

**PROSPECT POINT TOWNHOMES ASSOCIATION**  
**ANNUAL HOMEOWNER MEETING**  
**August 6, 2011**

**I. CALL TO ORDER**

The Prospect Point Townhomes Association Annual Homeowner Meeting was called to order by Malcolm Orton at 9:06 a.m. in the Frisco Best Western Conference Room.

Board Members Present Were:

Malcolm Orton, President, 1508D/1518A	Carol Bartoletti, Sec./Treasurer, 1510A
George Day, Director, 1502B	Diane Gordon, Director, 1504C
Bill Word, Director, 1520A	Dave Benson, Director, 1520A
Tom Keinath, 1506A	

Homeowners Present Were:

Edwin Kilpela, 1504C	George Gordon, 1514B
Dick & Penny Thomas, 1516C	Robert Weinschenk, 1522B
Joanne Mayer, 1516A	Karen Keinath, 1506A
Kevin Rodden, 1502A	Judy Day, 1502B
Michael & Linda Scott, 1506B	Rick & Martha Jacobsen, 1506C
Eric Eckberg, 1508A	Ken & Michelle Maguzzu, 1508B
Janet Orton, 1508D, 1518A	Irvin Bartoletti, 1510A
William & Kathy Word, 1512B	Paul & Sue Olstad, 1514C

Representing Summit Resort Group were Peter Schutz, Kevin Lovett and Deb Borel. Kyle Wiseman of Summit Management Resources was recording secretary.

**II. PROOF OF NOTICE AND QUORUM**

Notice was sent in accordance with the Bylaws. With 16 units represented in person and 11 proxies received a quorum was reached.

**III. MASTER ASSOCIATION UPDATE**

Kevin Lovett reported that the Prospect Point Master Association balances were \$5,210 in Operating and \$53,148 in Reserves. The Master Association was favorable to budget in Operating expenses mainly due to cost savings in snow removal and maintenance. There will be no changes to the dues for the 2011/2012 fiscal year.

Completed projects included:

1. Tree spraying.
2. Landscaping improvements and plantings.

Pending projects include:

1. New "Speed Limit 10 MPH" signage to be installed

**IV. APPROVAL OF PREVIOUS MEETING MINUTES**

Ed Kilpela made a motion to approve the minutes of the August 7, 2010 Homeowner Meeting as presented. Bill Word seconded and the motion carried.

**V. PRESIDENT'S REPORT**

Malcolm Orton expressed his appreciation for the Owners at the complex, the Board and Management.

**VI. FINANCIAL REPORT**

Kevin Lovett presented the Association financials as follows:

*A. Financial Status*

As of June 30, 2011 the Association had \$7,469 in the Operating account, \$9,399 in the Alpine Bank T-Bill account and \$67,258 in the Reserve account. Overall, the Association was \$870 under budget in Operating expenses.

*B. 2011/2012 Proposed Operating Budget*

Kevin Lovett presented the proposed 2011/2012 Operating Budget. Projected annual expenses increased by \$2,419. Changes included:

1. Insurance - \$1,170 annual increase.
2. Repairs & Maintenance - \$1,850 annual increase.
3. Trash Removal - \$168 annual increase.
4. Landscaping - \$981 annual decrease.
5. Irrigation Water - \$1,000 annual increase.
6. Snow Removal - \$800 annual decrease.

Two options were presented to fund the expense increase of \$2,419:

1. Option A – A 2.7% increase to monthly Operating dues.
2. Option B – A one time Special Assessment of \$60.50.

In discussion, the Board recommended raising dues. A homeowner asked if there were any potential areas for savings. Kevin Lovett said the budgets for snow removal and landscaping had been lowered. A homeowner asked how Prospect Point dues compared to similar Associations. Kevin Lovett said the dues were somewhere in the middle. Ken Magazzu made a motion to accept Option B and to approve the 2011/2012 Budget as presented. Katie Word seconded and the motion carried.

A few owners felt that annual unit boiler flue inspections were unnecessary and eliminating the inspections could eliminate the need for the additional operating budget funding. Malcolm Orton explained that in the past annual inspections of the boiler flues were completed for safety purposes. The majority of homeowners agreed that safety was the most important issue and that inspections should continue. The Board will review this issue.

