



Pinnacle Mountain Property Owners Association Annual Meeting Minutes for 15 July 2023 at 10:00am

Call to Order

- The meeting was called to order at 10:08am by Sam Fink.
- Sam explained the voting procedure, using the voting sticks handed out at check-in.
- Quorum was confirmed with 48 lots represented either in person or by proxy. (Quorum requirement is 20% of the membership represented by attendance or proxy.)
- Jan Burlee read the PMPOA Accomplishments for the fiscal year. The complete list can be viewed on the website under the Meeting Minutes tab.

Secretary's Report

- Chris Roderick presented the meeting notes from the 2022 and 2021 annual meetings. The notes were reviewed as relevant to the day's discussions. No questions were raised.
- Chris Roderick discussed the upgrade of the website last year and some of the new content added. Jan and Sam also commented on new content, including the Pet Emergency tab, Renters Guidance, and UTV policy which can now be found on the website, along with most POA documents.

Nominations

- Sam discussed a motion that was received over email from a member. The motion requested that the Road Commissioner be elected at the Annual Meeting. Sam explained that this was not possible as our Provisions state that the Road Commissioner is appointed by the Board. To change this would require an affirmative vote by 75% of the total membership. The 48 lots represented at the meeting were not sufficient to achieve 75% representation.
- The Board reelected Frank Stroman as Road Commissioner.
- The Board also revealed that Alex Arrage had volunteered to be an apprentice Road Commissioner under Frank. The goal is to get someone else familiar with the role and serve as an eventual successor for Frank when he is no longer interested in the role.
- The floor was then opened to nominations for the Board of Directors. All five current Board members had already agreed to serve and been nominated during the mail-in nominations.
- Frank Stroman received a mail-in nomination for the Board but declined the nomination.
- Chris Bennett was nominated by Frank Stroman and seconded by Sam Fink. Chris provided a brief background. Chris and his wife Cindy own 1801 Pinnacle Pkwy as of October 2022. Chris is a retired Virginia State Investigator and National Guardsman. Chris's current career is as a money laundering investigator for USAA. Chris and Cindy are full time residents with no plans of moving anytime soon.
- No further nominations were made.

Architectural Committee Report

- Sam Fink presented the Architectural Committee report.
- There has been a total of five applications submitted to the Committee this year: 1 Home, 2 Sheds, 1 Garage, and one Fire Pit. All were approved except one shed.
- Sam noted that the shed application was denied for poor construction techniques against the Covenants and Restrictions and poor quality of materials. The other shed required a variance to the 30' setback to the property line which the Committee granted.
- The garage application required a variance to a driveway set-back, which was agreed to by the other driveway user and the Committee.
- A new lot owner had inquired about a variance to sub-divide his lot in two. The resulting lots would not meet the 3-acre minimum set forth in the Covenants and Restrictions and would render one lot nearly unbuildable. The Board has agreed that if a formal request is made for such a variance, it will be denied.
- The same owner requested a variance for a view easement held on his property by two adjoining lots. The Board cannot grant him a variance since the easement is with the other two owners; so the owner has been advised to discuss the variance with them.
- Per the 2021 Annual Meeting, discussion about the Impact Fee for new construction was revisited. The Board proposed the following motion:

Motion: The Impact Fee shall remain at \$500 for new construction, however no portion of the fee shall be returned to the owner upon completion.

- The rationale for this was that the current policy of returning \$250 at the completion of construction "if no significant damage occurred to the road" was arbitrary and not easily determined, so to prevent bias, it should be removed.
- Additionally, the cost of gravel and road work has increased, so \$250 would not be sufficient to cover a load of gravel at the construction site entrance, which is typically the minimum work required after construction is complete. Retaining the full \$500 would better cover that cost.
- The Motion passed 48 In Favor, 0 Opposed, 0 Abstained.
- A discussion was renewed about the switchback work completed by Mark Stroman in-lieu of impact fees for a property in 2021 and who should have ultimate say in where an impact fee gets imposed. The following Motion was made by a member:

Motion: No contractor shall decide where or how an impact fee is imposed. The Board shall have the ultimate power in this decision.

- The rationale being that a contractor should not have any say on where or how their impact is used on the road.
- Note that in the case of Mark Stroman's sponsorship of switchback, Mark Stroman brought the proposition to the Board, which the Board accepted.
- The Motion was passed 48 In Favor, 0 Opposed, 0 Abstained

- One further discussion was brought up regarding splitting of the impact fee with PRSPOA. The Motion was as follows:

Motion: The impact fee shall be shared between PMPOA & PRSPOA based on a percentage agreed to by both parties.

