

**THE POINTE AT LAKE DILLON
SEMI-ANNUAL HOMEOWNERS ASSOCIATION MEETING
MAY 22, 2009**

MINUTES

1. **Called to Order.** The meeting was called to order at 6:10 p.m. by President Mike Gradassi.

2. **Attendance and Quorum.**
 - A. 10 owners representing 7 units were in attendance. In addition, 8 proxies were received. (Attendance sheets and proxies are filed with the original minutes.)

A quorum was established
 - B. Representing Mountain Managers were Eric Gill, Susan Witkowski, and Judy Freese (via phone).

3. **Approval of Minutes from the 11/7/08 Semi-Annual HOA Meeting.** A motion was made, seconded, and passed to approve the minutes as written.

5. **Repair and Maintenance Report.** Eric explained that the first 10 items reflected what has been done since the last meeting. The second section lists completed items over \$250.00. Eric went through the report and several items were discussed.
 - A. Roof inspections were accomplished a few weeks ago.
 - B. A \$5,000,000 umbrella policy was added to insurance coverage. This was a very inexpensive way to substantially increase the HOA's liability coverage.
 - C. Documents were posted on the website with regards to owner responsibility for expanded decks. This was requested by an owner at the last meeting. Owners are responsible for taking care of any additional square footage.
 - D. Dues were increased \$50 per unit per month effective 1/1/09. It was explained that dues were increased instead of doing a special assessment to remain in compliance with the Declaration. The total amount remains the same.
 - E. Sprinkler head work was discussed. Western States originally replaced heads but did not warranty their work. American Fire Stop is now being used. They believed that the heads were faulty and wrote a letter to that effect. Western States refused liability (no warranty) and no reimbursement was made. Western States will not be used in the future since they refuse to warranty their work.

6. **Financials.**
 - A. March financials were reviewed by Eric along with year-to-date numbers. The expenses were reviewed line by line. Overall, the Association is \$3,489 under budget on expenses for the first three months of the budget year. Snow removal is done on a flat rate contract basis. The same amount is paid each month regardless of how many times plowing is required. Money is set aside each year for fire sprinkler system work (leaking heads, etc.)

A question came up on irrigation and Eric explained that a walk around was recently completed with a landscaper to see what is required to put in a proper irrigation system. This will not be done this year but the bid will give the HOA a good idea of what costs are involved. The plan is to continue with hoses/timers.

Recycling questions were asked. Guidelines have changed and Mountain Managers was asked to obtain a list of what can and cannot be recycled and post this list (in both English and Spanish) at the recycling bin.

The balance in the checking account was \$14,631.07 and the money market balance was \$25,282.47. Mike explained that the checking account was for the day-to-day operations of the Association and the money market is money set aside for component reserve projects (painting, deck staining, new doors, etc.).

Delinquencies were briefly looked at. The Board explained that Mountain Managers has been asked to break out the amounts since the numbers seem a little odd.

- B. Mike talked to the owners about the HOA's financial position. He explained that the fall meeting is when work on the budget is actually done but owners need to be aware of what's going on so no one is "blind sided" by adverse news.

Mike has started looking ahead to the 2010 budget and presented a draft. Assuming that all expenses remain exactly the same as in 2009 the HOA would be starting the 2010 budget year at a negative \$41. All monies from the checking account will be spent in 2009 and at the end of 2010 the Association would have a negative \$1,200 balance. The figures show that the HOA is not sustainable if it continues on the same path. To correct this, you reduce expenses, increase revenue, or do a combination of both. He noted that no decisions would be made at this meeting but owners need to start thinking about the future. One owner noted that the HOA is currently ahead of budget and asked if that trend would continue. Mike stated it's too early to tell at this point.

Mike also worked on the MCR (capital projects). He prepared a spreadsheet showing just the capital expenses expected in 2010 (painting of 102, 103, and 104 at \$45,000, siding repair at \$3,500, and planting of trees/mulching/rock at \$1,500). This totals \$50,000. Painting is on a 6 year cycle and will put the HOA in the hole by about \$16,000. There really isn't enough money to cover this expense. The bottom line is that there is not enough money being put into reserves. The old philosophy has been to put things off, don't spend money, don't increase dues, and just do what's necessary to squeak by. As an example, the decks on 103 got really bad due to deferred maintenance. Deck staining (an HOA responsibility) was not done routinely in the past.

Homeowners may contact Mountain Managers if they would like a copy of Mike's spreadsheet e-mailed to them.

Changes are being made. The Board is working diligently to keep the complex in good shape and protect property values while keeping in line with the HOA's governing documents. Mike reiterated that no decisions are needed at this time but it's time to start thinking about what to do to keep the Association financially solvent.

One owner asked why painting is on a 6 year cycle. It was explained that if a semi transparent stain is used the useful life is about 3-4 years. With painting (solid) it increases to 6 or 7 years. With intense sun, 6 years is more probable. Eric also noted that most of Mountain Managers' properties are on a 6-year cycle, which in practice has proven to be optimum in balancing painting expense against required ongoing maintenance.