*C. Reserve Fund*

The Board continues to operate “on plan” with the Reserve budget. Kevin Lovett developed a spreadsheet to help with project planning. Malcolm Orton explained the Board came up with a rough estimate of \$6,000 per/unit to replace the roofs. Diane Gordon reviewed options for paying the \$6,000 assessment. One option would be to pay an assessment of \$6,000 when the time comes to replace the roof. Another option would be to start putting money in the Reserve Fund now in order to build an adequate balance for when it is needed. A homeowner asked what the life expectancy of the current roofs were. Kevin Lovett responded that they are 20-year roofs and they are reaching the end of their useful lives. Turner Morris, a local roofing company, estimated the roofs had about five or six years of life remaining. The preliminary estimate is \$385,000 to replace the roofs or \$30,000 per building. Tom Keinath made a motion to have a \$1,000 Special Assessment each year for six years until the roofs need to be replaced. Kevin Rodden seconded the motion. Dave Benson made an amendment to the motion to add a one-time balloon special assessment to pay for any remaining roof replacement cost needed. Tom Keinath accepted the proposed amendment as a friendly amendment. A homeowner pointed out that the Special Assessment was not an addition to the recommended \$250 assessment, but in lieu of the \$250. Tom Keinath restated the amended motion. Paul Olstad seconded the amended motion and the motion carried. The Board recommended a due date of October 1, 2011 for the first assessment. The Board and Management strongly and repeatedly emphasized that the costs of roof replacements and time frames were estimates that are subject to change and matter of fact likely to change and funding efforts now do not prevent additional funding efforts in the future.

## **VII. MANAGEMENT COMPANY REPORT**

Kevin Lovett thanked site manager Chris Trettle for his hard work around the complex and the Board for their continued responsible efforts with project and fiscal planning.

### *A. Completed Projects*

1. Preventative pine beetle tree spraying.
2. Gutter and heat tape installations.
3. Boiler Flue inspections (to be completed again this fall).
4. Concrete walkway repairs.

### *B. Report/Pending Items*

1. Vole remediation (ongoing).
2. Building Staining. – 1502, 1504, 1506 (phase 3)
3. Unit deck staining – 1514-1522

### *C. Reminders*

1. Insurance – All homeowners are expected to have coverage on unit contents and interiors.

## **VIII. OLD BUSINESS**

A. *Tree Trimming Policy*

The established Tree Trim policy was reviewed; it was pointed out that any exterior revision to the building and the landscaping, to include trees, must be approved by immediate neighbors and the Board prior to beginning the revision.

The Fire Marshall will be walking the property in order to identify potentially dangerous trees and make recommendations for removal. One homeowner asked if dead trees removed from the front of the property would be replanted. The Board will look into this further.

**IX. NEW BUSINESS**

A. *Insurance Premiums*

Kevin Lovett made suggestions for reducing losses in order to keep insurance premiums down. Items that can be addressed include cleaning out dryer vents, safety inspections for the gas fireplaces and safety inspections for the plumbing, boiler and hot water heaters.

B. *Exterior Modifications*

Management asked owners to notify the Board if they are planning to make additions or changes to the exterior of the unit including landscaping, satellite dishes or deck extensions.

C. *Siding*

A homeowner stated concern that the contributions to the Reserve account were not adequate to fund the future siding replacement project. The siding replacement project, with an estimated replacement date of 2025, is on the Capital Plan. Owners agreed to look into funding plans for the siding after the roof replacement project.

D. *Cable / Internet*

A homeowner asked the Board to consider obtaining a bulk package for cable and internet. The Board responded that they contacted Comcast but they were not willing to offer a bulk deal. Kevin Lovett said he would try to pursue this further.

E. *Dues*

A homeowner asked why dues were allocated based on square footage. The Board responded that the allocation was specified in the Association Governing Documents. Peter Schutz indicated that it would be possible to investigate whether or not the Governing Documents would allow operating expense items to be parsed according to (a) those expenses not dependent on square footage such as snow removal, lawn maintenance and other common expenses, and (b) those expenses dependent on square footage. SRG will investigate and report at the 2012 annual owner meeting.

**X. ELECTION OF BOARD OF DIRECTORS**

The terms of Malcolm Orton, Carol Bartoletti, and Diane Gordon expired this year and all were willing to serve again. Judy Day made a motion to reelect the incumbents; Bob Weinschenk seconded and carried.

**XI. SET NEXT MEETING DATE**

The next Annual Meeting will be held on Saturday, August 4, 2012.

**XII. ADJOURNMENT**

A motion was made to adjourn the meeting at 10:58 a.m. The motion was seconded and carried.

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