

**THE POINTE AT LAKE DILLON
BOARD OF DIRECTORS MEETING
OCTOBER 25, 2012**

MINUTES

1. **Called to Order.** The meeting was called to order at 5:38 p.m.
2. **Attendance and Quorum.**
 - A. Board members in attendance either in person or via conference call were Mike Gradassi, Wendell Hughes, and Phillip Tresch. A quorum was established.
 - B. Also in attendance were Terri Golden (unit 102A) and Tom Baranowski (unit 103C), both members of the Board's recently established Budget Development Committee.
 - C. Representing Mountain Managers were Phil Wells and Judy Freese (via phone).
3. **Discussion Items**
 - A. 2013 Operational Budget and MCR.

Mike prepared a summary sheet of line items by category. He explained that utilities were the biggest expense on the budget followed by the management fee and insurance. Snow removal is actually a small component of the budget. He felt the only area where expenses might be reduced would be by discontinuing cable (about \$11,000 per year - \$38 per unit per month). He noted that the Comcast agreement expires in November. (This was subsequently checked. The Comcast contract expires 11/15/12 but 60 days written notice to cancel is required.)

Phil spoke about insurance and noted it would be going down. Farmers Insurance has canceled all master "blanket" policies effective 11/1/12 and all HOA's will now have individual policies. Insurance was budgeted at \$11,833 but will actually be \$8,051.

Mike had also prepared several MCR scenarios and felt that a larger contribution is needed – about \$35 more per unit per month. This can be accomplished by a dues increase or by special assessment to build reserves. Mike also explained that the Declaration stipulates special assessments are for unbudgeted items. The Declaration also states that a reserve fund will be established and therefore, Mike felt that reserve projects would also be considered budgeted items. (The Declaration was subsequently checked and while it does state that special assessments are for "the purpose of defraying, in whole or in part, payments for any operating deficit and/or unbudgeted costs", it also allows for special assessments for "fees and expenses of any construction, reconstruction, repair, demolition, replacement or maintenance of the Common Elements...". This would allow for assessments for reserve items.)

The Pointe currently contributes to reserves almost twice what banks are looking for. The Board has always had a good idea of what needs to be done and when.

Mike pointed out that he was planning to resign from the Board because of his planned sale of his unit. He wanted to pass on his thoughts/comments regarding the financial situation to the rest of the Board so that they would be in a position to move forward with budget preparation and make informed decisions. He reiterated the need for about \$35 more per unit per month for reserves and noted that if cable were dropped, dues would remain the same. Unfortunately, if cable is dropped, owners would pay considerably more than \$38 per month to get the same service individually (currently over \$60 per month). As noted above, Comcast requires a 60 day notice to cancel the agreement and the contract expires 11/15/12.

- B. Mike spoke about the development of the parcel behind Bldgs 101 and 103 and the one between The Pointe and the Holiday Inn. Mike was contacted by the owner who plans to start development of the parcel between The Pointe and the Holiday Inn first. He is planning high end rental apartments. Mike asked about the possibility of "piggy backing" with the developer on asphalt work and will provide the contact information. This is something to keep in mind when the asphalt scope of work is finalized.
 - C. Board members. Mike will be resigning. Wendell had also considered stepping down but noted that the sale of his unit will be delayed. All agreed that he should remain on the Board at this time. The Bylaws allow for no less than 3 or more than 5 Board members. The current Board is comprised of 3 members and it was suggested that the Board be expanded to 4 members until such time as Wendell sells. Terri Golden and Tom Baranowski both have expressed interested in serving on the Board. (Subsequent to the meeting, the Bylaws were checked. The Board only has the authority to appoint someone to fill the remainder of the term of a Board member who resigns. They do not have the authority to expand the Board number from the current 3 to 4. This requires election of a new Board member and can only be done by the membership. At this time, the remaining Board members can appoint either Terri or Tom to the Board to fill the remainder of Mike's term. (Mike had specifically recruited Tom Baranowski to fill his vacant Board seat.) The HOA holds semi annual HOA meetings with elections held in May of each year. At that time, the Board can be kept at three or expanded to 4 or 5 members.)
- 4. **The Next Board Meeting** was scheduled for 11/29/12, 5:00 p.m. at Mountain Managers. The Board will need to decide on officer positions at this meeting.
 - 5. **Adjournment** was at 6:20 p.m.

Respectfully submitted:

Judy Freese, Recording Secretary

APPROVED:

Approved via e-mail

11/4/12

Mike Gradassi, President

Date