

**PROSPECT POINT TOWNHOMES ASSOCIATION  
BOARD OF DIRECTORS MEETING  
March 23, 2023**

**MINUTES**

**I. CALL TO ORDER**

The meeting was called to order at 5:00 pm.

Board members in attendance were Dave Benson (via zoom), Garret Poulos (via zoom), Jeanne Belli (in person), Ron Borchert (in person), Bill Word (via zoom), and Pete Catalano (via zoom). Bob Roggow sent in proxy to Dave Benson.

Representing Summit Resort Group were Steve Wahl and Kevin Lovett.

**II. OWNERS FORUM**

Notice of the meeting was posted on the website. No Owners other than Board members were present.

**III. APPROVE PREVIOUS MEETING MINUTES**

The Board reviewed the minutes from the February 28, 2023 Board Meeting. Upon review, Bill Word moved to approve the minutes as presented; Dave Benson seconds and the motion carried.

**IV. FINANCIAL REVIEW**

Financials were reviewed as follows:

January 2023 close financials Balance Sheet reports \$45,064 in the operating account, \$33,283 in the General Reserve account, and \$138,233 in the Roof reserve account.

January 2023 close Profit and Loss statement reports \$58,694 of actual expenditures vs. \$62,976 of budgeted expenditures.

It was noted that all reserve contributions are current for the year.

**V. RATIFY MOTIONS VIA EMAIL**

Bill Word moved to ratify the following actions completed via email:

3-21-23 Insurance renewal, approved \$350 per sq ft value renewal with Farmers

3-21-23 Painting Bid, approved Platte Capital Projects to complete 2023 painting  
Jeanne seconds and the motion passed.

**VI. SIDING, SIDING REPLACEMENT / INSPECTION**

*Siding Inspection:* As discussed at previous meetings, a request for proposal was developed and sent out to contractors /engineers in efforts to have a visual inspection completed on the siding in order to assess the condition of the siding and determine the estimated remaining life and anticipated siding replacement timeline. Multiple contractors and an engineer were met on site to view and discuss.

The Board and Management reviewed and discussed the siding “inspection” proposals received and site meeting summaries. Costs for the inspection ranged from \$1,350 to \$16,170. Input received by contractors during the site visit meeting and proposals

indicated estimated remaining life ranged from 0 – 15 years. Estimated remaining life/ anticipated replacement year varied as contractors discussed the items driving such replacements (i.e., function of siding, aesthetics, ability to hold paint, warping, etc). Replacing in the next 0-3 years is impractical due to the current overall good condition of the siding (as is the timing to accumulate sufficient funds) and 15 years is overly optimistic. Due to the wide range of anticipated remaining life reported by the siding inspection contractors, the Board agreed that the goal should be to set a target amount of money to be accumulated by a target date, with funds going into the designated siding account to have available funding to address any major repair or replacement needs over the next 10+ years. The Board discussed the advantages and disadvantages of pursuing any additional siding inspection. While further reporting from contractors may provide reassurance to Owners for funding strategies embarked upon, further reporting could possibly create unnecessary pressure on the Owners for accelerated funding and replacement within the next 0-3 years (i.e, a large assessment in the near future). Upon review of the contractor summaries provided, the Board was satisfied with the information obtained and agreed at this time to not pursue any further siding inspections.

*Siding Replacement Funding;* It was noted that BluSky provided an updated siding replacement budget figure of just over \$3.5 million. 2022 replacement cost estimates received ranged from \$2.6 million to \$2.8 million. The Board calculated and discussed “the math”. The Board also discussed the possibility of including the siding replacement funding as part of the regular monthly dues as opposed to special assessing each year. It was noted that special assessments are appropriate for “specific projects” such as siding replacement and easily identifiable.

Upon discussion, Garret moved to set a goal to accumulate \$3 million in 10 years by collecting an annual total assessment of \$300,000 annually (divided amongst the 40 Owners, an average assessment of \$7500 per unit per year); Pete seconded that motion and the motion failed 5-2.

Ron moved to set a goal to accumulate \$3 million in 10 years by collecting annual escalating assessments with a 2023-24 total assessment of \$200,000 (divided amongst the 40 Owners, an average assessment of \$5000 per unit per year); Jeanne seconds and the motion passed 6-1. The Board will look at several models that could be used to incrementally increase yearly assessments to reach the 10-year goal of \$3,000,000

It was noted that this funding strategy is a plan to accumulate funds overtime and does not eliminate the possibility of future additional assessments that may be necessary as costs increase (i.e, a “balloon type payment” may be necessary in the future)

Owners will be billed October 1, 2023 with the special assessment amount due September 30, 2024 (Owners are welcome to make payments throughout the year or pay lump sum).

The Board will put forth this latter funding model as the Board determines a final Siding Replacement funding plan.

**VII. RESERVES**

The Board discussed the “general” Capital Reserve plan. The General Capital Reserve plan is the reserve plan for all major capital items aside from the major siding replacement.

*Current Reserve plan;* The Board and Management reviewed the existing general Capital Reserve Plan. It was noted that this plan includes a list of all major components, estimated life and estimated cost. Currently \$50,244 annually is contributed to the general reserve plan. A deficit is calculated in near future years and the Board agreed the current contributions were not adequate to maintain and fund all current and projected capital projects. After considering all projected budget needs over several years, it was determined that \$74,604 annually was the amount needed to fund the reserve account.

*Professional Reserve study;* The Board reviewed proposals to have a third party complete a reserve study. Upon discussion of the existing plan and the expense to have a third-party reserve study completed, the Board concluded that the existing reserve plan is understandable, sufficient and funds are better allocated toward funding the existing plan rather than spent on a third-party report. Pete moved to discontinue pursuit of a third-party reserve plan at this time; Jeanne seconds and the motion passed.

**VIII. INSURANCE**

The 2023-24 insurance renewal was discussed in depth. As noted earlier, the Board approved the Farmers renewal proposal to include an increase to the insured building value to \$350 per square foot. Future options to maintain insurability in the current insurance climate were briefly discussed to include consideration for an increase to the HOA deductible. At this time there will be no changes to the HOA deductible.

**IX. FUTURE FUNDING, PRELIMINARY 2023-24 BUDGET AND DUES**

Board and Management discussed preliminary 2023-24 expenses and the operating budget. It was noted that the 2023-24 insurance renewal included a significant premium increase equating to approximately \$43 per unit per month. Additionally, the increased funding to the general reserve fund is driving an additional average \$57 per unit per month. Upon discussion, Garret moved to present a budget to Owners for ratification at the 2023 Annual Owner Meeting to include a total monthly revenue increase of \$4000 which equates to an approximate (average) \$100 per unit monthly increase to dues; Dave seconds and the motion passed.

**X. 2023 ANNUAL OWNER MEETING DATE**

The Board discussed dates for the 2023 Annual Owner Meeting. Upon discussion the Board agreed to hold the 2023 Annual Owner Meeting on August 5<sup>th</sup>.

**XI. COMMUNICATION TO OWNERS**

A communication email update will be prepared and sent to Owners.

**XII. NEXT MEETING DATE**

The next Board meeting will be held June 22, 2023 at 10:00 am.

**XIII. ADJOURNMENT**

With no further business, the meeting was adjourned at 6:53 pm.

Approved: \_\_\_\_\_6-22-23\_\_\_\_\_