

**THE POINTE AT LAKE DILLON  
BOARD OF DIRECTORS MEETING  
NOVEMBER 6, 2009**

**MINUTES**

1. **Called to Order.** The meeting was called to order at 3:30 p.m. by President Mike Gradassi.
2. **Attendance and Quorum.**
  - A. Board members in attendance were Mike Gradassi, Art Ballah, and Wendell Hughes.  
  
A quorum was established.
  - B. Representing Mountain Managers were Phil Wells, Susan Witkowski, and Judy Freese (via phone).
3. **Owner Forum.** No owners signed in for the owner forum (no owners other than the Board were in attendance).
4. **Approval of Minutes from the 5/22/09 Board Meeting.** A motion was made, seconded, and passed to approve the minutes as written.
5. **Repair and Maintenance Report.** Phil reviewed the report and a few items were discussed.
  - A. Orkin treated for Rock Squirrels. It was noted that fox eat squirrels and poisoned squirrels could kill a fox that eats one (per Orkin). This is something to think about since you don't want to kill the fox.
  - B. Doors were replaced 4 units – a good job was done and they look very nice.
  - C. Six pillar caps were installed. There are still some to be done. The worst (102 and 104) were completed first. The remainder do not need to be done all at once. The cost is very high and Mountain Managers will check on why it's so expensive and if it can be done for less money.
  - D. Exterior decks and railings were stained and some touch up was done on the trim and body (building 101). Six doors were stained and had polyurethane applied. The job was shoddy and the doors look bad. Doors were not cleaned up prior to sealing. The Board expected the doors to be removed, sanded, stained, sealed and re-installed. This is not what was bid and not what was done. It was noted that a specific scope of work is needed and Mountain Managers will ensure that painters know exactly what is expected in the future. Phil stated that it is also a good idea to do a walk through with the painter.
  - E. Turner Morris completed the annual roof inspection and accomplished needed repairs. The Board would like to know exactly what was done and the location of the work. It was probably unit 104B that had the EPDM repaired. Questions were asked on which roofs are inspected. Is it just the flat roofs or all of them?

Phil believes Turner Morris goes onto every roof but will check on this. He'll also ask for a complete report noting where work was done.

- F. Mike asked about gutter clean out. This was supposed to be done but did not appear on the report. Phil explained that only items over \$250 are on the report and the gutter cleaning was probably less. Gutters will be checked every year and cleaned out when necessary.
- G. Lattice enclosures were installed to hide electrical panels between 102 and 104. This looks very good and the Board appreciated the quality of the work done. Art stated that he had reservations before this was done but is extremely satisfied with the results. The lattice opens like a gate so there is still full access to the panels.
- H. Rocks, plants, trees, and flowers were purchased. Questions were raised on whether this was charged to the operational account or to reserves. Phil explained that it is reflected on the MCR.

6. **Financials.**

- A. September financials were reviewed by Phil along with year-to-date numbers.

On the income side, dues are below the budgeted amount – there is one delinquency (30 days) that does not appear to be a serious problem.

Expense figures were reviewed line by line. Utilities were \$2,587 under budget. The budget was based on a much colder winter (last year was not as cold) which may have resulted in over budgeting. The majority of the utility expense is electric. Art would like to see exterior lighting replaced with CFL's. Phil noted that incandescent bulbs are being replaced but probably not until a bulb burns out. It was noted that some exterior lights are not the HOA's; they belong to owners. Repair and Maintenance was under budget by \$750 and grounds were under by \$1,813. Phil noted there is enough in grounds to pay for the landscaping that is reflected on the MCR – it can be done either way. It was resolved to use the operations budget for the landscaping (\$1,768) instead of the MCR.

Mike brought up the damaged front area rocks at unit 101B (Arapahoe Roofing). The HOA has repaired the rock area twice and it is needed again. It would appear that the tenants are damaging the rocks and the owner should be held responsible for repairs. It was resolved to get pictures taken and send to the owner along with a bid for repairs. The letter will note that the work is being done and will be billed to the owner; payment is expected within 30 days.

Overall, the HOA is \$5,832 under budget on expenses year-to-date.

The balance in the checking account was \$18,029.21 and the Money Market was \$22,271.86. \$14,400 per year is allocated for reserves.

- B. The 2010 Operational Budget was reviewed line by line and any changes over the 2009 budget were noted. Any increases are based on actual contracts, vendor estimates, and/or anticipated average increases.

Income is projected at \$96480 and is based on the current dues structure.

Expenses are projected at \$81,885. Utilities have been decreased to \$2,783 which still includes a 10% increase. Management fees include a 3% increase in October and cable is budgeted with a 6% increase in March. Insurance was budgeted with a 7% increase (this actually came in closer to 4%). Phil explained that Mountain Managers' blanket policy saves a substantial amount of money over a stand alone policy. Repair and Maintenance will remain the same, trash includes a 5% increase and security a 3% increase. Water is anticipated to go up 8% in April and sewer 10%. Questions were raised on whether sewer is dependant on water usage. This depends on the source of the water. If tap water is being used it's expected to go into the sewer. It's different if it's separately metered (irrigation system). Watering is probably not a major part of the water bill but this should be looked at and water use estimated. Phil will check with the Town on how water/sewer is billed. Snow removal is based on the current contract (same as last year). Heavy equipment snow removal was not needed last year but it was left in the budget at the same amount (better to be safe than sorry). The amount budgeted for grounds should be OK even with the addition of the \$1,768 currently shown on the MCR – there isn't much more to do. Line item 5026 (Sprinkler) will be re-coded to read "Fire Sprinkler".

