

**PROSPECT POINT TOWNHOMES ASSOCIATION  
ANNUAL HOMEOWNER MEETING  
AUGUST 13, 2016**

**I. CALL THE MEETING TO ORDER**

The Prospect Point Townhomes Association Annual Homeowner Meeting was called to order at 9:07 a.m. in the Baymont Blue River Meeting Room.

Board Members Present Were:

Diane Gordon, President, 1514C  
Bill Word, Director, 1512B

Dave Benson, Vice-President, 1520A  
Beth Poulos, Director, 1522B

Homeowners Present Were:

Helen Shreves, 1504B  
Martha Jacobson, 1506C  
Ron Borchert & Barbara Perry, 1508D  
Hannis & Kim Thompson, 1520C  
Steve Caulk, 1518B  
Garrett Poulos, 1522B

Jim & Ann Johnson, 1504C  
Ken & Michelle Magazzu, 1508B  
Alan & Julie Stremel, 1512A  
Joanne Mayer, 1516A  
Thomas & Rebecca Lewis, 1522A

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

**II. CERTIFICATION OF PROXIES AND DETERMINATION OF QUORUM**

With 14 units represented in person and eight proxies received a quorum was confirmed.

**III. MASTER ASSOCIATION UPDATE**

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

As of June 30, 2016 the Master Association had \$12,322 in the Operating account and \$55,951 in Reserves. There was no change to dues for fiscal year 2016/17.

Projects:

1. Vole remediation is ongoing and is completed every month.
2. Completed preventative treatment for pine scale, Ips and Mountain Pine Beetle and tree feeding.
3. Completed asphalt work and crack sealing and the addition of three speed bumps is scheduled to take place this month.
4. Upgraded the entry area and added large boulders. Kevin Lovett said there were two incidents where people ran into the entry sign light pole this past winter.

Neighboring Developments:

1. Watermark - A multifamily residential complex with 37 units. Building was slated to begin in 2016 but is on hold.
2. Lake Hill - Summit County acquired this land from the Forest Service to build affordable, deed-restricted housing. The land is located between I-70 and the Dillon

Dam Road. Construction will start in 2017 with a completion date of December 2018. The project includes 400 - 600 units and there will be two entrances with roundabouts. More details may be available on the Summit County website.

An owner asked if the Dillon Dam Road will be widened. It was reported that Prospect Point has been voicing concerns about higher traffic volume and requested action such as turning / decal lanes, but there is not talk about changes planned to the road.

An owner asked if there will be restrictions on unit occupancy. Ms. Gordon said she assumed this will be part of the deed. The units are designated for "local" residency.

#### **IV. APPROVE PREVIOUS MEETING MINUTES**

Bill Word made a motion to approve the August 8, 2015 Annual Homeowner Meeting minutes as presented. Ann Johnson seconded and the motion seconded.

#### **V. PRESIDENT'S REPORT**

Diane Gordon reported that there were no issues with units and all owners were current with Association dues. Property Management has been very responsive when issues arise. She thanked Dale Hendricks for joining the team. The swallow deterrent ribbons and working well.

#### **VI. TREASURER'S / FINANCIAL REPORT**

Kevin Lovett presented the Association Financial Report.

##### *A. Financial Status*

As of June 30, 2016 the Association had \$10,420 in the Operating account, \$8,125 in the Alpine Bank T-Bill account, \$100,144 in the Reserve account, \$117,761 in the Roof CD and \$66,623 in the Roof Reserve account.

The June 2016 Profit and Loss statement reflected \$115,983 actual expenditures versus \$121,381 budgeted expenditures, resulting in an Operating surplus of \$5,397 year-to-date.

##### *B. 2016/2017 Proposed Operating Budget*

The proposed operating budget for 2016/17 was discussed; expense projections were reviewed.

Bill Word made a motion to ratify the 2016/2017 Operating Budget as presented. Ken Magazzu seconded and the motion carried.

Two options for funding the proposed 2016/2017 Operating Budget were presented:

1. Option A – includes a 7% increase to regular monthly dues (\$18 - \$23 per unit per month).
2. Option B – includes a 3% increase to regular monthly dues (\$8 - \$10 per unit per month) and a one-time Special Assessment of \$220 - \$275 per unit to continue build Operating cash and to ensure overall financial health.

The Board reported that they recommended Option A. An owner asked why there was a recommended dues increase despite the current surplus. Kevin Lovett explained that Operating expenses are projected to increase. The roofs are aging and funds need to be saved for replacement in order to avoid a Special Assessment. When Operating cash runs low, contributions to Reserves are put on hold. Last year, a \$10,000 “operating” assessment increased funding to the operating account; without it, we would actually be operating at a deficit currently. This year, with Board recommended option A, there is no “operating” special assessment proposed; instead, an increase to dues is proposed. It was noted that “overall income” does not increase, it is just a shift from a special assessment to an increase to regular monthly operating dues.

