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**Porto Cima Townhouse Property Owners Association  
Board Meeting  
May 14, 2016**

Bill Manion called the meeting to order at 9:00 a.m. Board members present were Bill Manion, Jim Barnett, Jim Butler, Lynn Diggs, Lee Eise, Fred Miller and Walter Thompson. Also in attendance were Todd Nelson from Nelson Management Company and Larry Johannesen transcribing minutes.

Bill Manion asked Todd Nelson to introduce the first item on the agenda.

- 1. Approval of 12/31/2015 Financials:** Todd Nelson explained that the financials are prepared individually for each of the seven neighborhoods comprising the Porto Cima Townhome Property Owner's Association (PCTPOA). After Todd Nelson stated expenses went up everywhere due to maintenance and a drop in reserves due to long term repair work in a few of the neighborhoods (window sloping in Villa La Cresta, brick molding and window replacement in Via Bacino, water intrusion in Bello Point), Jim Barnette stated that there was a pretty big drop in Villa La Cresta's reserves. Todd Nelson explained that was due to the Board's authorization in 2015 of a partial reimbursement (totaling approximately \$77,000) to owners who had been subject to a special assessment for repairs associated with "window sloping". Jim Barnett then referred to the "Reserve Study" (commissioned by the Board in 2014) and the status of its recommendation for replacement of awnings in Via Bacino this year. Todd Nelson responded by saying they had been replaced on one building so far and others would follow, building by building with the worst ones being done first. There was then a general discussion about the format of the financials, resulting in a recommendation to Todd Nelson that there be a more detailed explanation of the reserve expenditures in addition to showing the net change and current balance. The board members then discussed the approved. benefit of also showing, what is now going to be referred to as, the "target reserve amount" recommended by the study. Fred Miller recommended this information now be shown in the financials on the balance sheet.

Todd Nelson then said that Jim Barnett had asked him to do an analysis of budget to actual for 2015. Jim Barnett then asked Todd Nelson to go over just the big changes. Todd Nelson began by stating the most obvious was in general maintenance, which had been budgeted at \$71,500 with actual spent totaling \$92,000 across the seven neighborhoods. The biggest amount over was in Villa La Cresta because of the credit back to owners for window sloping repairs. It was pointed out that audit and legal fees were higher than budget. Todd Nelson stated that the audit fees were impacted by the "Reserve Study" and legal was over as a result of unusual assessment collection issues.

Bill Manion then asked if there was any further discussion or questions. Being none, he asked for a motion to approve the 12/31/2015 Financials. The motion, made by Fred Miller, seconded by Lynn Diggs, was unanimously approved.

- 2. Approval of 03/31/2016 Financials:** Todd Nelson began by providing an overview of the 1<sup>st</sup> quarter financials. He reminded the Board the 1<sup>st</sup> quarter was the slowest of the year with expenditures being quite low – this year in particular because of the minimal amount of snow removal. Fred Miller then asked if a big portion of the maintenance fees receivable, up 10% in the 1<sup>st</sup> quarter over the last quarter of 2015, was the result of the increase in dues, to which Todd Nelson answered yes.

Bill Manion then asked if there was any further questions or comments. Being none, he asked for a motion to approve the 03/31/2016 Financials. The motion, made by Jim Butler, seconded by Jim Barnett, was unanimously approved.

3. **Operating Reserve Transfer of \$130,000 to US Bank:** Todd Nelson recommended the Board approve transferring \$130,000 from the operating account at Bank of Lake Ozark to the insured investment account at US Bank.

A motion to approve, made by Lee Eise, seconded by Jim Barnett, was unanimously approved.

4. **Board Positions:** Bill Manion introduced this item by saying he had asked that it be on the agenda. Since then, he has clarified his understanding of board member Marti Eagan's intent to remain on the Board until her home in Porto Cima is sold or until the end of the year when she would re-evaluate her situation. He further stated that he has discussed with her Walt Thompson, recently appointed Associate Board Member, having her proxy for vote at meetings she will be unable to attend. Bill Manion indicated that Marti Eagan was in agreement.

Bill Manion then asked the Board for comment, discussion or approval. Lynn Diggs then made a motion to approve, which was seconded by Lee Eise, and approved unanimously by the Board.

Bill Manion then asked the Board if Walt Thompson should be approved as an authorized signer on the Associations accounts, in case it were ever needed. After some discussion, Fred Miller made a motion to approve Walt Thompson as an additional signatory on the Association's bank accounts, it was seconded by Jim Butler and was approved unanimously by the Board.

5. **Liens vs Judgements:** Todd Nelson wanted to make sure that everyone on the Board knew that in the event a property the Association had placed a lien against was foreclosed, the lien would be "wiped out" and never recover the delinquent monies. Banking industry board member Jim Barnett then moderated a discussion about the foreclosure process, liens and the primary lender having first rights.

