

**More's Corner Homeowners Association (MCHA)  
Minutes for the 2013 Annual HOA Meeting  
Wednesday, October 2<sup>nd</sup>, 2013  
2096 Indian Summer Drive**

**Call to Order**

The 2013 annual meeting of More's Corner Homeowners Association was held on Wednesday, October 2<sup>nd</sup>, at the Porches Barn in Steamboat Springs, Colorado. The meeting was called to order at 1:15 p.m. by Mr. Shugart, the president of the association.

**Roll Call**

Roll call was taken, and the following members of the Board of Directors were present:

Bruce Shugart – President  
Domenick Galluzzo (2053) – Secretary/Treasurer

The following member of the Board of Directors was present via teleconference:

Shane Evans – Vice President

The following MCHA members were present via teleconference:

Andrew DeSalvo (1329)  
Kyle Raybourn (1331)  
Buddy Faulkner (2055)  
Pat Higgins (2115)  
Bob Boglioli (2127)

The following MCHA members were present:

Deborah Newlin Smith (1286)  
Brad Thedinger (1288)  
Roys Thedinger (1288)  
Gerald Grandey (2015)  
Domenick Galluzzo (2053)  
Joann Galluzzo (2053)  
Michael Becci (2117)

The following MCHA members designated proxies:

Ken Mourton (1301) – presiding officer  
Robert & Rossell Kelley (1301) – presiding officer  
John & Barbara Morrison (1329) – Melanie Sweeney  
Terry & Judi Wilcox (1329) – presiding officer  
Paul & Anne-Marie Laws (1331) – presiding officer  
Lee & Judy Fatcher (1985) – presiding officer  
Andy & Molly Goldberg (1997) – presiding officer  
Donna Triptow & Michael Salisbury (1999) – Domenick Galluzzo  
Tim & Nancy Scannell (2041) – presiding officer

The following member of Pinnacle Resort Management was present:

Emilie Crider – General Manager

## **Review of the Minutes for the 2012 Meeting**

Mr. Shugart stated that the first order of business was to approve the annual meeting minutes from last year's HOA meeting, including a motion by Mr. Morrison. Dr. Thedinger made a motion to approve the 2012 minutes, and Mr. Becci seconded this motion. The minutes for the 2012 meeting were approved by a unanimous vote.

## **Initial Comments**

Mr. Grandey asked whether last year's outstanding meeting items had been taken care of, and Ms. Crider responded that the appropriate memorandums had indeed been sent out in late 2012. Mr. Grandey suggested that a checklist should be made after each year's meeting to make it more clear to the owners that all outstanding items are being dealt with in a timely manner.

Mr. DeSalvo asked about the current status of the reserve study that was undertaken last year. Ms. Crider explained that this study is in the process of being completed, and Mr. Shugart further clarified some of the modifications that have been made to the study since its inception. Ms. Crider stated that she expects the study to be completed in the coming months.

## **Review of the June 2013 Financials**

Mr. Shugart asked what the homeowners' preference is for reviewing the June financials. Ms. Newlin Smith suggested that each line item should be reviewed individually, and Ms. Crider agreed to do so. She explained that any item which was over or under budget by at least \$1,000 was highlighted on the financials. Cell phone costs were under budget due to a change in cell service carriers. Uniforms, repairs and maintenance, linen replacements, housekeeping and cleaning, Barn decorations, furniture replacement, pool towels, and landscaping were all under budget due to timing issues, but each item should roughly even out by the end of 2013. Electricity was over budget due to high demand. Professional and legal fees were over budget but should roughly even out by the end of 2013. Airport shuttles were under budget due to lower usage than expected by fractional owners in the first half of the year. Snow removal was under budget due to utilizing heat tape along with other techniques, and this line item will be lowered on the 2014 budget. Guest supplies, both in the Barn and in the homes, were under budget due to increased efforts to rein in costs.

