

**PROSPECT POINT TOWNHOMES ASSOCIATION
ANNUAL HOMEOWNER MEETING
AUGUST 9, 2014**

I. CALL THE MEETING TO ORDER

The Prospect Point Townhomes Association Annual Homeowner Meeting was called to order at 9:09 a.m. in the Frisco Best Western Conference Room.

Board Members Present Were:

Diane Gordon, President, 1514C
Carol Bartoletti, Sec./Treasurer, 1510A
Dave Benson, Director, 1520A

Bob Roggow, Vice-President, 1508C
Bill Word, Director, 1520A
Garrett Poulos, Director, 1522B

Homeowners Present Were:

Diane Roggow, 1508C
Steve & Connie Seiler, 1506B
Joanne Mayer, 1516A
Hannis & Kim Thompson, 1520C
Elizabeth Poulos, 1522B
Jim & Ann Johnson, 1504C

Edward Mower, 1512D
Dick & Penny Thomas, 1516C
Mr. & Mrs. Thomas Lewis, 1522A

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

II. CERTIFICATION OF PROXIES AND DETERMINATION OF QUORUM

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

III. MASTER ASSOCIATION UPDATE

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

As of June 30, 2014 the Master Association had \$12,000 in the Operating account and \$71,000 in Reserves. Completed projects included asphalt crack seal, seal coating and overlay at the entry and tree and weed spraying.

Town of Frisco Update:

1. The lake level is 100% full.
2. Whole Foods is open. The next store in the Whole Foods complex will be the Rio Grande Restaurant.
3. Sale tax revenues are up 7% year to date.
4. The Main Street renovation project from now until fall includes drainage, intersection and sidewalk improvements.
5. Details are available on the website www.frisco.gov.

The Master Association Reserves are properly funded and there are no plans to increase dues or for a Special Assessment.

IV. APPROVE PREVIOUS MEETING MINUTES

The following corrections were requested:

1. The owner name of Unit 1522B should be corrected to Poulos.
2. Diane Gordon's unit number should be changed to 1514B.
3. Kevin Lovett was not present at the meeting.

Diane Roggow made a motion to approve the August 10, 2013 Annual Homeowner Meeting minutes as amended. Dick Thomas seconded and the motion seconded.

V. PRESIDENT'S REPORT

Diane Gordon thanked Kevin Lovett and Chris Trettle for doing a great job managing the Association. They have been very responsive when issues arise. The ribbons to deter the swallows have been effective.

VI. TREASURER'S / FINANCIAL REPORT

Kevin Lovett presented the Association financials.

A. Year-to-Date Financial Status

As of July 31, 2014 the Association had \$4,165 in the Operating account, \$8,101 in the Alpine Bank T-Bill account, \$106,283 in the Reserve account, \$115,210 in the Roof CD and \$9.47 in the Roof Reserve account. The money from Roof Reserve account was transferred into a CD to improve the yield.

The July 2014 Profit and Loss statement reflected that the Association was \$7,995 favorable to budget in Operating expenses. This favorable variance was due to the transfer of funds from the Reserve account. The Association is in line with expenses but has a cash flow issue. There were no delinquent owners. Kevin Lovett noted that the Operating account balance should be kept at about \$12,000 to cover monthly expenses.

The only significant budget overage was in the Repair & Maintenance account, which was \$3,169 unfavorable to budget due to gutter clean and boiler inspections.

Insurance Claims was \$1,000 favorable to budget and Landscaping was \$1,722 favorable to budget.

B. 2014/2015 Proposed Operating Budget

Kevin Lovett presented two versions of the proposed 2014/2015 Operating Budget:

1. Option A – A 10% increase to monthly Operating dues to build Operating cash.
2. Option B – No dues increase but a one-time Special Assessment of \$250 (average) per unit.

Changes from the 2013/2014 Budget to 2014/2015 Budget included:

1. Insurance – Rates are decreasing by \$1,058 based on actuals plus an allowance for an 8% increase in April 2015. Kevin Lovett commented that Insurance is put out to bid every year.
2. Office Expenses and Supplies – \$96 decrease.
3. Repair & Maintenance – \$1,550 increase. Boiler inspections cost \$3,500 and are completed annually. Kevin Lovett said the design of the boiler exhaust flues results in significant condensation, which can rust pipes. The boiler inspections were initiated mainly for this reason. In addition, the Board decided to inspect the boilers to make sure there are no carbon monoxide issues. A defective flue was identified in the past. The typical lifespan for a boiler with proper maintenance is about 20 years and for hot water heaters it is about 12 - 15 years. Gas furnaces are checked as well.
4. Landscaping – \$394 decrease.
5. New Contingency (Option B) – \$9,996 increase to build the cash balance.

Diane Gordon explained that contributions to Reserves have been suspended in the past in order to maintain an adequate balance in the Operating account.

An owner commented that the Proposed Budget addressed the cash flow problem. She asked if it was the intention to increase contributions to Reserves for one year. Diane Gordon answered that the Board was trying to stay on top of Reserve contributions to avoid Special Assessments but there was not currently enough of a monthly cash flow cushion.

Kevin Lovett did not recommend decreasing contributions to Reserves. He said the spreadsheet indicates that new roofs are slated for 2018 for about \$575,000 and painting and new siding is slated in 2025 for about \$600,000. Each October there is a Special Assessment that goes straight into the roofing account. About \$151,000 is scheduled to be collected by 2018 versus an approximate cost of about \$575,000. Diane Gordon noted that it might not be necessary to replace all the roofs at the same time.