- The rationale for the motion was that PRSPOA is also affected by construction activity on PMPOA and should be equally compensated.
- Those against the motion argued that continuous wear and tear should be addressed as part of a road agreement, and not part of the impact fee which PMPOA is using to put down a fresh load of gravel at construction site entrances.
- It was also argued that if extreme damage should occur due to construction traffic it should be handled by requiring the contractor to pay to fix the road on a per case basis. Some members noted that while this was ideal, it is hard to prove who may have torn up the road at any given point and time to lay blame on any given contractor.
- The Motion failed 15 In Favor, 32 Opposed, 1 Abstained.

Gate Committee Report

- Chris Roderick presented the Gate Committee report.
- The YELP System that allows emergency vehicles to open the gate via siren had a failure in October of last year. The Committee replaced and tested the YELP system by volunteer effort.
- Both the YELP system and the cameras have been functioning as expected since.
- Our telephone service through AT&T, which is used to access the gate and provides directory services, nearly doubled in cost this year when our contract came up for renewal. Thanks to negotiation efforts by Jan Burlee, that cost increase was reduced to ~\$120 per month for this year.
- The Committee is concerned that AT&T will not be so generous next year, and so will start investigating both the upfront, and monthly costs, to switch from a land line telephone service to a cellular service. The consensus is that AT&T is trying to price customers out of the land line telephone service as it becomes obsolete. The Committee will report its findings to the Board.
- Gate statistics for July 2022- July 2023:
 - 8452 Total Transactions
 - 5503 Clicker entries
 - 2631 Entry Codes
 - 127 Directory, 55% of which were successful.
 - 191 Modem to Modem (this is when the Committee sends or retrieves data to the gate system)

Treasurer's Report

- Jan Burlee covered the year end financials. Copies of the reports are available upon request.
- Of the 85 property owners, 84 were completely paid up for 2022-2023 dues, including all past dues and late fees. The only outstanding property owner is believed to be long deceased, along with her heir. The county is also not pursuing back taxes on the property at this time, so there is little the Board can do to collect on this property without taking legal action.
- The Associations 3 CDs matured this spring and were rolled over into 1 year CD's at 4% interest.
- During discussions on the budget for 2023-2024 it was noted that PO Box rental is listed as \$125, though the actual cost is \$68. This is the value traditionally left in this category, but the Board will evaluate and consider reducing to repurpose the funds elsewhere.
- A discussion was raised about holding funds allocated for PRSPOA out of the Emergency Fund until an agreement can be reached with PRSPOA to pay those funds. Traditionally any excess funds are moved to the Emergency Fund at the end of the Fiscal Year. The Motion was as follows:

Motion: Funds from the 2022-2023 budget allocated for PRSPOA will be held in reserve into the 2023-2024 fiscal year until invoices are received from PRSPOA and review by the Board finds them sufficient and applicable. The Board shall have the authority to distribute said funds as it sees fit.

- Arguments for payment included that PMPOA has a moral, but perhaps also legal basis to pay PRSPOA for road maintenance. The claim of legal responsibility was that the law states that the use of right-of-way easement shall not cause undue hardship on the property owner on whose land the easement is granted. By not paying, it was argued that PMPOA is causing hardship on PRSPOA to pay for increased traffic with no input of funds by PMPOA. This legal language has not been verified by a legal professional.
 - Others argued that the deeds, Covenants and Restrictions, and By-Laws state nothing about PMPOA having a responsibility to contribute to PRSPOA road maintenance, and that all prior payments and funds have been provided as part of a Good Neighbor Policy.
 - The Motion failed 21 In Favor, 24 Opposed, 3 Abstained.
 - Thus, the funds will be moved into the Emergency fund and the Board will not have authority to distribute these to PRSPOA.
- Additional discussion was had about the 2021-2023 2-year Road Agreement. The 2021-2022 Board determined that PRSPOA had breached the agreement by performing grading with a box blade on the switch backs in late April of 2022, as the agreement stated that all work would be ordered by the Road Commissioner. This action damaged the crown of the road which had been established under previous motor grading sessions and reversed improvements achieved on the switchbacks.
- It was argued that this claim was false, and only a pothole had been repaired, but neither side was able to come to a consensus or provide proof, so the matter stagnated.
- Another motion was made regarding the distribution of road funds to PRSPOA as follows:

Motion: No road funds shall be disbursed by PMPOA to the lower association (PRSPOA) during any fiscal year except pursuant to a road agreement executed during the same fiscal year. Additionally, all disbursements shall be for work and/or materials provided subsequent to the execution of the ~~any such~~(sic) road agreement, i.e., there shall be no retroactive payments for work and/or materials rendered prior to the execution of such road agreement.

