gordon said it was important to keep the dues at a reasonable level. There was discussion that dues have been the same since 2004 and a 3% increase would be minimal. Dick Thomas recommended keeping the surplus in the Operating account instead of transferring it into the Reserves. Kevin Lovett said there were ongoing maintenance issues with the roof and while currently under budget, it is a pending expense.

Bob Roggow made a motion to increase monthly dues by 3% to cover the increase in Operating expenses. Tom Keinath seconded and the motion carried.

C. *Reserve Fund*

Malcolm Orton explained that in order to minimize dues increases in the past, the Board has levied an annual Special Assessment to fund the Reserves. This year the Board is proposing \$250/unit.

Malcolm Orton made a motion to approve a one time \$250 assessment for the Reserve Fund contribution. George Gordon seconded and the motion carried.

Kevin Lovett had developed a spreadsheet to help with project planning. George Gordon asked if the timing of projects is accurate. Kevin Lovett said he felt it was accurate. Roof replacement is scheduled in 2015/2016 and the projected cost is \$275,000. He said management had set an aggressive schedule for painting schedule and asphalt maintenance. Siding replacement is scheduled in ten years and may be a bit optimistic. Turner Morris will do some gutter work and a full inspection of the roofs. Peter Schutz said that it may be possible to stagger the roof replacement.

## VI. MANAGEMENT COMPANY REPORT

Kevin Lovett thanked Chris Trettle and the Board for their continued support.

A. *Completed Projects*

1. Preventative pine beetle tree spraying.
2. Building staining 1508-1512.
3. Deck staining units 1502-1512. Decks are now on a scheduled to be stained every other year with a solid color stain. Edwin Kilpela commented that the solid stain is not as good and always looks dirty. He recommended using a semi-solid stain if possible. Kevin Lovett will look into it.
4. Boiler flue inspection.
5. Concrete walkway repairs.
6. Asphalt work including crack filling, seal coating, drainage improvements and garage ramps.
7. HB 1359 compliance. A policy was established for Reserve planning and funding.

B. *Report/Pending Items*

1. Vole remediation (ongoing).
2. Gutter and heat tape installation on the front side of the buildings.

## VII. NEW BUSINESS

A. *Trees*

Over the years trees have grown and now block some views. There have been discussions about whether the trees should be trimmed or cut down to maintain the

views. Dick Thomas said he liked the views. There are trees in the front and one in the back that are blocking the views.

Malcolm Orton made a motion to establish a tree policy that specifies if an owner wants to trim or remove a tree from Association property to enhance the view, the owner must obtain the consent of the neighbors on both sides and request Board approval. Any expenses occurred will be paid by the owner. Diane Gordon seconded and the motion carried.

Karen Keinath inquired whether the tree that died would be replaced. Kevin Lovett said it would be replaced. Dick Thomas asked who was responsible for the trees in the triangle. Kevin responded that the Master Association was responsible for these trees. He will send an email to the Master Board requesting trimming of the trees to open up the view.

*B. Snow Removal/Grass Mowing*

Ed Kilpela said that last year's snow removal was way above average. Grass mowing is being done with a riding mower and with a weed trimmer. He felt the weed trimmer did not do a good job. He recommended getting a small push mower so the grass would be cut evenly. Chris Trettle noted this would require more manpower and labor. Kevin Lovett said he would purchase a push mower.

*C. Parking Policy*

Robert Weinschenk said a memo had been sent about not parking on the streets. He requested that the memo be resent because it is still a problem. Owners were encouraged to contact management about illegal parking. Extra cars should be parked in the overflow parking lot. If it is a constant problem, then it should be addressed. George Gordon said cars parked on the street could impede access for emergency vehicles so the policy should be enforced.

*D. Construction Items*

Chris Doyle introduced himself and offered his services to owners who are interested in remodeling their unit. He said he usually has a large amount of remodeling items that can be recycled with other owners if they are interested.

*E. Wireless Internet Options*

Resort Internet has studied the complex to determine a cost effective way to provide wireless internet services. Last year, they stated that a wireless internet option would not be cost effective based on the layout of the buildings. New technology that is now available has increased the cost effectiveness of a wireless internet system. The new proposal was included in the meeting packet. Tom Keinath said there would be security issues if all residents access a single wireless system. He was not in favor of this service because he would have to pay for it when he is not occupying his unit. Kevin Lovett said there were security options available. The overall consensus was to not pursue this matter.

*F. Newsletter*

Malcolm Orton asked if owners were interested in setting up a social network for owners instead of only getting together once a year. The Board will work on a newsletter.

**VIII. ELECTION OF BOARD OF DIRECTORS**

The terms of Ann Johnson, Bob Roggow and George Day expired this year and all were willing to serve again. Bill Word and Tom Keinath volunteered to run. Malcolm Orton made a motion to elect Bill Word and Tom Keinath and to reelect the incumbents. The motion was seconded and carried.

**IX. SET NEXT MEETING DATE**

The next Annual Meeting will be held on Saturday, August 6, 2011.

**X. ADJOURNMENT**

A motion was made to adjourn the meeting at 10:43 a.m. The motion was seconded and carried.

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_  
Board Member Approval