

**MINUTES PRISTINE POINT OWNERS' ASSOCIATION
BOARD OF MANAGERS
VIA ZOOM**

Date: January 21, 2022

Present: Chuck McGinnis
Dick Matthews
Beth Peters
Kurt Giesselman
Joe Robinson, Toad Property Management
Rob Harper, Toad Property Management

Kurt called the meeting to order at 10:05 a.m. and confirmed there was a quorum present.

Chuck made a motion to approve the October 26, 2021 Board Meeting minutes as revised. Dick seconded the motion, and it was unanimously approved.

Chuck said that the process to further update the Meridian Lake Park Corporation's Design & Construction Guidelines was still underway. Joe said that legal counsel Beth Appleton had reviewed and provided edits and comments to the MLPC Board on the most recent draft. Joe agreed to ask MLPC to provide the updated guidelines to the PPOA Board for review before they were publicly posted for 30-day Comment Period. Once the MLPC Design Guidelines were finalized, the PPOA Board would begin work on updating the PPOA Architectural Standards, which followed the MLPC Guidelines closely.

There was some discussion of the Mt. Crested Butte Water and Sanitation (Mt. CB W&S) issue. Kurt explained that MLPC owners paid a monthly capital surcharge to Mt. CB W&S because of debts incurred during the construction of the two freshwater treatment plants and the modification of the dam spillway. Kurt said that, in discussions with the MLPC Board, Mt. CB W&S had proposed continuing this surcharge for 6 years and then folding MLPC into the regular service rates for Mt. CB W&S, voiding the memorandum of agreement between MLPC and Mt. CB W&S. Following this agreement, the MLPC water system would no longer be a stand-alone system. It was generally agreed that this was a beneficial agreement for PPOA. The proposal had not yet been approved by the Mt. CB W&S Board.

Chuck said that Joe had shared the end-of-year Quarterly Financial Report with the Board. Chuck said that the report reflected an increase in PPOA's cash assets due to a light snow year in 2021, but did not include the significant Rocky Mountain Trees & Landscaping (RMTL) charges for December's snow removal, which would show up in the January financials.

Kurt thanked Chuck for his efforts to negotiate a good price for the dam seal coating project, and noted that two owners had generously made it possible to seal coat the remainder of the the private paved roads in PPOA in 2021. It was noted that the seal coating should provide protection for another 4-5 years while the Board continued negotiations with the County to take the private roads public.

Chuck noted that PPOA had unexpectedly been charged bank fees due to a high minimum balance requirement associated with the Reserve Account. Joe said that he had met with Community Banks and had moved forward with transferring the Reserve Account funds into an account that had a more reasonable \$600 minimum. Joe said that the bank had already refunded 2 months of fees incurred, but Toad would be persistent in continuing to seek further refunds.

There was some discussion of whether the Association needed a separate account for reserve funds. It was generally agreed that the intent of the separate Reserve Account had been to accrue interest on the balance. However, in practice the Association did not typically keep significant funds in the Reserve Account, and significant interest was not accruing.

Chuck made a motion to discontinue maintaining a separate Reserve Account and to move all assets in that account to the Operating Account. Dick seconded the motion, and it was unanimously approved.

Chuck said that he and Joe had circulated a proposed budget for 2022 to the Board. Kurt said that RMTL's rates for snow removal had not increased significantly for the 2021-2022 winter and that the Association was fortunate that RMTL had continued to service PPOA this year. The Board appreciated Kurt's efforts to maintain the snow removal relationship which is very beneficial to PPOA. It was agreed that Kurt should seek a 3-year deal with RMTL at the next negotiation, with the understanding that such an agreement would include an annual cost escalator.

Chuck said that he and Joe had closely examined the projected expenditure for snow removal and were recommending budgeting \$12,500 for snow removal in 2022, hoping for a moderate snow year. Chuck pointed out that \$5,060 of this budget has already been expended. It was agreed that, while it was possible that the amount budgeted for snow removal could be low, PPOA had sufficient funds in reserve to cover an overage in snow removal costs.

There was some discussion of revising the target for the total assets which will be collected in the PPOA Operating account. Chuck recommended that PPOA aim for a \$25,000 in reserve, equivalent to 12 months of expenses. Chuck proposed keeping dues the same and working incrementally towards the \$25,000 goal over several years.

Chuck made a motion to adopt a long-term financial asset goal of \$25,000. Kurt seconded the motion, and it was unanimously approved.

The Board asked Rob to consider what, if any, increase in management fees Toad might foresee for the next year. If Toad determined that management fees would go up in September, the Board asked Rob to give the Board a firm number before the budget was presented to the Association at the Annual Meeting.

Dick emphasized that labor costs in the Valley were rising, and the Board understood that PPOA would likely need to be prepared for an increase in dues in the future to compensate for the increased costs of services like property management, road maintenance, and snow removal. Kurt added that the Board had always worked hard to have access to the best possible services for the Association, and this was possible because of the proactive conversations that the PPOA Board has had with vendors like Toad and RMTL to ensure that these companies were able to charge enough to stay profitable.

There was some discussion of how the Board would like to handle delinquent accounts. Kurt said that, traditionally, Chuck and Kurt had worked together to encourage owners with delinquent accounts to pay their dues. It was generally agreed that this informal system was working for the moment, and Toad would remove the automatic late fees and fines from showing in the financial system reports.

It was generally agreed that Toad and the Board would launch a joint effort to encourage enrollment in Appfolio's AutoPay system.

Chuck made a motion to approve the 2022 Operating Budget for Pristine Point and to communicate the Budget to the owners via email. Dick seconded the motion, and it was unanimously approved.

There was a discussion of the Short Term Rental Policy (STR Policy). Chuck said that it was necessary to reconcile the Piering account, since they have sold their lot. Joe state that he believed the amount the Pierings owed in STR fees was greater than their \$500 STR deposit. It was agreed that after reconciling their account, Joe would send a letter to the Pierings letting them know how much they owed to both PPOA and Toad for 2021 rental fees with a 30-day repayment deadline. If they chose not to pay those fees, the debt would be paid through their \$500 Registration Deposit, with PPOA and Toad splitting the deposit. In the event that the fees owed were determined to be greater than the deposit, it was agreed that the Board would excuse the difference. If the fees owed were determined to be less than the \$500 deposit, the Pierings would be refunded the balance.

There was a discussion of Toad progress on developing a process to bill STR owners on a quarterly basis. This would include maintaining a monthly record of STRs, by owner, and depositing the Toad fees owed into Toad's bank accounts and PPOA fees owed into the PPOA Operating Account. Registration Deposits would continue to be kept in a separate PPOA security bank account. Joe said he believed this system would be feasible and committed to continuing to work on operationalizing it. Joe said that he would advise the Board when the system was operating as planned. Chuck asked for quarterly reports and said there was currently only one owner who was short-term renting at this time. There was a brief discussion of instituting an annual STR License fee as an alternative to collecting quarterly rental fees. It was agreed to leave this option open, follow MLPC's progress, and continue setting up and putting in place the new fee-based system for PPOA.

Chuck said that there was no road maintenance planned for 2022, but there was some money set aside for culvert cleaning.

It was agreed that the Annual Meeting would be held June 30th at 4:00 p.m. MST, and the next Board meeting would not be held until June, barring the need for Board discussion of snow removal or STR developments.

Chuck made a motion to adjourn the meeting at 11:33 a.m. Dick seconded the motion, and it was unanimously approved.

Prepared by Rob Harper,
Toad Property Management