An owner asked if a dues increase now would be more effective in helping to fulfill future goals versus a one-time assessment. Kevin Lovett said there was a small dues increase last year. Diane Gordon said the Association was on track with the Operating account but still lacks the cash flow.

An owner asked how Prospect Point's dues compare with other Associations. Kevin Lovett said the dues were on the lower/medium side compared to other properties.

Turner Morris inspects the roofs annually, which will help to defer the roof replacement. When they are replaced, 25-30 year shingles will be used. A scope of work will be created and multiple bids for the work will be solicited, along with the warranty information. The insurance carrier will be informed once the roofs are replaced, as there could be a discount in the premium.

An owner noted that the retention pond is scheduled to be replaced in 2016. Kevin Lovett said that funds are set aside for pond maintenance. It is likely that any major expense for this project will be deferred at this time.

The Board recommended voting for a one-time Special Assessment of approximately \$250 per unit. Dick Thomas made a motion to proceed with the one-time Special Assessment of approximately \$250 per unit with no changes to dues. Diane Gordon seconded and the motion carried. The Special Assessment will be billed on the October owner statements.

Bob Roggow made a motion to approve the 2014/2015 Proposed Operating Budget as presented. An owner asked that the Special Assessment be added to the budget. Carol Bartoletti seconded the amended motion and the motion carried.

VII. MANAGING AGENTS REPORT

Kevin Lovett thanked Chris Trettle for his work around the complex and the Board for their continued efforts in responsible project and fiscal planning. He reminded owners to make sure their units are equipped with carbon monoxide detectors.

A. Completed Projects

1. Preventative spraying was done against pine beetles.
2. Cleaned the gutters.
3. Cleaned up and wedded the unit entry landscape beds.
4. Continued with swallow deterrents.
5. Boiler flue inspections will be completed in the fall.
6. The annual roof inspection was completed.

B. Capital Projects

1. Refurbishment of common area signage.
2. Asphalt work.

C. Report/Pending Items

1. Vole remediation (ongoing).
2. Painting.
3. Decks are stained per the schedule.

D. Reminders

1. Bears – A bear was seen at the property. Owners were reminded not to feed the bears. Owners should instruct their guests and renters to put trash in the containers and not to leave it outside. The dumpster was exchanged for a bear-proof dumpster.
2. Insurance - Owners should have coverage for their contents and unit interiors and help minimize insurance losses by doing the following:
 - Prevent frozen pipes by having boiler inspections and setting the thermostats appropriately on sub-zero days and nights.
 - Avoid other plumbing leaks by having the supply lines inspected and replaced when necessary.

- Toe kick heater wall switches should be labeled for easy identification.

E. *Exterior Alterations*

All exterior alternations require Board approval.

VIII. OWNER FORUM

A. *Utility Bill*

Joanne Mayer thought her utility bill was high. She is not in her unit very often but her utilities are still about \$90 per month. Kevin Lovett explained that there are minimum gas and electric charges.

B. *Trees*

Joanne Mayer was concerned about the trees behind her unit as they are now much higher than the building. Any owners who would like to have trees removed must obtain approval from their neighbors and the Board and pay for the removal. It is not possible to remove trees on the Water Board's property. Carol Bartoletti said one of the trees was shriveling. Kevin Lovett said a deep root injection might help.

C. *Decks*

An owner said the gutter on her deck creates a large amount of ice and the concrete is crumbling. Kevin Lovett will follow up. Diane Gordon said diverting a gutter often takes care of the problem.

D. *Asphalt and Driveways*

Dick Thomas said it was important to build Reserves. Preventative maintenance will extend the useful life but the asphalt will eventually need replacement. Diane Gordon said it might be possible to do this project in phases. A complete overlay is scheduled for 2016. Kevin Lovett said owners should report draining issues and puddling of water.

E. *Garbage Can*

An owner suggesting adding one more garbage can along the trail for pet waste bags. Kevin Lovett noted the request.

F. *Parking*

An owner asked if the parking lot lines have been completed. Diane Gordon answered in the affirmative. Dick Thomas asked about the parking policy. Diane Gordon explained that RV's and trailers can park for 72 hours. If the rules are not followed, owners will be notified. Carol Bartoletti said there are two renters who park wherever they choose and they should be reminded of the rules.

G. *No Solicitation Policy*

Solicitation is prohibited at the property.

H. *Water Supply Issue*

Bob Roggow asked Kevin Lovett if he knew of any water supply issues. Kevin was not aware of any issues.

IX. OLD BUSINESS

A. Deck Staining

Kevin Lovett said the decks would not be stained this year. The decks are stained every two years.

X. NEW BUSINESS

A. Staff Recognition

Bob Roggow made a motion to award Chris Trettle's a \$200 bonus as a gesture of appreciation from the Association. The motion was seconded and carried.

XI. ELECTION OF DIRECTORS

The terms of Malcolm Orton, Carol Bartoletti and Diane Gordon expired this year. Malcolm Orton was not running again. Carol Bartoletti and Diane Gordon were willing to serve additional terms. There were no nominations from the floor.

Diane Roggow made a motion to elect Carol Bartoletti and Diane Gordon. The motion was seconded and carried.

XII. NEXT MEETING DATE

The next Annual Homeowner Meeting was scheduled for August 8, 2015 at 9:00 a.m.

XIII. ADJOURNMENT

A motion was made to adjourn at 10:36 a.m. The motion was seconded and carried.

Approved By: _____ Date: _____
Board Member Signature