



Pinnacle Mountain Property Owners Association Annual Meeting Minutes for 13 July 2024 at 10:00am

Call to Order

- The meeting was called to order at 10:02 am by Board President Daniel Beckmann. The President opened the meeting with introductions and went over the accomplishments for 2023-2024. Notable highlights include funding the final installment in the gate emergency fund, replacement of two severely damaged culverts, and concluding the lawsuit brought against us by PRSPOA with a ruling in our favor. This complete list and document will be available on the website.
- The Secretary confirmed a quorum was achieved with 24 lots represented in person & 24 more by proxies, for a total of 48 lots represented out of 100 eligible lots. (Quorum requirement is 20% of the membership represented by attendance or proxy).
- The Secretary explained the voting procedure.

Secretary's Report: Presented by Chris Roderick

- This year we made the effort to move our file storage to the cloud rather than in multiple binders/flash drives. This will allow us to keep more comprehensive and accessible records going forward.
- The PMPOA website is seeing about 1,985 hits a year on the website, ~165 a month give or take.
- The Board plans to add a password for our minutes page in the upcoming year, which means that only PMPOA members will be able to access these documents.

Treasurer's Report: Presented by Jan Burlee

- Jan Burlee covered the year end financials. Copies of the reports are available upon request.
- Of the 82 property owners, 81 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.
- Jan explained how we have both liquid operating funds in the checking, and non-liquid reserve funds invested in certified deposits (CD). This year the CD's accrued \$1,265 interest. The Associations 3 CDs matured this spring and were rolled over into shorter term CD's at between 4 & 5% interest.
- The Board filed a lawsuit in small claims to collect on a member who was delinquent on late fees for 2023-2024 dues. This claim was settled, and we recuperated the late fees and the court filing costs.
- Actual expenses closed at \$46,430 for the 2023-2024 fiscal year. This included \$6,659 that was removed from the emergency fund to cover an emergency culvert repair and \$2,550 pulled from the emergency fund for the gate cellular upgrade to ensure continued and affordable telephone service to our gate.

Architectural Committee Report: Presented by Samuel Fink

- One home has completed construction this fiscal year and another is expected to be completed in the coming months.
- Another home is expected to start construction in August.
- Construction on a garage will also begin in August.
- The committee has approved separate applications for a split rail fence and firewood storage area.
- One shed application was submitted but withdrawn by the Owner.
- The Committee resolved one complaint about a non-compliant address post color.
- An inspection is still pending on one fire pit due to scheduling conflicts.
- Sam reminded everyone that any new construction, major exterior renovations, or upgrades, including sheds, should go through the Architectural Committee for approval, though only new construction will have the \$500 fee assessed.

Road Committee Report: Presented by Frank Stroman

- A copy of the full report will be posted on the website.
- This year we replaced two culverts just below the traction strip that were failing to prevent a significant washout.
- Frank discussed the need to replace one additional culvert by the gate. This will be tackled early this fiscal year. All other culverts in the association are in good shape and the Road Commissioner does not anticipate a need to replace anymore in the near future.
- The Board has set aside \$4,000 in the 2024-2025 budget for this replacement. Any additional cost will come out of the Reserve Fund to avoid a critical road failure/washout if required.
- Frank reminded everyone to swing wide on turns and encourage the use of 4WD and AWD vehicles for residents, guests, and contractors.
- Frank thanked all members who continue to clear ditches around their properties and mow the sides of the road. All these efforts help to reduce our expenses and keep the association roads functional and beautiful.

Gate Committee Report: Present by Chris Roderick

- A copy of the full report will be posted on the website.
- Both the YELP system and the cameras have been functioning as expected since the last meeting.
- The big item for this year was the replacement of our hardline telephone system with a new cellular system. We were forced into this update as AT&T had indicated last fall that they would not renew our contract for hardline telephone after April 2024, and we would be exposed to monthly rate hikes and eventually discontinuation of services. To get ahead of this and avoid additional monthly expenditures we worked with TEM systems who has supported us in the past and got switched over to a new cellular unit, completely severing us from AT&T. All told, the upfront cost for the upgrade was \$2,807.58, with a reduction in monthly expenditures of ~\$78 per month. Funding for the upgrade was pulled from operating funds.