The full MCR was also looked at and the format explained. This is a great tool for planning purposes and lets everyone see projected expenses for many years. 2008 reflects the actual amounts spent. 2009 planned projects were reviewed. These include deck staining for buildings for 101, 102, and 104 (\$4,800); deck caps for posts (\$2,000 budgeted – this will not cover all posts. There are approximately 18 that need to be done. Eric has been asked to go back to the contractor and see if one entire building can be done for \$2,000); new entry doors will be done for 102 and 104 C & D (\$3,500); staining of doors (\$1,000 budgeted for all of 101 and 103E – bid reviewed at Board meeting – 102 and 104 doors are being replaced so current doors will not be stained; mud jacking (budgeted at \$3,000 – this levels concrete slabs, stoops, sidewalks and is cheaper than pouring new concrete. This is still being researched); screens over gas meters (Mountain Managers is still working on this).

Wendell noted that his door is warped – this will need to be addressed.

Questions were asked about postponing painting for one year to let the Association build reserves and the Board was asked to look at this when budgeting for 2010. Mike noted that whether or not painting was put off, the HOA is still facing deficits down the road. He also does not want to get back into the habit of deferring maintenance. This proved to be problem on smaller items (deck staining) but could be a huge issue for an entire building. It was suggested that painting be phased in so that not all buildings are done at one time. Eric pointed out that you save overall by doing everything at once – only one set up required. It was also noted that painting would be done and over with once every 6 years instead of having painters/scaffolding/mess at the complex every year.

A comment was made by an owner that a lot of work had gone into the preliminary budget work but he doubted the garage doors would last another 9 years as predicted on the MCR. This will be another expense.

No Association is 100% funded for their reserves but with only \$14,400 going into reserves each year, funding is inadequate for the HOA's needs. Mike was asked if it was possible to add a line to the MCR showing what it would look like with an increase of \$75/month or \$100/month.

Dues were discussed. Other people have been talked to and by comparison, the Pointe's dues are low. It was noted that SB1359 has been signed into law. This stemmed from HOA's not adequately funding reserves and leaving owners open to huge assessments. The new law is trying to establish standards to make sure all Boards act in a fiduciary responsible manner. Reserve studies are now required by statute. The Pointe is ahead of the game here since studies are already done. There is no longer any choice with the new law. Reserve studies will be commissioned as required, funding methods will be identified and implemented. Reserve studies are required every 3 years but should still be reviewed annually.

Comments on snowplowing were brought up at this time. There were several complaints about only small equipment being used and the fact that the complex was never plowed early in the morning (commercial areas are always done first). Eric will work on this when re-negotiating the plow contract. Mike asked Mountain Managers to address snow removal as a priority.

The single largest expense on the budget is the management fee. Mountain Managers was asked to prepare a detailed list of where monies are spent. Eric briefly reviewed some of the items. He noted that insurance included great coverage for minimal cost and also explained that the cable contract still has 4 years to run before anything can be done. He asked owners to review this on their own and to give him a call if there were any questions.

6. **Old Business**. Mike reviewed projects that had been discussed at the Board meeting including door replacement, deck cap flashing, door staining, deck staining, and mud jacking. All of these were discussed earlier in the meeting.
7. **New Business**
 - A. The plans for an irrigation system were talked about again. Prices are being obtained and this will be discussed again at the fall meeting. Whether or not to proceed and how to accomplish the work will be decided at a later date.
 - B. A bid had been received from Resort Internet for hi speed internet access at the complex. To do this would mean buying the equipment over a 5 year period with owners paying a set monthly fee if they participate. One owner cautioned on proceeding with this as he has heard from others that they are not happy with Resort Internet. The Board noted that this is something that has been discussed in the past so a bid was obtained. Some owners questioned paying for others when they don't want this service themselves. Since purchasing the equipment would be an HOA expense, all owners would end up paying a portion of the cost. The Board stated that no decision is being made at this time but wanted feedback from owners.
 - C. A motion was made to officially thank the Board members for all their hard work. Motion was seconded and passed unanimously.

- D. \$1,500 has been allocated for landscaping this year. It was noted that there is a 6' tree by the entrance of 102A that is dead.

The Gradassi's contributed \$200 towards flowers, etc. for the berm and were thanked for their efforts.

It was noted that as the complex is spruced up, an effort should be made to keep dogs away from landscaped areas. Even if pet waste is picked up, urine kills the grass. Owners walking dogs should be directed to the vacant lot.

Kathie Ballah suggested bringing back the owner work day. It was pointed out that day labor is cheap and can be used if necessary. Behind 102 still looks bad. Diane Gradassi noted that someone in the area has daffodils and they look great. She'd like to plant 100 bulbs in the fall.

Rock squirrels are back and are now in the lot behind 101. We need to be proactive on this and not let a colony get established. Mountain Pest Control has been used in the past but has not done the best job. Orkin will be contacted to treat for rock squirrels.

- E. Mike spoke about property assessments. He stated he had looked at ways to reduce the assessment but after looking at comps, etc, the county seems to have gotten it right. He advised owners to check their numbers but feels overall the assessments are correct.
9. **Election of Officers.** There was one vacancy on the Board of Directors for a 3 year term. Mike Gradassi agreed to run for re-election and there were no other nominations. A motion was made, seconded, and passed unanimously to re-elect Mike to the Board.
8. **The Next HOA Meeting** will be held on Friday, 11/6/09 at 5:30 p.m. A Board meeting will take place prior to the HOA meeting at 3:30 p.m.
8. **Adjournment.** There being no further business, the meeting was adjourned at 7:55 p.m.

Signed

Approved via e-mail

6-2-09

Mike Gradassi, President

Date

Judy Freese, Recording Secretary

Date