

**THE POINTE AT LAKE DILLON
SEMI-ANNUAL HOA MEETING
NOVEMBER 23, 2013**

MINUTES

1. **Called to Order.** The meeting was called to order at 10:38 a.m.
2. **Attendance and Quorum.**
 - A. 11 owners representing 8 units were in attendance. In addition 3 proxies were received (attendance sheets and proxies are on file with the original minutes).

A quorum was established.
 - B. Representing Mountain Managers were Phil Wells and Judy Freese (via conference call).

Terri Golden introduced the Board and owners were asked to state their names and unit numbers.

3. **Approval of Minutes from the 6/15/13 Semi-Annual HOA Meeting.** A motion was made, seconded, and passed to approve the minutes as written.
4. **Repair and Maintenance Report.** Phil reviewed the report covering the period of 5/13 through 10/13. There were some questions on the crawl space water issue. It was explained that since there was some question as to where the water was coming from, the Board elected to inspect crawl spaces and mitigate problems where necessary even though crawl spaces are a limited common element and therefore an owner responsibility. The problem turned out to be ground water which would be an owner expense to mitigate. From here on, crawl spaces are an owner responsibility unless the source of any water seeping into the crawl space is coming from a common element which could potentially be an HOA responsibility. It was noted that when mitigation was done the vapor barrier was glued to the walls and this will hopefully prevent further water penetration.

The Town approved the new dumpster enclosure and landscaping and both projects have been completed. Drawings will be sent to owners with the minutes. Unit 103A directly faces one end of the dumpster enclosure and a door will be installed at that end.

5. **Financial Report.**
 - A. September Financials. Dues collection was slightly under budget year to date. With interest and the insurance reimbursement, total income was \$10,860 over the budgeted amount. On the expense several items were over budget (primarily utilities and repair and maintenance). Insurance expense was offset under income but the HOA was \$14,529 over budget on expenses year-to-date and showed a negative net surplus of \$3,668 through September. There were 2 delinquencies noted (30 days past due).

The balance in the checking account was \$8,646.59 and the money market account balance was \$34,311.25 at the end of September.
 - B. Proposed 2014 Operational Budget and MCR.

Income is based on the current dues structure. Expenses are based on current contracts, anticipated increases, actuals, or averages. Income is projected at \$115,200 and expenses at \$92,559 resulting in a cash flow of \$22,641. With \$28,512 going to reserves, this leaves a negative net of \$5,871. In order to offset the deficit, the reserve contribution will need to be reduced.

No dues increase is scheduled for 2014 but funding will have to be addressed. Dues are fairly high for a complex with no amenities. The previous Board pushed hard to increase dues to build reserves but the Board is trying to avoid additional dues increases. It was pointed out that dues will have to keep pace with expenses and they won't stay level forever. It was noted that maintaining the reserve contribution is important. Some banks require that 10% of income go into reserves before they will grant financing.

The MCR was looked at. There was enough money to pay for all that was done this year (dumpster enclosure, landscaping as required by the Town, crawl space water mitigation, siding repair on building 103, etc.) The Board's goal is no assessment in 2014 unless something completely unexpected comes up. The Board will be reviewing MCR projects in March/April to see what must be done. Owners were cautioned that they should expect an assessment 2015. The Board will work with Mountain Managers to finalize numbers and see what's needed for funding. Hopefully, it will be possible to build some reserves in 2014 by doing only what is absolutely necessary. It may be possible to defer deck staining and push it to 2015 in conjunction with painting. Asphalt work is also being looked at to see what needs to be done now and what could be deferred. It was pointed out that originally, asphalt was not installed or graded properly and the life expectancy is less than normal. Generally it's possible to do an overlay first but that is not possible. The HOA will need to go straight to tear out and re-do to address the issues. There is deterioration underneath that will only get worse over time. Over the next few years, asphalt will need to be done and grade corrected to address drainage issues.

As noted previously, a door will be installed on the end of the dumpster enclosure that faces building 103. The cost is estimated at approximately \$750. The dumpster will be increased from a 4 cubic yard container to 6. There will be a slider (easier for owners to open, harder for bears). Owners should use caution when entering the enclosure. There's always the possibility of disturbing a "critter" inside. Owners should try to avoid the dusk/dark time frames and dispose of trash during daylight hours whenever possible.

