

**THE POINTE AT LAKE DILLON
SEMI-ANNUAL HOA MEETING
DECEMBER 15, 2012**

MINUTES

1. **Called to Order.** The meeting was called to order at 4:12 p.m. by President Tom Baranowski.

2. **Attendance and Quorum.**
 - A. 9 owners representing 7 units were in attendance either in person or via conference call. In addition 6 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).

3. **Approval of Minutes from the 5/26/12 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 5/12 through 10/12. Completed items included removal and trimming of trees for fire mitigation, sprinkler system repairs in Buildings 102 and 103, rock repair and replacement of broken cap stones at unit 101B, 2nd coat of stain on back decks of Building 103, staining of all decks, and seal coating/cracking filing/patching of asphalt.

The tree removal and trimming for fire mitigation was not mandated but was prudent due to the ever present fire danger. The Fire Marshall assisted in marking trees. Town approval was obtained and no tree replacement was required. It was noted that it would not have been necessary to cut so many trees on the Pointe's property if the Denver Water Board had permitted the HOA to cut some of their trees to create a firebreak.

5. **Financial Report.**
 - A. October financials were reviewed along with year-to-date numbers.

On the income side, dues were over the budgeted amount by \$4,182. This is primarily due to owners who have paid ahead or delinquent dues collected from last year. Mountain Managers operates on a cash basis (vs. accrual) and monies are posted on the date received. The majority of expenses were close to or under the budgeted amount. Repair and Maintenance was a little over budget. The fire sprinkler system maintenance was over budget by \$2,030. There is quite a bit of maintenance needed in addition to the annual inspection. Overall, the HOA was \$632 over budget on expenses year-to-date and showed a net surplus of \$3,594 through October.

The balance in the operational checking account was \$7,788.39 and the money market account balance was \$22,169.38.

A question was asked on the gutter work done on Building 103. Mountain Managers will check and find out what the issue was.

B. 2013 Budget

Income is based on the current dues structure (no dues increase).

Expenses are based on actuals or contractual and anticipated increases. An explanation is shown for each line item stating how the budget numbers were calculated. Total expenses are expected to be \$1,251 lower than budgeted in 2012. With income projected at \$115,200 and expenses at \$85,484, the cash flow will be \$29,716. \$28,512 is budgeted to go into reserves leaving a net of \$1,204.

The Board has done an excellent job on keeping costs (and dues) down while making improvements to the property. With the current economy, it's a good time to do improvements. Costs are still down but that won't last forever. It was noted that if dues amounts are not raised, the day of reckoning is simply being postponed. A dues increase of \$20 to \$30 per month would be preferable to a huge assessment down the line. \$99 per unit per month goes into reserves from dues. Mike Gradassi has recommended an additional \$35 per unit per month for reserves. He stated that the governing documents encourage payment for major projects through dues and using assessments only for catastrophic loss. Special assessments are not restricted to any one particular item or items. The \$24,000 assessment that is being considered will be primarily for the asphalt work but can be used for other projects if necessary. The Board reiterated their position of no dues increase for 2013. They would like to see detailed quotes on all upcoming major projects to see exactly what needs to be done and when. It may be possible to do asphalt in phases since some areas are worse than others. The Board feels a year of research and planning and adjusting the MCR where possible will give a better picture of exactly what is needed. Garage door replacement will most likely not be done all at one time. These can be done as needed as a repair and maintenance expense vs. using reserves.

The Board previously approved the budget and owners were asked to ratify. A motion was made, seconded, and passed to ratify the 2013 operational budget.

A motion was made, seconded, and passed to transfer any surplus operational funds to reserves.

Owners were in agreement that dues should not be raised this year. They also asked that as much notice as possible be given for any anticipated dues increase or assessment. If all asphalt work is done at \$35,000, a \$24,000 assessment can be expected in 2014 and will probably be due in April of that year. Asphalt work will be re-evaluated as to whether or not it must be done all at once or possibly in phases.

- C. MCR: The MCR is not a part of the budget but is an excellent tool used primarily for planning purposes. It lists anticipated capital expenditures for the next 10 years and gives the HOA a very good idea of what kind of funding is required. Items on the MCR are reviewed annually and can be moved forward or back as needed. The asphalt work (estimated at \$35,000) has been discussed at several meetings. It is uneven to drive on and is deteriorating. Some of the patching done in 2012 did not adhere which can be another sign of deteriorating asphalt.

Most HOA's do not try to fund huge expenditures such as roof replacement through dues since it's something that only occurs every 20-25 years. Ideally, current MCR funding would be closer to 30% which is considered good. Annual contributions are good and once the big upcoming projects are completed, the HOA should see improvement in the bottom line. The HOA is facing a few tough years and the Board will need to make some decisions on funding requirements, etc.

6. **Old/New Business.**

- A. Building a new dumpster enclosure has been discussed in the past but has been tabled due to a lack of funds. When asphalt work is done, the Board is considering relocating the dumpster and enclosing it. The difficulty of opening the dumpster lid was discussed. A dumpster with a side opening can be obtained for the same cost as the current dumpster but Waste Management charges for swapping them out. It was noted that you lose some volume with a side entry.
 - B. The Board was asked to consider expanding to 5 members. There are some pros and cons to this idea. With 5 people, it's often difficult to agree on meeting times and to get a majority vote. On the plus side, 5 vs. 3 people spreads responsibility for the decision making to more owners. If there are additional owners who would like to serve, this can be considered at the spring meeting when elections are held.
 - C. Attendance at HOA meetings has been relatively low. It was noted that when people are satisfied with how the HOA is run and how the complex is being maintained, they often do not attend. Should issues such as dues increases or assessments be on the agenda, more people come to the meeting.
 - D. Mike Gradassi was thanked for his years of service on the Board and for all the work he has done for the HOA.
7. **The Next Semi-Annual HOA Meeting** will be on Saturday, 6/15/13, 10:30 a.m. at Mountain Managers. MCR items, funding, assessments, etc. will be discussed.
9. **Adjournment.** There being no further business, a motion was made and seconded to adjourn the meeting at 5:35 p.m.

Respectfully submitted:

Judy Freese, Recording Secretary

APPROVED

Approved via e-mail

1/28/13

Tom Baranowski, President

Date