

**VILLAS AT PROSPECT POINT ASSOCIATION
ANNUAL MEETING
May 23, 2020**

I. CALL TO ORDER

The meeting was called to order by Sean Cavins at 9:52 a.m. via Zoom.

Board members present were:

Sean Cavins, President, 1517-102
Scott McLean, Treasurer, 1517-204
Kevin McClain, Director, 1511-206

Brenda Lloyd, Vice President, 1519-102
Nancy Lee, Secretary, 1503-204

Owners present were:

Tom & Teresa Lash, 1501-201
Skip & Marisela Burrows, 1503-202
Joel & Mary Jane Rapport, 1509-104
Bob Brannan, 1509-204
Kristy McClain, 1511-206
Randy Krul, 1515-204
Becky Hopkins, 1519-103
Mary Cavins, 1517-102
Kit Barwick & Rita Lee, 1519-206
Eastburn & Jeanne Bennett, 1521-101
Edward Wright, 1521-204

Jim & Arlene Dinkel, 1501-203
Grant & Christina Clayton, 1505-207
Paul & Nancy Cyphers, 1509-201
Peter & Carol Hewett, 1509-206
Russel Frismuth, 1513-201
Joe Woodrow, 1517-201
Otis & Kathy Halverson, 1519-201
Christopher & Kim Guarino, 1519-205
Joe Coughlin, 1519-207
Bob Brantley, 1521-102

Representing Summit Resort Group were Kevin Lovett and Dale Hendrickson. Emma Spofford of Summit Management Resources was recording secretary.

II. CERTIFICATION OF QUORUM

Notice of the meeting was sent in accordance with the governing documents. A quorum was confirmed.

III. REVIEW AND APPROVE MINUTES OF PREVIOUS ANNUAL MEETING

Motion: Skip Burrows moved to approve the minutes of the May 25, 2019 Annual Meeting as presented. Bernie Bennett seconded and the motion carried.

IV. MANAGER'S REPORT

Kevin Lovett recognized Dale Hendrickson and the Board members for their service to the Association.

A. Completed Projects

1. Renewed the Association insurance policy with Farmer's. An insurance summary and unit owner letter are posted on the website.
2. Registered the Association with the Real Estate Commission/DORA.

3. Improvements were made to the roof of Building 1509 to remediate the formation of icy patches in front of the garages caused by water dripping from the roof.

B. Planned Projects

1. Spring clean-up is underway.
2. The landscaping beds are being cleaned out.
3. Vole remediation is ongoing and takes place between the 21st and 25th of each month.
4. Building exterior minor repairs and paint touch-up are underway.
5. Asphalt patching, crack sealing, seal coat and striping will be done.
6. Roof drainage improvements were completed to Building 1509 and have begun on Building 1505. The improvements include snow stops, a new gutter system, heat tape and a drywell. The same work will also be completed on Buildings 1511 and 1519 this year. The remaining seven buildings will be completed in a phased approach based on priority.

C. Reminders

1. Window coverings must be white.
2. Owners should carry an individual unit owner HO6 insurance policy.
3. Only owners are allowed to have pets.
4. Furnaces should be professionally inspected annually.
5. Furnace filters should be replaced regularly.
4. Water heaters should be inspected annually. Any original hot water heaters should be replaced.
6. Plumbing supply lines should be inspected.
7. Smoke and carbon monoxide detectors should be checked. Any original detectors should be replaced.
8. Owners should review the rules with unit occupants.

D. Owner Education

Kevin Lovett provided a letter from Kinser Insurance Company clarifying the coverages provided by the Association insurance policy and other insurance information (all available on the owner's website). In summary, property within the unit that does not move is "Building Property" and is within the scope of the Association coverage. Individual owner policies should include items such as contents, appliances, upgrades, liability and the Association deductible assessment coverage (\$5,000).

It was noted that the Association policy includes a guaranteed replacement cost of \$18,532,000, including a \$15 million liability umbrella, fidelity and crime and Directors and Officers coverage. This year, the building fire rating increased, which resulted in a higher premium.

An owner asked if it would be possible to include annual dryer vent cleaning in the annual budget. This item was completed last year by the Association as a one-time project at a cost of \$55.00 per unit.

Action Item: The Board will consider this request.

An owner noted that he had made a recommendation to use a brand of paint called “Rhino”, which is very durable and can last up to 25 years. Kevin Lovett replied that he has discussed the product with the painting contractors. They are researching the product and will report back.

V. FINANCIAL REPORT

A. 2019/2020 Year-End Results

Kevin Lovett reported that at the end of the 2019/2020 fiscal year (4/30/20), the Operating cash balance was \$10,583 and the Reserve balance was \$128,818 (\$100,000 was contributed this year). The Association ended the year 3% over budget in Operating expenses (\$325,445 versus \$314,632).

Significant variances to budget were:

1. Insurance - \$2,775 premium increase due to the hardening market and Summit County fire risk.
2. Snow Removal - \$6,835 over budget due to roof snow removal.
3. Cable TV - \$1,216 over budget due to a rate increase.
4. Trash Removal - \$1,333 over budget due to a rate increase and additional pick-ups.
5. Electricity - \$3,351 over budget due to increased usage from the heat tape.

B. Reserve Fund

A Reserve Study was recently completed. The Study provides a roadmap of future capital projects and estimated costs. The next upcoming major projects are painting of the buildings in 2024 and hot tub renovations in 2025. The fund balance will drop considerably if these two projects are completed (down to \$21,549 in 2025).

VI. RATIFICATION OF THE 2020/2021 BUDGET

Kevin Lovett reviewed the budget changes. The overall proposed increase is 5.4% (Operating and Reserve combined with 5% increases to both). This will result in a dues increase of \$19 - \$31 per unit per month, depending on unit size.

Kevin reviewed the significant line item changes:

1. Copies - \$125 decrease.
2. Insurance – \$4,138 increase for a total premium cost of \$26,196.
3. Management Fee – \$2,400 bi-annual increase.
4. Office Expense – \$50 decrease.
5. Water and Sewer - \$500 increase.
6. Snow Plow - \$1,662 increase.
7. Internet - \$948 increase.
8. Cable TV - \$4,656 increase.
9. Trash - \$1,020 increase.

It was suggested that an improved, less expensive television/internet plan be considered.

Action Item: Kevin Lovett will follow-up on this item.

Kevin Lovett encouraged owners to sign up for ACH payment to ensure timely payments of dues, especially since the postal service is running slow at this time.

Mr. Lovett stated that a 51% vote of the membership to reject the budget would be needed for the budget to fail. This did not occur and the budget was approved as presented.

VII. NEW BUSINESS/MEMBER COMMENTS

An owner requested trimming of the bushes along the path to the hot tub.

An owner asked if it would be possible to plant tree and bushes between Building 1503 and the Dam Road to help with noise remediation.

Action Item: The Board will follow-up on this item.

VIII. ELECTION OF DIRECTORS

The terms of Kevin McClain, Nancy Lee and Scott McLean have expired. Kevin McClain and Nancy Lee were both willing to run again. The floor was opened for nominations.

Motion: Mary Cavins moved to nominate Bernie Bennett. The motion was seconded by Bob Brannon.

Motion: A motion was made to nominate Kevin McClain and Nancy Lee. The motion was seconded by Bob Brannon.

The nominations were closed.

Motion: A motion was made to elect the three candidates by acclamation. The motion was seconded by Sean Cavins and carried.

IX. SET NEXT MEETING DATE

The next Annual meeting was scheduled for Saturday, May 29, 2021.

X. ADJOURNMENT

The meeting was adjourned at 10:52 a.m.

Approved: ____5-29-21____