

**PROSPECT POINT TOWNHOMES ASSOCIATION
ANNUAL HOMEOWNER MEETING
AUGUST 8, 2015**

I. CALL THE MEETING TO ORDER

The Prospect Point Townhomes Association Annual Homeowner Meeting was called to order at 9:05 a.m. in the Frisco Senior Center Hobby Room.

Board Members Present Were:

Diane Gordon, President, 1514C

Carol Bartoletti, Sec./Treasurer, 1510A

Dave Benson, Vice President, 1520A

Bill Word, Director, 1512B

Homeowners Present Were:

Carol Brownson Burger, 1516B

Edward & Amy Mower, 1512A

Elizabeth Poulos, 1522B

Alan & Julie Stremel, 1512A

Michael & Jan Williams, 1504D

Steve & Connie Seiler, 1506B

Hannis & Kim Thompson, 1520C

Jim and Ann Johnson, 1504C

Rick & Martha Jacobsen, 1506C

Bill Tracy, 1510D

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

II. CERTIFICATION OF PROXIES AND DETERMINATION OF QUORUM

With twelve units represented in person and twelve proxies received a quorum was confirmed.

III. MASTER ASSOCIATION UPDATE

Kevin Lovett explained that Prospect Point consists of three Homeowner Associations. They are the Villas at Prospect Point, Prospect Point Townhomes and the Master Association.

As of June 30, 2015 the Master Association had \$12,816 in the Operating account and \$54,142 in Reserves. There was no change to dues for fiscal year 2015/2016. The major upcoming capital expenditure is an overlay of the road.

Projects included:

1. Vole remediation is ongoing and completed every month between the 23rd and 30th of the month.
2. Tree feeding and preventative treatment for scale, Ips beetles and pine beetles has been done.
3. An overlay of the asphalt and a sealcoat was completed in 2014. Crack sealing is planned for 2015.

Town of Frisco Update:

1. The lake is 100% full.
2. Frisco sales tax revenues were up 18% at the end of last year and are up 20% this year.
3. The Main Street renovation project is underway. The spring phase included improvements from 7th to 4th Street and the fall phase includes upgrades from Madison to 2nd Street.
5. More information is available at www.frisco.gov.

Elizabeth Poulos asked about the most recent Town Hall meeting. A proposed development called “The Watermark” and is located to the west of the Villas. The zoning is designated for mixed use, which could include an apartment complex, a gas station and a restaurant. A number of owners in neighboring Associations attended the meeting. The Bay Club will be most impacted by this development. Concerns were raised in regards to potential drainage issues and the path. The Bay Club threatened to build a fence if the path were to be re-routed through their property. The Town of Frisco is aware of all concerns and there is consideration of building a paved path at an estimated cost of \$60,000. The path is not part of the application that was submitted by the developer. The Town of Frisco approved the preliminary plans but final approval is subject to all the routine inspections. The local Associations should work together to push for the building of the path.

An owner asked if there were any plans for employee or deed restricted housing. Diane Gordon said that there was a separate plan for affordable housing between Lake Forest, the Dam Road and I-70. The Town of Frisco is working on purchasing the parcel from the Forest Service.

IV. APPROVE PREVIOUS MEETING MINUTES

An owner asked if all items that were noted under the Owner Forum were addressed. Kevin Lovett confirmed they were all addressed. Owners should contact him with any specific concerns.

Bill Word made a motion to approve the August 9, 2014 Annual Homeowner Meeting minutes as presented. Elizabeth Poulos seconded and the motion seconded.

V. PRESIDENT’S REPORT

Diane Gordon thanked Kevin Lovett, Chris Trettle, and Mike Kellett for doing a great job managing the Association. Management has been very responsive when issues. She thanked all owners for making the Board’s job easy and paying their dues on time.

VI. TREASURER’S/FINANCIAL REPORT

Kevin Lovett presented the Association Financial Report.

A. Financial Status

As of July 31, 2015 the Association had \$9,369 in the Operating account, \$8,112 in the Alpine Bank T-Bill account, \$110,803 in the Reserve account, \$116,477 in the Roof CD and \$33,649 in the Roof Reserve account.

The June 2015 Profit and Loss statement reflected that the Association had \$112,435 of actual expenditures versus \$111,537 of budgeted expenditures. Landscaping was \$3,954 unfavorable to budget due to tree trimming and rebuilding the steps to the bike path. Insurance Claims was \$1,000 favorable to budget, Irrigation Water was \$1,516 favorable to budget and Snow Removal Loader was \$1,460 favorable to budget.

B. 2015/2016 Proposed Operating Budget

Kevin Lovett presented two options for the proposed 2015/2016 Operating Budget:

1. Option A – No dues increase and a one-time Special Assessment of \$220 - \$275 per unit to be one month fully funded.
2. Option B – No dues increase.

Expense Changes from the 2015/2016 Budget as compared to the 2014/2015 Budget included:

1. Insurance – \$855 decrease.
2. Management Fee – \$1,200 increase.
3. Trash Removal – \$432 increase.
4. Landscaping – \$23 increase.

Diane Gordon said the Board reviewed the proposed budget at the Board meeting and recommends Option A in order to build the Reserves balance and establish a cushion in the Operating account. Kevin Lovett pointed out that the buildings are aging and have to be maintained. A heavy snow year would hit Operating expenses hard and it would be better to have some cushion in the budget.