- We've also made our last contribution to the gate reserve fund, so that fund now sits at the proposed \$8,056.
- An order of clickers will be placed following this meeting. At least four owners have already expressed interest in getting more. If others are interested, please reach out.
- Owners were reminded not to share their personal codes outside their immediate family and close friends. Please reach out to the Gate Committee and request codes for contractors, guests, or realtors as needed.

Nominations

- The floor was opened to nominations for the Board of Directors. Three members of the current board, Jan Burlee, Chris Bennett, and Daniel Beckmann had already agreed to serve and been nominated during the mail-in nominations.
- Billy Wall was nominated by Jan Burlee and seconded by Chris Roderick.
- Jerome Lauck was nominated by Frank Stroman and seconded Laura Muldowney.
- No further nominations were made, so the new Board will consist of the five nominated members.

New Business

- Lawsuit with PRSPOA - The President recapped the lawsuit brought against us by PRSPOA regarding breach and nonpayment allegations on the 2021-2023 Road Agreement. We lost the first hearing with the magistrate, but on appeal, the arbitrator ruled in favor of PMPOA, and we were not required to pay based on the terms of the agreement and a lack of invoices. PRSPOA failed to appeal the arbitrator's ruling, so the case is closed and PMPOA does not owe any funds. The Treasurer noted that thanks to our insurance, we did not incur any costs for our legal representation in the lawsuit.
- After the lawsuit, we entered into a temporary, 3-month road agreement with PRSPOA, which included terms about 50/50 contributions, provision of invoices, and no back payments outside the agreement. This agreement concluded at the end of the fiscal year and all funds allocated for PRSPOA in the 2023-2024 budget were distributed accordingly.
- During the lawsuit, the magistrate, the arbitrator, and our lawyer all recommended merging the associations to avoid such disputes in the future. To this end, the Board began investigating a possible merger to see if it was viable and warranted discussion with the wider membership. This was done through Executive Session meetings between PRSPOA and PMPOA to determine the interest, goals, and feasibility of such a merger. While these discussions were ongoing, the PRSPOA President created a post on their association Facebook page that claimed PMPOA was dishonest in our intents for the merger, was attempting to manipulate PRSPOA, and stated her disapproval of the merger as well as her intent to keep the merger from progressing, despite conversation to the contrary that she was having with PMPOA.

After learning of this post, the PMPOA Board sent emails to both our membership and the PRSPOA Board, informing them that while PMPOA was still open to discussions about joint

matters, such as road maintenance, they will no engage in direct communications with the current PRSPOA president.

The board explained that it still believes a merger to be the best option to resolve ongoing disputes between the two associations and hopes to continue the discussion with PRSPOA at some time in the future.

- 2024-2025 Road Agreement – The President reported that a draft copy was submitted the night of July 12, by PRSPOA. Based on a quick review, he believed the agreement was similar to the Temporary Road Agreement, however, the amount requested by PRSPOA was much higher than the amount allocated to the PRSPOA section of Pinnacle Parkway. Concerns were expressed by members at the meeting about the stretch of road from the gate to the first PRSPOA owner driveway as it is degrading rapidly and in need of serious work. The Board has similar concerns and will be discussing this with PRSPOA in the new agreement.
- Code of Ethics – The Board has been looking to foster a relationship of trust and openness with our members. Looking at other associations, a Code of Ethics is a common aspect of other associations. As such we've compiled a code of ethics, that will be filed in the Presidents book and placed on the website. The code of ethics will set standards and expectations for Board members, while giving the membership definitive guidelines to hold the Board accountable.
- Lot Owner Committee – The Board would like to implement a Lot Owner committee to advise the Board as the Board is entirely comprised of those owning homes, and largely of full-time residents. As such, we'd like to establish this committee to get more input from property owners and to broaden our perspective. The Committee would be convened remotely prior to quarterly Board meetings to provide their concerns about the Association and provide feedback/insight on items the Board may want to discuss with them.
- 2024-25 Budget Review – The budget was reviewed and discussed in detail. \$200 will be moved from Contingencies to Kudzu Control. Significant concerns about the road and the need to ensure that funds are spent there were discussed at length.

