

**THE POINTE AT LAKE DILLON
BOARD OF DIRECTORS MEETING
DECEMBER 17, 2011**

MINUTES

1. **Called to Order.** The meeting was called to order at 1:45 p.m. by President Mike Gradassi.

2. **Attendance and Quorum.**
 - A. Board members in attendance were Mike Gradassi, Wendell Hughes, and Phil Tresch.

A quorum was established.

 - B. Representing Mountain Managers was Phil Wells.

3. **Owner Forum.** No owners other than the Board were in attendance.

4. **Approval of Minutes from the 6/24/11 and 7/5/11 Board Meetings.** A motion was made, seconded, and passed to approve the minutes as written.

5. **Repair and Maintenance Report.** Phil reviewed the report covering the period of 6/11 through 11/11.
 - A. It was recently discovered there are again a couple of units not keyed to the master key system. Mountain Managers is following up on these.

 - B. The Apex phone line (fire sprinkler monitor) issue has been resolved. There was a problem that kept triggering the alarm; Apex has repaired.

It was also noted that owners who have installed low temperature alarms may have a problem with their home phone answering machines interfering with the alarm. This can be solved by setting the home phone to ring 5 times before going to voice mail and setting the low temperature alarm to ring 7 times. Mike noted that it would be nice if notification could be made to owners via internet. He'll let Mountain Managers know if he finds anything that would accomplish this.

 - C. Trash removal was changed to 2 pick ups per week for the busy season and once per week for the slow season. If necessary, Mountain Managers can call for additional pick ups.

 - D. Replacement of the rear decks on Building 103 was completed but there are some issues with the railings. The top rail terminates into the glass window on some units. Mountain Managers will follow up with the contractor and have this fixed. The 2nd staining still remains to be done. It was noted that all decks are scheduled for staining this year. The 2nd staining on Building 103 could be done at this time.

With the exception of the top rails, the deck work was done very well and looks good. Posts had to be redone (rotted from being in direct contact with the concrete). The new posts were wrapped with a waterproofing material so water should not be able to get in.

- E. Questions were asked on the slab/stonework that was done. Stonework is coming loose again (e.g. at 101B). This is a problem at all complexes with stone. It was asked if there is another material that can be used to prevent moisture from eroding the mortar. There is a material that expands/contracts and blends into the mortar. Wendell volunteered to try this to see if it works. Mike noted that it may not be a moisture issue – there may be some movement that is causing the problem. Wendell will let everyone know the results of using the different material.

6. **Financial Report**

- A. November financials were reviewed.

Income was on budget in spite of a couple of delinquencies. There may have been some prepaid amounts or payments that were collected late. With cash versus accrual accounting, monies reflect in the month they are received.

On the expense side, year-to-date over budget items included repair and maintenance, snow removal, legal, and fire sprinkler maintenance. All snow removal line items were over budget but this was not surprising due to the amount of snow. Repair and maintenance was over by \$1,636 but this is not too bad considering all the extras that were done. The fire sprinkler system is budgeted for on-going maintenance and leaks. It was noted that having the system lowers the insurance premium. Under budget items included utilities, grounds, clerical, and supplies. Overall, the HOA was \$2,220 over budget on expenses through November and showed a negative net surplus of \$2,183.

The balance in the checking account was \$1,351.97 and the money market account balance was \$11,880.87. Both accounts are currently on the low side.

Delinquencies were reviewed. There are only 2 owners in arrears. One is not a major issue and the other has been sent a letter stating if the account is not brought current it will be turned over to our attorney for collection. The attorney will then send a demand letter (\$300 billed to the owner). If there is no response, the Board will be consulted prior to further legal action being taken. It is anticipated that the owner will bring the account current as has been done in the past.

All owners have been notified of the change in banks for Mountain Managers' HOA accounts. There may be some transition issues early on but when all is completed, the switch will benefit owners by allowing them to pay dues using several different options. Owners can pay by check (coupon books have been ordered), by automatic withdrawal from a bank account, or on line with a credit card. The bank charges a service fee for using a credit card; this is paid by the owner and not the HOA.

Phil Tresch asked Mountain Managers to check and see if his new forms for auto pay of dues are on file.

B. 2012 Budget and MCR (Reserve Study).

Dues is based on the current dues structure (no increase this year but no guarantees in future years). The budget comparison sheet shows the variance between 2011 and 2012 and also shows previous years (2008, 2009, and 2010). Explanations are provided showing how the current budget figures were calculated.

The Board and Mountain Managers do a pretty good job with anticipating expenses. There have been some increases in expenses over the years but generally less than 2.5%. As the buildings get older, more maintenance is required.

When roof replacement is due, most HOA's assess. It's not always good to increase dues to pay for something that only occurs every 20 years or so. Part of the cost can be paid out of reserves and part should come from a special assessment.

Based on an average square footage of 1,600, owners are paying \$.25 per square foot in dues. This is pretty inexpensive for Summit County. Some HOA's pay up to \$.40 per square foot; The Pointe is on the lower end of the scale due to having no amenities. Pools and hot tubs are expensive to maintain. The Pointe is maintaining the buildings very well. Painting is done on a 5 year cycle. This is cheaper in the long run than letting it go and having to replace siding down the road. Regular maintenance is performed as needed. When Mike became the Board President, things started to get done and yes, there was a dues increase. Too many things had been deferred and needed attention. One example is the parking areas. These were not taken care of and the HOA is now facing a major expense.