Dr. Thedinger asked about linen and towel replacement, and Ms. Crider explained why and how often these items need to be replaced. Ms. Crider stated these were replaced as needed in the fractional homes. Dr. Thedinger then inquired about the protocol for snow removal, and Ms. Crider answered that three inches is the current threshold that needs to be reached before snow will be plowed and shoveled. Mrs. Thedinger asked about ways to save money on electricity, and a brief discussion ensued. Ms. Crider said we could possibly not turn on all lights for fractional arrivals. Pinnacle has also cut down the Christmas light hours so they are only on from evening until about 10 p.m. to reduce costs. Mr. Becci pointed out that most consumption is with heating and cooling and he sees the largest increase with the heat tape in the winter.

Mr. Higgins expressed concern about the number of owners who are not being charged interest despite failing to pay their homeowner dues in a timely manner, and Mr. Shugart agreed that a different approach might be needed in order to rectify this. A discussion followed about various strategies that could be employed to ensure prompt payment by all owners, such as charging interest after 30 days and filing liens after 90 days, and various suggestions were offered by Mr. Becci, Mr. Grandey, Mr. DeSalvo, and others. Ms. Newlin Smith asked about the total amount owed, and Ms. Crider answered that there are currently three owners in arrears for a total of \$22,000. Mr. Galluzzo stated that he felt a special board meeting should be scheduled to decide on a specific timetable for taking action on this matter, followed by the sending of a letter of explanation to all owners, and Mr. Shugart and Ms. Crider agreed.

Mr. Grandey asked about the revenue deficit, and Ms. Crider and Mr. Shugart offered explanations of this deficit as it relates to the percentage of the budget that the developer subsidizes each year.

## **2014 Budget**

Mr. Shugart opened up a discussion of the 2014 budget. Ms. Crider began by explaining that Pinnacle is looking for a Director of Operations and has added \$35,000 to the budget in anticipation of this impending hire. The increasing cost of insurance for year-round employees is also reflected in this amount. Line items which have been decreased in the 2014 budget are accounting, cell phones, snow removal, housekeeping guest supplies, and Barn guest supplies. Management fees will, as always, be increased in direct proportion to the overall growth of the budget. Telephone and Internet costs are expected to decrease because of a new Comcast bulk contract based on a property-wide digital conversion that will sharply lower monthly internet rates. Dr. Thedinger asked whether all televisions require an added digital box, and Ms. Crider replied that she was under the impression they did. The line item for landscaping will increase due to new projects around the property. Repairs and maintenance will decrease, and Ms. Crider answered questions from Mr. Becci and Dr. Thedinger by explaining that this line item has to do with the interiors of fractional homes, not with anything pertaining to whole owners, and the exterior maintenance on the project. Kitchen replacements will increase so that the integrity of the fractional homes can be maintained going forward. Spring and fall cleans will slightly increase in order to add some needed off-season tasks.

Dr. Thedinger asked what the job description will be for the upcoming Director of Operations, and Ms. Crider gave him an outline of the general responsibilities included in the position. Mr. Shugart then added some of his own thoughts on the growing necessity of the position. Dr. Thedinger inquired about what the sticking point has been in filling this position so far, and Mr. Shugart spoke at length about how imperative it is to find a person with the right personality for The Porches. He added that Pinnacle intends to not let salary get in the way of finding this person and is prepared to subsidize up to half of his or her salary in order not to overly burden the homeowners association beyond the \$35,000 that will already be added to the 2014 budget.

Mr. Grandey and Mr. Becci each asked about the current ability of The Porches to attract and retain perennial and year-round employees, and Ms. Crider responded with an overview of the matter. She explained that there have been several front desk and shuttle employees who have been kept on staff through the past two off-seasons, which is a promising sign for the Porches. Mr. Shugart added that workplace environment is a crucial factor in retaining great employees from one year to the next, and he stated how important both Ms. Crider and the owners themselves have been in creating that appealing environment.