A motion was made, seconded, and passed to approve the 2014 budget as presented.

In the event there is any surplus operating funds at the end of the year, owners approved transferred any surplus to reserves.

6. **Old / New Business.**

- A. Due to the HOA's fragile financial position, the Board has discussed making the HOA's insurance deductible an owner responsibility. This is not meant to be punitive. It simply means that an owner's relatively inexpensive HO6 policy will pay

and save the HOA from paying \$5,000 for each claim that exceeds the deductible and the full amount for any claim under \$5,000. HO6 policies will generally cover deductibles provided the owner's responsibility is stated in the governing documents. The Rules and Regulations will be revised to include that when an insurance claim is filed involving an individual unit, the owner is responsible for all repairs up to and including the HOA deductible. For amounts exceeding the HOA deductible, the HOA insurance will kick in. Owners will need to ensure their HO6 policy is adequate to cover payment of the deductible. The Board is also in favor of mandating that owners have adequate insurance coverage with proof provided to Mountain Managers by 1/1/14. This will be an annual requirement.

When there is damage, owners need to contact their own insurance carrier and also Mountain Managers. Both claims need to be filed in case damage exceeds \$5,000.

Owners are reminded that when the HOA pays a \$5,000 deductible, all owners ultimately pay part of the tab. When the owner is responsible, only the owner of the affected unit pays. The most an owner can be out of pocket is the amount of his/her deductible which can be set wherever they're comfortable.

After discussion, a motion was made, seconded, and passed unanimously to revise the rules as stated above, making the owner responsible for repairs up to and including the HOA insurance deductible and mandating that all owners have adequate insurance. Revised Rules and Regulations will be sent to owners with these minutes along with a cover letter.

- B. Collection policy. New laws require all HOA's to adopt a new collection policy that meets certain legal requirements. The Board will be meeting immediately following the HOA meeting to review and approve the policy. A copy of the policy and letter of explanation will be sent to owners with the minutes.
- C. Mountain Managers was asked if they were the agent for the Board or for the HOA. In accordance with the Declaration, the Board has the authority to hire a management company so technically, Mountain Managers works for the Board. It was explained that the Board hires Mountain Managers to handle maintenance issues, compliance with governing documents, etc. As part of the agreement with the Board, owners contact Mountain Managers with maintenance issues, etc. Mountain Managers is an owner's main contact for maintenance or other issues.
- D. Trash pickups can be increased during peak seasons if necessary. If you notice a problem, please contact Mountain Managers.
- E. At this time, a call was made to Frank Willems. Frank wanted to address several issues that he had outlined in a letter. Phillip let Frank know that the dumpster enclosure door would be installed by the end of the year. The 2nd issue concerned workmen in his unit. Terri explained that while water mitigation work was being done, the contractor had to put up a wall of plastic and therefore did not have access to running water in the unit they were working in. Frank's unit had just been completed and since it was still open, workers used his unit to get the hot water needed for mixing chemicals. Units were locked each night. Alan kept the keys (not

the workers) since work was starting/stopping before/after Mountain Managers opened. Frank had noted in his letter that the downstairs bath was left dirty. Since Frank had locked his unit, the workers were hesitant to re-enter the unit to do any clean up. Frank thanked the Board for the clarification.

- F. Phone books are piling up at some units. Many owners want these so Mountain Managers is hesitant to pick them up. Mountain Managers has tried unsuccessfully to halt delivery of phone books. Owners can pick these up at the post office.
- G. A lot of noise has been coming from unit 104F. It sounds like there may be an air hammer on the water heater. The owner was told and stated the problem was the outside ventilator and that was repaired. This did not solve the problem. If there is air somewhere in the line, it could cause heat to fail. A letter will be sent to the owner noting that a neighbor has reported a heavy hammering noise that could be a potentially serious problem and ask if he would like Mountain Managers to have a plumber check this out.

The Board was thanked for all their hard work and effort as was Mountain Managers.

- 8. **The Next Semi-Annual HOA Meeting** will be on Saturday, May 24, 2014 10:30 a.m. at Mountain Managers.
- 9. **Adjournment.** There being no further business, a motion was made and seconded to adjourn the meeting at 12:28 p.m.

Respectfully submitted:

Judy Freese, Recording Secretary

APPROVED

Approved via e-mail

12/30/13

Regina Foley, President

Date