The Board unanimously agreed that the 2010 operations budget is OK with the noted changes.

- C. MCR: It was explained that there is not enough money to fund all anticipated projects. A dues increase or assessment may be needed to build up reserves. The Board does not want to do an assessment – reserves are to be funded through monthly dues payments. At the last annual HOA meeting, the Board resolved to plan, fund, and execute in order to avoid any assessments.

Projects for 2010 include painting of buildings 2, 3, and 4. 3 bids have been received ranging from \$29,300 to \$61,958. The high bid includes decks but is still high. No bid was requested from Allman Painting. A decision does not have to be made immediately but the Board resolved to use the middle bid of \$33,800 for budgeting purposes. Mike will work on the scope of work for the painting. Siding repair is also scheduled (\$3,500) and this amount should be good to accomplish the needed work. \$2,000 is budgeted for more deck caps on 2 and 4 (6 caps). \$2,000 is budgeted again for 2011 – would it be cheaper to do all caps at once? This will be looked at when additional bids are obtained. The total number of caps that still need to be done will be determined prior to getting bids. It was resolved to change the MCR to reflect \$5,000 for caps in 2010 and take out the \$2,000 for 2011. Mike noted that money is tight and it's necessary to have enough for the painting. Phil said that the Association is actually looking at

\$12,000 less than originally budgeted. Door replacement (\$3,400) is also scheduled. Some doors (no sun exposure) may not need to be done. It was resolved to leave the MCR as is and decide later how many doors to do. There is one more item that needs to be considered. The mud jacking scheduled to be done in 2009 was not done. Phil is having a lot of trouble finding anyone to do the work. The Front Range people don't want to do it and no response has been received from the one local contractor. Columbine is talking about getting into this type of work but has not yet done so. It's a big expense for the dedicated equipment. The mud jacking will be moved to 2010. There are other options but mud jacking is the best alternative. It's quick, relatively easy, and less expensive.

The new total for 2010 is \$48,700. The HOA went into 2009 with \$21,672; \$14,400 will be added by the end of the year for a total of \$36,072. A total of \$16,088 was spent in 2009. This leaves a balance of \$19,984 as the opening balance for 2010. With no change in the annual contribution, the funding is about half of what it should be. Currently, dues are \$335 per month per unit. The first \$285 of this amount goes to operations with the remainder designated for reserves (\$50 per unit per month). The absolute minimum needed is an additional \$50 per unit per month for reserves (\$50 per month dues increase). Phil also noted that if anything unforeseen comes up, funds could be wiped out with the insurance deductible of \$5,000 per occurrence.

Much discussion took place on whether some items could be deferred, when monies would need to be paid out, etc. Painting and the pillar caps should not be deferred. A minimum \$50 dues increase (just under 15%) would still be tight. An increase of \$65 (19%) would improve the situation and give the HOA some breathing room. Phil noted that increased dues should not be viewed as money going into a black hole. It's increasing the unit's value and equity and should be recouped at time of sale. It was also noted that lenders are now looking much more closely at reserves and funding and the possibility of future assessments if the reserves are under funded. Looking ahead, painting is currently on a 6 year cycle and should probably go to a 5 year cycle. Asphalt overlay isn't scheduled until 2014 but needs to be kept in mind. Seal coating is currently on a 3 year cycle but Phil explained that this needs to be done every other year to get the maximum life out of the asphalt. Most associations crack fill annually and seal coat every other year. The MCR will be left as is now but it may be necessary to defer door replacement and do the seal coating.

It was resolved to increase dues by \$65 to \$400 per month. This will ensure that there is a little cushion on the reserve side and most important, the Pointe will not go into a negative cash position.

Mike stated that he received a call from Mark Crates – he could not make the meeting but wanted to pass on a vote of confidence. The Board is doing a great job and he's very happy with how things are going.

7. **Old Business.**

An estimate was obtained from Neils Lunceford for an irrigation system. The Board unanimously agreed that this will not happen any time in the near future. The bid also mentioned Xeroscape and Phil asked if this would be an option. The front entrance needs to be more formal in appearance and the Board does not want a lot of additional rocks. Phil explained that Xeroscaping actually means a more natural look through the use of drought tolerant landscaping. Not everything needs to be done at once. A couple of thousand dollars a year could be spent to gradually take the whole complex to a more natural look. This is far cheaper than an expensive irrigation system. The cost for Xeroscaping depends entirely on what is chosen. It can range from inexpensive to many thousands of dollars.

8. **New Business**

A. Re-keying to the master key system was discussed. Owners are required to be on the master system. If a unit is found to be off master, a letter will be sent to the owner requesting the unit be re-keyed by a certain date. If the owner does not comply a 2<sup>nd</sup> letter will be sent stating that the HOA is arranging for the re-keying and the cost will be billed to the owner. It will be explained to owners that a lock can be re-keyed without going off the master system.

B. Painting estimates were discussed earlier in the meeting.

C. Susan stated that she has a lot of keys for the Pointe. Staff will be asked to check all keys and see which are on the master system. There should only be a need for 4 keys – one per building.

D. The decks in back of 103 were discussed. Tom Lindhorst told Mike that many top deck rails should be replaced. They are cracking and won't hold stain. This will be looked at in conjunction with painting and will be added to the scope of work. Art noted that pressure treated fir may be needed.

9. **The Next Board Meeting** will be held prior to the May Semi Annual HOA meeting. This will be held on 5/14/10.

10. **Adjournment.** There being no further business, the meeting was adjourned at 5:28 p.m.

Respectfully submitted:

Judy Freese, Recording Secretary

**APPROVED:**

Approved via e-mail

11-14-09

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Mike Gradassi, President

Date