Mr. Galluzzo asked whether Ms. Crider has noticed that Wyndham's increasing prominence has had any effect on the expectations of year-round employees. He stated that he had spoken with a local person who receives exceptional benefits from Wyndham, and he asked whether this could present a problem for The Porches going forward. Ms. Crider spoke about the difficulty at times of competing with Steamboat's corporately owned resort properties. Mr. Shugart offered some additional thoughts before wrapping up the budget discussion and asking for a motion of approval. Mr. Boglioli made this motion, Mr. Becci seconded the motion, and the homeowners unanimously voted to accept the 2014 proposed operating budget.

## **New Business**

Mr. Shugart corrected a statement he made last year about the proposed new board member by explaining that it is still an appointed position rather than one that is elected by the homeowners. He stated that of the two people who had been nominated, Mr. Galluzzo is the only potentially interested nominee. He agreed to serve a

one year term.

Mr. Shugart next brought up the subject that was discussed last year if whether there should be a fractional home designated as a pet unit and he opened the floor for discussion of the matter. Mrs. Thedinger stated that she and her husband would never have purchased a fractional ownership if PRC owners had been allowed to bring dogs on property. Mr. Shugart clarified that what is currently at issue is whether there should be one designated PRC home in which all eight owners unanimously agree to allow dogs. Mr. Galluzzo asked whether Ms. Crider had contacted dog-friendly hotels in hopes of learning about their policies, and Ms. Crider responded in the affirmative. She explained that she and the developers are in the process of using the information that she gathered from about 15 dog-friendly hotels to craft a policy that will work for all of the dog-friendly PRC owners as well as for everyone else. Mr. Raybourn stated his support for a dog-friendly home, but made a distinction between the wear and tear resulting from large dogs as opposed to small dogs. Mr. Shugart explained that he had reached out to Mr. Raybourn last year about his interest in this subject, and Ms. Crider added that there is also a long-time fractional owner who has been eager to have a dog-friendly PRC home for years. Mr. Faulkner, a whole owner who has several dogs, offered his perspective including a few concerns to keep in mind for those who are weighing these questions.

Before proceeding with the next subject, Mr. Higgins expressed a concern he has about his home. He had found out in August from the county assessor that his warranty deed as well as at least one other Porches owner's warranty deed were currently incorrect. Mr. Higgins stated his displeasure that this information had not been communicated to him by anyone at Pinnacle. Mr. Shugart and Ms. Crider responded to this concern with apologies as well as some clarification on the nature of the mistake as well as where things currently stand in getting the matter resolved.

Mr. Galluzzo stated that he and several other owners feel the views of Mt. Werner are gradually being diminished by the increasing size of the trees on property, and he wondered if anything could be done about this. Ms. Crider responded in the affirmative, explaining that extensive tree pruning will take place this fall. Mr. Galluzzo stated that anyone with concerns on this subject should approach Ms. Crider with their questions. Mr. Shugart followed up by giving an overview of what these fall plans will entail, including pruning trees, removing dirt piles, and lowering the Barn parking lot, in order to preserve the views enjoyed by Porches owners.

Mr. Thedinger asked about recent sidewalk maintenance, and Mr. Shugart explained what had taken place and how it was affecting the appearance of the sidewalks. Mr. Thedinger added a second question about upgrading the Porches' street signs and stop signs, and Mr. Shugart said that he had looked into this but at this point had to follow city code and thus no changes would be made at this time.

Ms. Crider restated to the Club Owners that they will no longer be allowed to store additional items beyond the allotted space granted to them in the two bins and one ski bag. She explained that all items still remaining at The Porches next spring will be shipped back to owners in April so that the rules and regulations can once again be enforced.

Ms. Newlin Smith stated her concern that the shuttle signs on property are overly large and do not mesh with the overall look of The Porches, and she wondered if they could be replaced.

Mrs. Galluzzo stated her concern that Porches house numbers are very difficult to see for those who come to the property to deliver items.

## Adjournment

With no further comments or questions being offered, Mr. Shugart adjourned the 2013 annual meeting of the More's Corner Homeowners Association at 3:16 p.m.

### DIRECTORS:

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Bruce Shugart, President

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Shane Evans, Vice President

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Domenick Galluzzo, Secretary/Treasurer