An owner asked if it would be possible to transfer \$9,000 from Reserves to Operating to avoid the need for a Special Assessment. Kevin Lovett said it would be possible to forgo transferring contributions to Reserves; however the Board does not recommend this as it would decrease the reserve account balance. An owner expressed support for the Special Assessment.

Bill Tracy made a motion to approve Option A for the 2015/2016 Budget. Ann Johnson seconded and the motion carried.

C. Reserve Fund Review

Kevin Lovett explained that the Reserve Study is a planning tool utilized by the Board and reviewed at each Board meeting. He consults with contractors and updates the Study each year to reflect realistic life expectancy and replacement costs. The current Study goes out about 13 years. An aggressive staining schedule is in place to prolong the life of the siding.

A portion of the Reserve Fund was put aside solely for roof replacement. A Special Assessment schedule was developed over a period of six years and the next billing (year five) will be in October. So far a total of \$151,000 has been collected and a total of \$224,000 will be collected by year six. The roof replacement is estimated to

cost around \$675,000. The roofs can be replaced in phases and annual repairs are extending the life of roofs.

The buildings were built in phases with three different developers. The floor plans and framing are very different and the building that was built first does not necessarily need to have the roof replaced first. Diane Gordon said the Special Assessment will be revisited next year and will most likely be continued to avoid a larger Special Assessment in the future. An owner recommended getting a roof report for each building for review at next year's Annual Meeting.

VII. MANAGING AGENTS REPORT

Kevin Lovett thanked Chris Trettle for his hard work around the complex and the Board for their continued efforts with responsible project and fiscal planning. He asked owners to make sure their units are equipped with carbon monoxide detectors. All Association documents are posted on the Association website.

A. Completed Projects

1. Unit entry landscaping bed clean up and weeding.
2. Preventative tree spaying.
3. Tree trimming.
4. Swallow prevention efforts continue. The red ribbons seem to be effective.
5. Boiler flue inspections will be completed this fall. Owners with original water heaters may want to consider replacing them.
6. Annual roof inspection.
7. Step repair leading into open space.

B. Capital Projects

1. Exterior building staining 1502-1506.
2. Exterior deck staining 1514-1522.

C. Report/Pending Items

1. The asphalt project is ongoing. This year the front of Unit 1522 will be overlaid and graded to direct drainage away from the building. Next year all driveways will be inspected to identify needed repairs. Owners should let Kevin Lovett know if they see a gap between their driveway and garage that needs to be sealed.

D. Reminders

1. Insurance – Owners should have coverage for their contents and unit interiors and help minimize insurance losses by taking preventative measures. These include having boilers inspected and setting the thermostats appropriately on sub-zero days and nights to prevent frozen pipes, inspecting the water supply lines and replacing when necessary to prevent plumbing leaks, labeling toe kick heater wall switches for easy identification, cleaning out dryer vents and doing regular safety checks of gas fireplaces.
2. Exterior Alterations – All exterior alternations require Board approval.

3. State Law Requirements – Kevin Lovett explained that Summit Resort Group is a member of the CAI and completed the annual registration with the Real Estate Commission. The Rules and Regulations were updated for compliance. A new law was passed that all Property Managers have to be licensed. Kevin said that Summit Resort Group's Property Managers took all of the classes, passed the exams, submitted paperwork and are waiting to receive their license certificates.

E. Real Estate Report

One unit sold last year and there are no units for sale.

VIII. OWNER FORUM

A. Appreciation

Dave Benson said he was glad to serve on the Board and attend meetings. He thanked the owners.

B. Snow Removal

An owner said during a heavy snowstorm a car got stuck. The snow removal contractor came with a small Bobcat and it took hours to remove the snow. Kevin Lovett apologized for the inconvenience. Diane Gordon said overall the snow removal has been good.

C. Sprinkler System

An owner asked if it was possible to monitor the sprinkler system and shut it off when it rains. Chris Trettle said he can delay the system for a day when it rains.

D. Property Entrance Appearance

Ann Johnson asked if the Master Association Board would consider upgrading the entrance area. The light fixtures have deteriorated, plantings need to be restored and weeds need to be pulled. Kevin Lovett will pass on the request.

E. Right Hand Turn Lane onto Dam Road

The Town of Frisco is aware of the request to add a turn lane onto the Dam Road. This project is not a high priority for CDOT.

IX. GENERAL DISCUSSION

A. Thank You

Carol Bartoletti thanked Carol Brownson Burger for doing a great job with the pond.

B. Bonus

Jim Johnson made a motion to award Chris Trettle a \$200 bonus as an appreciation of his work at the property. The motion was seconded and carried.

X. ELECTION OF DIRECTORS

The terms of Bob Roggow, Garrett Poulos, Bill Word and Chris Sanchez expired this year. Bob Roggow and Garrett Poulos were not running again. Bill Word and Chris Sanchez were willing to serve additional terms. Elizabeth Poulos said she was willing to serve on the Board. There were no other nominations from the floor.

Ann Johnson made a motion to elect Bill Word, Chris Sanchez and Elizabeth Poulos. Carol Bartoletti seconded and the motion carried.

XI. NEXT MEETING DATE

The next Annual Homeowner Meeting was scheduled for August 13, 2016.

XII. ADJOURNMENT

A motion was made to adjourn at 10:37 a.m. The motion was seconded and carried.

Approved By: _____ Date: _____
Board Member Signature