- The Motion was passed 30 In Favor, 18 Opposed, 0 Abstained

Road Committee Report

- Frank Stroman presented the road report. A copy of the report will be posted on the website.
- Frank discussed the need to replace 2 culverts below the concrete strip as water is beginning to run under the culverts, eroding the road base and causing potential stability concerns.
- The Board had set aside \$3,680 in the 2023-2024 budget for this replacement. Any additional cost will come out of the Emergency Fund to avoid a critical road failure/washout.
- A member brought up the idea of sleeving culverts to reduce costs. This will be investigated, and the Board & Road Commissioner will see if it's feasible. (Reportedly, this approach was investigated by prior Boards and found too expensive, but this was several years ago.) The member also advised filling the old culvert entrance with flowable fill to prevent water from continuing to flow under the old culvert.
- Frank reminded everyone to swing wide on turns and encourage the use of 4WD and AWD vehicles for residents, guests, and contractors.

New Business

- Discussions were renewed about the mailbox situation and how both POAs could get more mailboxes at the front entrance since PRSPOA no longer wishes for them to be installed in the curve by Lower Switchback. The following motion was put forward:

Motion: PMPOA will contribute, along with PRSPOA, to the construction of a concrete pad and installation of a light near the existing front entrance parking area. The purpose of said concrete pad will be to hold Clustered Mailbox Units (CBUs) for residents. PMPOA/PRSPOA will each fund and maintain their own individual CBUs. The pre-conceptual estimate of the PMPOA budget for this project is estimated as \$6,000 and will utilize volunteers as much as possible to limit costs.

The scope of work would entail clearing/removal of trees from the desired area as required, grading/leveling of the site, installation of the concrete pad, installation of either a utility fed light or solar light, installation of one CBU per association to start, with room for more stands in the future.

Furthermore, funds for the project will be reimbursed to the PMPOA over time by collection of onetime fees from residents that use the CBUs, equal to the total cost of the project divided by the number of mailboxes that the pad can hold for PMPOA.

- This approach had been discussed with PRSPOA and the Postmaster.
 - There was disagreement between the two members present at the meeting with the Postmaster on whether existing mailboxes could/would have to be removed if CBU's were installed.
 - Another member argued that we should have a written easement from the front entrance owner (the original developer of the mountain) before we place CBU's at the front entrance. ~~Verbal agreement had been received previously.~~
 - The Motion was withdrawn pending a written easement agreement and confirmation in writing from the Postmaster on whether the existing mailboxes must be moved.
- Discussions were held on the Road Agreement received from PRSPOA on June 22, 2023. The high-level terms of the proposal are as follows:
 - 70% PMPOA contribution to maintenance on Pinnacle Parkway.
 - Payment of \$9,350 based on the original 2-Year Road Agreement
 - 50% of Impact Fee to PRSPOA
- The Board requested feedback and suggestions from the membership on the proposal while we continue to negotiate a new agreement. The following four motions were made as part of those suggestions.

Motion: PMPOA shall contribute no more than 50% towards a joint road budget with PRSPOA in the 2023-2024 fiscal year and the budget shall be capped at \$6,350 as proposed in the 2023-2024 budget.

 - The Motion passed, 30 in Favor, 18 Opposed, 0 Abstained.

Motion: Boards for both associations will work together to determine and outline appropriate means and methods for road maintenance in future road agreements.

 - The Motion passed, 47 in Favor, 0 Opposed, 1 Abstained.

Motion: All road agreements shall include a cap on funds to be contributed.

 - The Motion passed, 47 in Favor, 0 Opposed, 1 Abstained.

Motion: Road Agreements shall include a withdrawal clause allowing the Board to withdraw from the agreement at its discretion if it feels the contract has been breached.

 - The Motion was withdrawn.
- The new Board of Directors were announced as follows:
 - Sam Fink
 - Daniel Beckmann
 - Jan Burlee
 - Chris Roderick
 - Chris Bennett
- A motion was made to approve the 2023-2024 Budget as proposed and adjourn the meeting. The Motion passed 44 in Favor, 0 Opposed, 4 Abstained.

- The meeting was closed at 2:35pm.
- The newly installed Board convened to establish roles as follows:
 - Sam Fink (President)
 - Daniel Beckmann (Vice President)
 - Jan Burlee (Treasurer)
 - Chris Roderick (Secretary)
 - Chris Bennett (Board Member)