

PROSPECT POINT TOWNHOMES ASSOCIATION
BOARD OF DIRECTORS MEETING
June 27, 2014

I. CALL TO ORDER

The meeting was called to order at 2:00 pm.

Board members in attendance were:

Diane Gordon, in person
Dave Benson, in person
Malcolm Orton, in person
Carol Bartoletti, in person

Representing Summit Resort Group were Kevin Lovett and Peter Schutz.

II. OWNERS FORUM

Notice of the meeting was posted on the website. No owners, other than Board members, were present.

III. APPROVE PREVIOUS MEETING MINUTES

The Board reviewed the minutes from the March 14, 2014 Board Meeting. Diane moved to approve the minutes of the March 14, 2014 Board Meeting as presented. Dave seconded and the motion carried.

IV. FINANCIAL REPORT

The Board and SRG reviewed the financials as follows:

May 2014 Close Financials

May 2014 close financials report \$2,064.96 in the operating account, \$8,099.76 in the Alpine Bank T Bill account, \$103,062.71 in the Reserve account \$9.47 in roof reserve account and \$115,103.41 in the Roof Reserve CD.

May 2014 close Profit and Loss statement reports \$91,110.63 of operating expenses vs. \$99,814 of budgeted expenses. Note - \$7976 of “underage” is due to delayed reserve contributions due to low cash on hand. “True” underage is \$727.

The expense variance report was reviewed; highlights discussed included review of the major areas of variance as follows:

Areas of major overage:

508 R & M \$2424 over
Boiler inspections \$3420
Gutter clean out, heat tape check \$850

Areas of major underage:

511 Insurance Claim \$1000 under
545 Irrigation water \$1294 under

Cash flow was discussed; the Board agreed that operating cash should be improved.

Budget 2014-15 –The 2014-15 budget was discussed.

Expense budget line item revisions were discussed to include the following changes:

504 Insurance – decrease, \$1058. Based on actuals, plus allowance for 8% inc
4/1/15

507 Office Expenses and Supplies – decrease, \$96

508 R & M – increase, \$1550 - boiler inspections to \$3500

525 Landscaping – decrease, \$394 annual

Revenue options were discussed to include the following options:

Option A – no change to dues and no additional funding to improve the operating cash situation.

Option B – no change to dues and raise approximately \$10,000 via special assessment to go to the operating account to improve cash. Raising \$10,000 would result in a onetime special assessment of between \$220 and \$275 per unit.

Discussion ensued. The board was comfortable with 2014-15 expense projection forecasting; discussion then focused on revenue levels and in particular improving operating cash. It was noted that there is no increase to regular operating dues proposed. Revenue option A does not address the cash flow problem and if option A is selected, deferred / forfeited reserve contributions are likely to occur. Option B will address the cash flow situation but will result in a special assessment of the owners of between \$220 and \$275 per unit.

Upon review, Diane recommended presenting to Owners for vote options A and B to with option B being the board recommended option; there will be no change to regular monthly operating dues. The Board supported this presentation and recommendation.

V. MANAGING AGENTS REPORT

SRG reported on the following:

Completed Items

Spring 2014 Newsletter – sent

CD placed, \$110k, 19 mos .5%

Swallows prevention, ribbon install on front side of building eaves complete

Wood pecker hole damage repairs

Flower bed cleanout and new flower planting

Tree spray

Irrigation activation, law fertilization

Pending

Sign refurbish – the sign refurbish is scheduled to take place mid July

VI. RATIFY MOTIONS VIA EMAIL

Diane moved to ratify the following motions via email:

4-2-14 CD

5-12-14 Exterior Paint

6-2-14 Sign refurbish

Carol seconds and the motion passed.

VII. OLD BUSINESS

There were no old business to discuss.

VIII. NEW BUSINESS

The following new business items were discussed:

-Projects for 2014 include:

- Phase 2 staining of 1512, 1510, 1508, building exteriors. Peak to Peak Maint, is scheduled for a mid- July start date
- Asphalt seal coat, crack seal, patching, to occur mid-July
- Swallow prevention; front side of buildings complete
- Landscape bed clean out, complete

-2014 annual owner meeting:

Date of meeting is August 9th, 9 am

Mailer to be sent July 9th to include Budget 2014-15

-Property Management Agreement Renewal- the Summit Resort Group/ Prospect Point townhome property management agreement is up for renewal this July 1, 2014. The Board reviewed the proposed renewal agreement. Upon review, Diane moved to approve the property management agreement renewal proposal; Malcom seconds and the motion passed.

IX. NEXT MEETING DATE

The next meeting will be the Annual Owner Meeting on August 9th, 2014.

X. ADJOURNMENT

With no further business, the meeting was adjourned at 3:14 p.m.

Approved By: _____

Board Member Signature

Date: _____