It's not unusual for people to think dues are high if they have not looked at the budget, financials, etc. to become familiar with what actual expenses are.

The annual reserve contribution has been dropped from a little over \$33,000 (2011) to \$28,000 in order to avoid a dues increase this year. Having a reserve study is required by law but there is no legal requirement for funding or implementing. The Pointe resolved two years ago to create, fund, and implement reserves. By looking at the reserve study, owners can see what's being done, what needs to be done in the future, what isn't being done, and the amount of money needed to accomplish necessary work. It's not really feasible to be 100% funded but 35-40% would be ideal. The HOA works at keeping positive numbers 5 years at a time. There is a lot of estimating done when working with the reserve study. The costs are known but life expectancy is generally an educated guess.

The asphalt work was discussed. It may not be possible to cut out the bad areas and patch since deterioration may have gone too far. Total replacement (about \$65,000) will also take care of the drainage issues. This is budgeted for 2018 but probably will not last that long. It may be possible to do some patching of the worst areas this year and do the whole thing in 2013/2014. If this is the case, crack filling should be the only thing done this year. There is a sink hole in front of the dumpster that may need some patching along with some other bad holes.

If the asphalt work is to be done in 2014, a reconfigured dumpster enclosure could also be done at that time. The current location is bad and it needs to be moved to the right. This would facilitate driveway access for 103A. A new concrete pad will be needed. Asphalt can be cut out in the new location and the concrete poured. When asphalt is done, it will be done around the new pad. It was noted that when the new asphalt is done, a very heavy roller should be used. Mountain Managers uses companies that are used to doing big jobs (roads, etc.)

Buildings were not all built at the same time and roof replacement may be able to be phased in (2 buildings at a time). The roof replacement does not show up on the MCR as it's scheduled for 2022. The membrane was replaced on one of the roofs and the roofers highly recommend doing the other 3 in the near future (\$16,150). If these roofs and the asphalt are both done, an assessment in the range of \$2,500 to \$3,000 per unit will be needed. The budget will be looked at (long range) to see if the assessment can be lowered but owners should anticipate this amount for 2014. Some money will be saved by not doing seal coating now and not doing seal coating or crack filling in 2014. Seal coating will probably not be needed until 2017. The new asphalt will need time to cure and then seal coating is recommended every 3 to 5 years. Crack filling will also be greatly reduced once the parking areas are re-done. It is estimated that about \$10,000 can be saved in asphalt maintenance between now and 2014.

Owners will be given plenty of notice and will have time to plan for any assessment. The Board will look at payment options – it may be possible to spread payments out over a year or owners may pay in one lump sum.

The MCR also has garage doors scheduled in 2018. This is a place holder and does not necessarily have to be done. It may be possible just to replace deteriorating bottom panels (about \$300 each). The bottom edge of new bottom panels would be sealed before the rubber gasket is put on. As long as panels are available, there should be no need to replace the entire garage door. It was suggested that when painting is done, the gaskets could be taken off, the bottom edge of the bottom panel could then be painted, and all new gaskets put on. It would not be very expensive to replace gaskets, seal with a clear sealer, and paint. Before any decision is made, all garage doors will be checked to see if deterioration is a problem and whether or not replacement panels are available. This will be done in the spring. Some time in the future, new garage doors may be considered for aesthetic purposes and to update the look of the building.

7. **Old Business.**

- A. Asphalt – discussed under financials.
- B. Landscaping will be looked at in the spring. It's important to specify what needs to be done each year.

- C. Fireplace inspections were discussed. Mountain Managers is still waiting on the insurance company's answer regarding what they recommend. There is no discount on premium given for doing regular fireplace inspections but this is a very good loss prevention measure. Preventing losses keeps premiums down. Insurance costs have been reduced over the years – insurance in the County used to be double what it is today. The tide has turned and insurance rates are starting to go back up due in part to all the natural disasters that have occurred.
 - D. The cable contract expires on 11/15/12. Another bid will be obtained from Comcast and other companies. The only other bulk alternative is Resort Internet (dish system) but they are geared more toward short term rentals and have very limited channel selections. The HOA could also opt out of paying for cable service and make this an individual owner responsibility. The cost is approximately \$55 when done individually versus \$35 with a bulk contract. Eliminating the cable expense would save budget money however, dues would probably not go down. The savings would need to go towards reserves to get the annual contribution back to where it was. Increasing reserves will also help to offset assessments. This will be discussed at the HOA meeting.
8. **New Business**
- A. Major Component Reserve Items – discussed under financials. No seal coating is to be done. Crack filling will be done and Mountain Managers will obtain pricing to patch the worst asphalt areas.
 - B. Flat roof replacement estimates – discussed under financials
9. **The Next Board Meeting** will be scheduled at the HOA meeting.
10. **Adjournment.** A motion was made, seconded, and passed to adjourn the meeting at 3:23 p.m.

Respectfully submitted:

Judy Freese, Recording Secretary (minutes prepared from a tape recording of the meeting).

APPROVED

Approved via e-mail

1-10-12

Mike Gradassi, President

Date