

**THE POINTE AT LAKE DILLON  
BOARD OF DIRECTORS MEETING  
MAY 22, 2009**

**MINUTES**

1. **Called to Order.** The meeting was called to order at 4:33 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 Eric Gill, 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 11/7/08 Board Meeting.** A motion was made, seconded, and passed to approve the minutes as written.
5. **Repair and Maintenance Report.** Eric reviewed the report line by line and several items were discussed.
  - A. Annual roof inspections were recently completed. Overall, the roofs look pretty good. Turner Morris will be sending a Tech out to look at the leak over 104B.
  - B. Documents regarding deck expansions were posted on the website as requested by an owner at the last HOA meeting.
  - C. Dues increased \$50 per month effective 1/1/09. To keep in line with the Declaration, no assessment was done – Reserves must be funded through dues payments.
  - D. Stonework repairs done by McGregor's Mountain Masonry. It was noted that stonework has been repaired by 101B at least twice and it's possible the column is being hit by a vehicle. It also appears that the unit may be being used for work since it looks like there are a substantial number of tools, boxes, etc. stacked up. The Board will discuss this at a later date and decide if any action is to be taken.
6. **Financials.**
  - A. March financials were reviewed by Eric along with year-to-date numbers. The expenses were reviewed line by line and it was noted where the Association was either over or under budget. Snow removal is done on a flat fee contract basis. The same monthly charge applies no matter how many times plowing is done. No heavy equipment snow removal was needed this past winter. Overall, the Association is \$3,489 under budget on expenses year-to-date.

The balance in the checking account was \$14,631.07 and the Money Market was \$25,282.47. \$1,200 per month is allocated for reserves.

Delinquencies were looked at – only 2 owners remain delinquent – neither seriously. It was noted that delinquent amounts seem to be an odd number. Mountain Managers will break out the owed amounts and forward to the Board.

Susan was asked to call Tom Lindhorst and make sure everything has been taken care of and paid.

- B. Mike has started looking ahead to the 2010 budget and MCR. With no dues increase in 2009, the HOA will be \$41 in the red at the end of the budget year. If you assume that 2010 expenses will be identical to 2009, at the end of the 2010 budget year the HOA will be looking at a deficit of \$1242 on the operational budget. Approximately \$50,000 is scheduled to be spent on capital projects in 2010 (mostly for painting of 3 buildings and related siding repair).

Mike feels it's obvious that the HOA cannot continue in the same manner. There will not be enough money in the operational budget (day-to-day operating expense) or in the reserves. The options are to collect more money, spend less, or do a combination of both. Owners should be made aware of projected deficits and start thinking ahead to the preparation of the next budget. There are several questions that are likely to be asked. One of the big ticket items for expenses is the management fee. Mike asked Mountain Managers to detail exactly where the money goes and this sheet will be included in the HOA meeting packet. Another question that usually comes up is paying for cable. The contract still has 4 years to run before anything can be done about this expense. Questions on dues were asked. Since the Pointe has only 24 units it's hard to compare their dues with other larger complexes. Mike has looked at other complexes and feels the Pointe's dues are low and not enough is being contributed to reserves. Dues must be tied into what is needed for the HOA to function efficiently and cover expenses while planning ahead for major component projects. Eric also feels that dues are low and owners need to have all information available so they can clearly see the financial status of the Association.

Mike also looked at the MCR. With painting scheduled for 3 buildings the Association will be looking at a negative \$16,000 balance at the end of July, 2010. If painting is done in 2010, there will not be enough in reserves to cover the cost. 2009 projects include deck/rail stain, deck support caps, 4 more new entry doors and refinishing 101 and 103 entries, mud jacking to straighten out concrete stoops, and utility screening.

Mike stated that something needs to be done and the longer we wait the more it'll hurt financially. We need to start planning now and putting more money away for future projects.

Art spoke about the new legislation that has been recently passed requiring HOA's to do a reserve study every 3 years. He spoke about full funding, base line funding (keeping the balance above 0 but not 100% funded) and threshold funding (minimum reserve cash balance set at a predetermined amount). The

legislation basically directs the Board to behave in a responsible fiduciary manner. Eric noted that reserve studies are already being done and the goal should be not dipping into the red. The HOA should be able to cover painting every 6 years without special assessments, etc.

The HOA is non sustainable now and the new law must be obeyed. The Board resolved to acknowledge and obey the law, to conduct reserve studies, fund, and implement. No decisions are being made at this time but owners will be informed and prepared for when the budget preparation starts for next year.

7. **Old Business**

- A. Door replacement: \$3,500 has been allocated for this as discussed at a previous meeting. The Mountain View bid for replacing doors on 102 and 104 C & D was reviewed and approved.
- B. Flashing for deck caps: There are a lot of caps (approximately 18). If these are not done dry rot will occur on top of the columns and could result in much more damage down the road. \$2,000 was budgeted but this amount will not cover all caps. Some are worse than others and the work could possibly be spread over a period of 2-3 years. Eric was asked to contact the contractor and see if he will do one complete building for \$2,000.
- C. Door staining: The estimate from Peak Paint was reviewed. After discussion it was resolved to proceed with door staining on 101. The doors on 102 are being replaced in 2010 so these will not be stained now. 103 and 104 are scheduled to be painted next year. If painting is deferred, touch ups could be done on these buildings. The Board wants to adhere to the painting schedule so no touch up will be done on 103 and 104.
- D. Deck staining on 101, 102, and 104: Approved.
- E. Concrete mud jacking: Eric noted that no one in Summit County does mud jacking and a Denver company would be needed. One step at 104 needs to be re-done completely at a cost of \$250. This was approved. Eric will do a walk through next week with Mike and go over what needs to be done.

8. **New Business**

- A. Irrigation system: A walk around with the contractor was done last week to see what was needed for an irrigation system for lawns, flower beds, back of 103, etc. This is still being worked on and a quote is being prepared. A decision may not be made immediately but the bid will give the HOA an idea of what will be required for a proper irrigation system.

- B. Hi Speed Internet: A proposal was received from Resort Internet to provide hi speed access for the complex. This would entail purchasing equipment for \$6,500 over a 5 year period with an additional monthly fee per unit of \$21.00. There is also an "opt in" plan that would cost \$24 per month for owners who signed up. It was suggested that complexes that have had this service for a couple of years be contacted to see how they feel it is working. Eric will provide contact information to Wendell. This issue will be brought up at the HOA meeting.
9. **The Next Board Meeting** will be determined at the HOA meeting which follows this meeting.
10. **Adjournment.** There being no further business, the meeting was adjourned at 6:00 p.m.

Signed

Approved via e-mail

6/2/09

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Mike Gradassi, President

Date

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Judy Freese, Recording Secretary

Date