Motion: Limit PRSPOA budget contribution to \$6,350, to be allocated at the Board's discretion. Put forward by Mark Smith, seconded by Riley Ethington.

- The Motion passed in 33 Favor, 15 Opposed, 0 Abstained.

- This motion left \$2,750 unassigned in the budget that needed to be addressed.

Motion: Allocate \$2,750 to Miscellaneous that can only be appropriated to PRSPOA if it is for the section of Pinnacle Parkway from the Westover's driveway to the PMPOA Gate with 50/50 match by PRSPOA. Put forward by Frank Stroman, seconded by Chris Roderick.

- The Motion passed in 48 Favor, 0 Opposed, 0 Abstained.

The approved budget for 2024-2025 is as follows:

Road Maintenance

Gravel, Grading, Ditches	23,500
Culvert Repair	4,000
<u>Pinnacle Ridge South</u>	<u>6,350</u>
Total Road Maintenance	\$33,850

Gate

<u>Utilities</u>	<u>1,700</u>
Total Gate	\$ 1,700

Administrative

Website	250
Insurance/Umbrella/ BOD	2,150
Taxes	125
<u>PO Box Rental</u>	<u>75</u>
Total Administrative	\$2,600

Miscellaneous

Kudzu control	200
Annual Meeting	500
Contingencies	300
<u>Westover/Brown Road Contingency</u>	<u>2,750</u>
Total Miscellaneous	\$3,750

Total Budget for Fiscal Year	\$41,900
Total Funds from Dues	\$41,925

- Change in Fiscal Year - For some number of years, PMPOA has followed a non-calendar fiscal year (FY) of July 1 through June 30. After some discussion, the following motion was put forward by Jan Burlee and seconded by Daniel Beckmann.

Motion: PMPOA shall change their operating year from a non-calendar fiscal year (FY) of July 1 through June 30 to the traditional calendar year (CY) timeframe of January 1 through December 31.

- The Motion passed, 44 in Favor, 4 Opposed, 0 Abstained.
- As the change requires an adjustment to the Homeowners Provisions, the Board will mail a ballot out to the membership to get the required 70% response. The change will require Section 1(b) of Book 690 Page 0395 to be rewritten as follows: The Pinnacle Mountain Homeowners Association shall meet once a year for the purpose of electing officers and planning road maintenance for the streets and road of the residential area. Such annual meeting should be held on a date that falls within two months after the end of the corporation's fiscal year.
- This change will allow us to adjust our Fiscal Year as we see fit and will make adjusting the Annual meeting/Fiscal Year easier in the future if deemed necessary.
- This change will require a shortened operating period from July 2025 – December of 2026 to accommodate the switch, at which point we will start hosting the Annual meeting in Januarys going forward, starting in 2026.

- Fred Mansperger asked all members to be considerate of speed, especially when passing homes close to the road. Even travelling the speed limit during dry conditions kicks up considerable dust. We should all be considerate when passing homes and try to go as slow as reasonably possible to be considerate of our fellow neighbors on both associations. It was suggested that homeowners could install sprinklers to wet the road in front of their houses to reduce dust.
- For several years now the Board has been under increasing pressure from parts of our membership to respond quicker and quicker to questions, complaints, and requests. While the Board understands that urgency is necessary in some situations, (emergency road closures, legal requests for closings, etc.), the expectations are not always feasible. Going forward, the Board is going to adopt a policy that all non-emergency requests shall be responded to in 2 business days or less. This will set reasonable expectations for both the membership and the Board for communications.
- Questions were posed by one member about the Porta-potty at the corner of Double View and Pinnacle Pkwy which is required by law for the construction taking place at that home. The owner anticipates finalizing the construction in the next 6-8 weeks and the porta-potty/building materials will be removed at that time.
- The meeting was closed at 12:44pm.
- The newly elected Board convened to establish roles as follows:
 - Daniel Beckmann (President)
 - Billy Wall (Vice President)
 - Jan Burlee (Treasurer)
 - Chris Bennett (Secretary)
 - Jerome Lauck (Board Member)
- The preliminary quarterly Board Meetings will be held on Saturdays from 3-5pm on the following dates and locations:
 - September 14th - Daniel's Home
 - November 16th – Jan's Home
 - March 15th – Billy's Home
 - April 12th – Jerome's Home