

More's Corner Board of Directors Meeting

September 2, 2014

1289 Turning Leaf Ct

Call to Order

A meeting of the Board of Directors of the More's Corner Homeowners Association was held on Tuesday, September 2, 2014. Bruce Shugart, President, called the meeting to order at 4:14 p.m.

Roll Call

The following Board Members were present in person:

Bruce Shugart – President

Domenick Galluzzo – Secretary/Treasurer

The following Board Member was present via telephone:

Shane Evans – Vice President

The following Pinnacle Resort Management representative was present in person:

Emilie Crider – General Manager

Review 2013 Year End Financials

The Board reviewed the year end financials for 2013. Ms. Crider asked The Board if there were any questions. The Board did not have any specific questions for review. Mr. Galluzzo pointed out that it was under budget by \$129,000.

The board reviewed the balance sheet. Ms. Crider explained what accounts the HOA has for the reserve funds and that they are spread throughout a few banks to limit the FDIC liability for funds over \$250,000. We are presently working on getting another bank for this that will hopefully be at a .4% interest for the funds.

Review 2014 Thru June Expenditures

Ms. Crider started by pointing out that again we are under budget. Mr. Galluzzo then asked about the barn taxes. Three thousand dollars was budgeted and the actual expenditure in 2014 was fourteen thousand dollars. Ms. Crider responded that this was due to the city changing the zoning for the barn. They made it commercial zoning in 2013 rather than common area as it had been in the past. Pinnacle and the Developer are working together to abate the situation so it is remedied.

The amount due from the developer for the first half of 2014 is \$143,257.04. This amount the developer contributes to reach a zero budget. Mr. Shugart quoted the 2013 audit report recommending that the HOA become independent and should become independent of the developer subsidy.

The other income on the financials is the interest income that is from homeowners that are delinquent in their HOA dues. This is billed at 12% per annum as was agreed to by the board on October 2013 of last year. An owner's representative has asked for some relief for his interest. The Board felt it was appropriate to maintain the 12% since it was just reduced from 18% in 2013.

The Board then reviewed the homeowners that were delinquent to date. Mr. Shugart disclosed that the 1289 and 1291 homes on the list were owned by the developer and that a check would be issued promptly since they missed the 30 day deadline. Ms. Crider will try to procure more payments before the annual meeting.

The Board reviewed the spreadsheet of potential reserve fund expenditures through June of 2014. Mr. Shugart asked Ms. Crider to explain what reserve expenditures are. Ms. Crider explained that these expenses are outside of normal yearly maintenance. They are typically for large repairs or replacements that are not done on a regular basis. The Board reviewed the list in detail. Mr. Shugart thought these fell under reserve fund expenses and made a motion to approve using the reserve funds for the items on the spreadsheet. Mr. Galluzzo seconded the motion, it was passed unanimously.

Review of 2015 Projected Budget

The Board reviewed the 2015 budget extensively line by line. Ms. Crider will be including a list of items that were changed in the annual packet for owners to review. Mr. Galluzzo asked about shingles falling off the roofs. Mr. Shugart says this is typical. Ms. Crider is going to have the roofing company come assess the roofs when they do gutter clean out and repairs.

Mr. Shugart asked for a definition of Guest Supplies under housekeeping. Ms. Crider explained it is all the supplies that go into the fractional homes such as toilet paper, paper towels etc. This is a specific Private Residence Club Expense and is shown on the budget breakdown. Ms. Crider explained that kitchen replacements are done annually for little things any larger ones would be taken out of the reserve funds.

Mr. Shugart asked what was included in Guest Supplies under barn expense. This is for the coffee, tea, and candy. This budget has fluctuated and we are continuing to try to reduce it without cutting any amenities. Mr. Galluzzo asked about the taxes since it is still budgeted at \$3000. Ms. Crider indicated that we hope to return to that figure after reviewing with the city. The Board did not have any changes to make to the proposed budget.

The Board moved onto reviewing the options of the dues increasing as the 2013 audit report suggested. Ms. Crider discussed the amounts each residence style is shy of a balanced budget. The board previously discussed increasing fees for 5 years to achieve a balanced budget. 2015 would be the second of five years. The 2014 budget increased by 1.4% and the dues increased 3.5%. Mr. Galluzzo wanted to keep the increase as consistent as possible however at the 3.5% in 5 years with no increase many homes would still not balance the budget. After much review it was agreed that a 4.25% net increase for HOA dues for 2015's budget would be necessary to achieve the balance budget in the 5 year goal. Mr. Galluzzo wanted to make sure this was explained to the homeowners so they understand what the 5 year plan is and why we are headed this way. Ms. Crider will work on verbiage to send with the annual packets.

Mr. Shugart then brought up looking at expenses to hopefully monitor expenditures to help reach a balanced budget. To work toward a balanced budget he asks we review newspapers, airport shuttles, guest supplies in the barn, etc. to try to reduce costs so the annual increase can stay consistent. Mr. Galluzzo suggested that Ms. Crider give some scenarios with no airport shuttle and a shared airport shuttle option. By doing this Mr. Galluzzo is hoping to give the homeowners a clear correlation of expenses versus savings. Ms. Crider will get some verbiage together to have Board review to send out to homeowners.

Mr. Galluzzo made a motion to ratify the budget as proposed and the 4.25% HOA dues increase. Mr. Evan's seconded the motion. It was agreed to unanimously.

Ms. Crider stated the present state of the Reserve Study. She is presently working on getting it into a format that would work for our association as the homes were built over a span of time and everything wouldn't be replaced at the same time. She hopes to have that out to the homeowners as soon as possible.

Review all changes to Rules and Regulations

Ms. Crider distributed a copy of black lined Rules and Regulations for the Board's review. Mr. Shugart pointed out 4.F. is already stated so we would not duplicate. 4.G. references the fractional shuttles and the Board did not want to move ahead with the changes based on the budgeting conversation from earlier. 22.D. was then discussed, Mr. Shugart wanted to know what the consequence was beyond offense three. Mr. Galluzzo wanted to make sure there was a call for notice with an opportunity to cure. After further review Mr. Galluzzo didn't think the verbiage was right for our association and asked that Ms. Crider go back to the lawyer to review further.

After reviewing 4.A. the board wants to stay at the 12% per annum and override the 18%. For Exhibit A the Board approved changing the

New Business

Ms. Crider brought up that several Private Residence Club Owners have discussed that they would like to have a voice on The Board. Mr. Galluzzo thought that was a great idea to have a fractional advisor to the board. Mr. Shugart suggested we reach out to a few fractional owners to see if they would have any interest. It would be an invitational position to The Board where the fractional owners would have an owner to represent the Private Residence Club. Ms. Crider will ask the attorney how we could have a Private Residence Club owner on the board as an advisor.

Bruce Shugart adjourned the meeting at 5:53 p.m.

DIRECTORS:

Bruce Shugart, President

Shane Evans, Vice President

Domenick Galluzzo, Secretary/Treasurer