Helen Shreves made a motion to accept budget funding Option A with a 7% dues increase. Bill Word seconded and the motion carried. All proxies received were in favor of budget funding Option A.

**C. *Roof Replacement Fund***

Roof replacement is estimated to cost \$500,000 and adding new insulation to meet code is estimated to cost around \$200,000. A “per building” roof inspection report completed by Turner Morris was presented to the Owners. Based on the roof report from Turner Morris, the roof replacement should start in phases every other year beginning in the 2017/2018 fiscal year with a completion in 2024. Siding is budgeted at \$600,000 and will probably be completed at some future date in phases as well.

It was reported that the remaining life of the roof is affected by the direction each roof slope faces. Roofs last about 20 years in the mountain environment. An owner asked if gutters will be replaced as well. Kevin Lovett said that would depend on the scope of the project. A comment was made that gutters need to be cleaned this Fall to prevent clogging and freezing.

Previously approved Special Assessment Contributions to the Roof Replacement Fund ended this fiscal year. Diane Gordon said the Board was in favor of continuing to contribute the same amount annually into the Roof Replacement Fund until the roofs are completed. Any leftover funds can be moved to General Reserves.

An owner asked about window replacement. Kevin Lovett said that windows are an individual owner responsibility. Diane Gordon said she replaced her windows. She ordered them from Peachtree and they were custom made. Kevin Lovett said that any changes to the outside of the building, including windows, have to be approved by the Board. The windows must be close in color and reveal. Proposals for replacement should be sent to Kevin Lovett. Possible vendors are Lowes, Milguard and Anderson.

Bill Word made a motion to approve the continuation of contributions to the Roof Replacement Fund until the roofs are replaced. Ken Magazzu seconded and the motion carried.

**VII. MANAGING AGENTS REPORT**

Kevin Lovett thanked on site manager Dale Hendricks for his hard work around the complex and he thanked the Board for their good work this past year.

*A. Completed Projects*

1. Cleaned up and weeded the unit entry landscaping beds.
2. Completed preventative tree spraying.
3. Continued swallow prevention efforts. The red ribbons work well and will be added as needed.
4. Completed the annual roof inspection.

*B. Capital Projects*

1. Asphalt project Building 1522.
2. Exterior deck staining Buildings 1508 – 1512.

*C. Report/Pending Items*

1. Hot Water Heater Inspections - Any original hot water heaters should be replaced because there is a high possibility of leaking. Owners should be able to find the manufacture date on the heater, or can call the manufacturer with the serial number. On demand water heaters are not recommended in this environment.
2. Roof maintenance and repair is ongoing.
3. Vole remediation is ongoing.

*D. Reminders!*

1. 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 kicker heater wall switches should be labeled for easy identification. Owners were asked to cabinet doors open during the winter when leaving the unit since most frozen pipes occur on the outside wall. Property Management can be hired to inspect units.
  - Prevent fires by cleaning out dryer vents and doing regular gas fireplace safety checks.
2. Exterior Alterations – All exterior alternations require Board approval.

**VIII. OWNER'S FORUM**

*A. Concrete Steps*

An owner asked if repairs to concrete steps had been completed. Kevin Lovett said he will inspect steps.

*B. Reserve Analysis*

An owner asked if Property Management created the Reserve Analysis. Kevin Lovett answered that the Board and Property Management created the report.

*C. Lawn Behind Unit 1506*

Martha Jacobson said the lawn behind her unit was saturated and muddy. Kevin Lovett noted the comment and will adjust the irrigation timer.

*D. Bushes at Stairs*

An owner thanked Dale Hendricks for trimming the bushes by the stairs. She requested more frequent pruning. She asked if owners can replace them. Diane Gordon said she should email Kevin Lovett to get approval from the neighbors and the Board.

*E. Landscaping Improvements*

Ann Johnson said that the berm next to the Villas is bare dirt. She asked if it would be possible to add ground cover. Kevin Lovett said he was working on soliciting bids to address some landscaping areas. He will consult with the landscaper regarding how to improve this area. Joanne Mayer said the grass behind her unit needed improvement. Kevin Lovett noted the request.

**IX. OLD BUSINESS**

There was no Old Business to discuss.

**X. NEW BUSINESS**

There was no New Business to discuss.

**XI. ELECTION OF DIRECTORS**

The term of Dave Benson expired this year and Chris Sanchez sold his unit. Dave Benson was willing to serve an additional term. Ron Borchert and Tom Lewis said they were willing to serve on the Board. There were no other nominations from the floor.

A motion was made to elect Dave Benson, Ron Borchert and Tom Lewis by acclamation. The motion was seconded and carried.

**XII. NEXT MEETING DATE**

The next Annual Homeowner Meeting was scheduled for August 12, 2017.

**XIII. ADJOURNMENT**

A motion was made to adjourn at 10:45 a.m. The motion was seconded and carried.

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