6. **Old Business:**

- a. **Website:** Todd Nelson informed the Board that the web site is now being managed by Anderson Creative, a company specializing in full service creativity. Their clients include Lake Lifestyles, LO Profile, Vacation News and others. Todd Nelson then reminded the Board the Association's website is: [www.PCTPOA.com](http://www.PCTPOA.com) or the long version [www.portocimatownhomepoa.com](http://www.portocimatownhomepoa.com)
- b. **Landscape update/set up landscape committee meeting:** Todd Nelson began by providing the Board with a print out of the contracts and updating the members with the status of the spring start up in each of the neighborhoods. He stated that grass cutting started earlier this year because of the early warm weather. He further stated he has had questions about landscaping issues. In the past, the Board had a landscape committee that went through each neighborhood. Todd Nelson stated that it was helpful for him to walk the properties with the committee to determine plants needing to be replaced and other items needing attention. The Board then discussed re-instituting the landscape committee and who should be the members. Jim Butler felt it important that Todd Nelson should not have to be the pro-active one in determining what work is needed, but rather be included in the committee's determination of work needing to be done. Lee Eise stated that as a member of the original committee, he found it helpful having Nelson Land Service involved because of their knowledge and expertise. A lengthy discussion then followed about the actual landscape maintenance performed over the years, the frequency and method of weeding and trimming and whether or not there was a need for adjustment. The discussion ended with Jim Barnett suggesting the landscape committee be responsible for the "nitty-gritty" and working through these issues. The Board determined that the original members of the committee will now be led by Fred Miller and will now include new members, Jim Butler, and Walt Thompson.
- c. **Crosshair update/inspections:** Todd Nelson began by saying Crosshair was working in Bello Point with Punto Piloto being the next neighborhood on the schedule. Work in Via Bacino is planned to be done in conjunction with completion of Bello Point. Todd Nelson indicated that Pete Hye's EIFS inspection work is continuing, at which point, Jim Butler complemented the Board and Todd Nelson for having the foresight in recognizing the need for the inspections and the corrective work that is ongoing. Before moving to the next item on the agenda, Fred Miller wanted to confirm that individual Owners were being assessed the 50% cost participation for interior water damage repairs rather than being spread over the entire neighborhood. Todd Nelson stated that Owners were being assessed individually, according to the definitions in the Bylaws and the cost participation policy the Board adopted last year.

7. **New Business:**

- a. **Villa La Cresta drainage:** Todd Nelson stated that there was a significant washout between Villa La Cresta and the golf course property in the same place major work was done at Association expense in 2009. He has taken bids for the necessary repair work to be done. There was then discussion about how much of the repair work is on Association property versus golf course property and the potential for reimbursement from the golf course for their portion of the work. The general consensus was the golf course would not participate, and in this case, with the total cost of work being only \$2,400, the Association should go forward with the work. Todd Nelson then asked the Board for approval to have the work done. A motion made by Lee Eise to approve, seconded by Jim Butler, was unanimously approved by the Board.
- b. **Freese and Davidson roof leak:** Todd Nelson stated this was a situation in Bello Point, in which Above and Beyond Roofing was supposed to have fixed a couple of roof leaks. The owner's told Todd Nelson the repairs weren't done correctly and the next time it rained there were leaks that caused interior damage. The Owners had the necessary interior repairs made and are now asking the Association to reimburse them for the cost. There was then a discussion about Association contractor's being responsible for the cost of correcting problems caused by their work. Todd Nelson indicated he had already asked Above and Beyond to cover the cost of repairs and is waiting for their answer. The Board members agreed to hold this matter for a few weeks until the contractor responded. Depending on the contractor's response, Todd Nelson was directed to contact the Board if further action were necessary.
- c. **Berman request to have electrical box planted:** Todd Nelson has a request from this Bello Point Owner to have the Association provide landscape around the utility box in his front yard claiming he Association has done this in other areas of Bello Point. Todd Nelson pointed out that, while there are utility boxes that are landscaped, it has been done by the Owners of the homes at their expense, not the Association's. There was then a discussion regarding the merit of having all utility boxes landscape and the better appearance of the neighborhood. Lynn Diggs expressed concern about setting a precedent that could become quite costly to the Association. Fred Miller made a motion to approve Mr. Berman's request with the Association splitting the cost. The motion, seconded by Jim Butler, failed with 2 in favor and 3 against. Fred Miller made another motion to approve Mr. Berman's request for the landscaping, but at Mr. Berman's expense. The motion, seconded by Jim Butler, was unanimously approved. Bill Manion then suggested that the landscape committee might consider review the utility box situation.
- d. **Williams squirrel and tree trimming:** Todd Nelson explained that a squirrel had gotten into the William's home. The Association has already closed thee opening the squirrel came through. In addition to making a request for the Association to pay for the cost of finding and removing the dead animal, Mr. Williams wanted to know if anyone knew how to get rid of the odor. Todd Nelson indicated that he had informed Mr. Williams the cost of any work inside the home was the Owner's responsibility. Todd Nelson further stated that Mr. Williams had also asked the Board's approval of trimming trees around the back of his home, at his expense. He indicated this had been approved through e-mails between the Association and Mr. Williams.
- e. **Gerke tree removal:** Todd Nelson informed the Board of Mr. Gerke's request to remove the Bradford Pear tree in his front yard. His concern is the tree is so close to his home that in a serious storm, it could fall and damage his roof. There was then a general discussion about the proper care and trimming of Bradford Pear trees. The consensus of the Board was that, if the tree were not leaning, professional trimming of the tree would help prevent a future problem. Lynn Diggs made a motion to have the tree trimmed at Association expense, but if Mr. Gerke wants the tree removed it be at his expense to include stump removal and replacement with another tree, type and location to be determined by the Board. After being seconded by Jim Barnette, the motion was approved unanimously by the Board.

Jim Barnett then asked about the dates of future meetings. It was pointed out that dates were set at the last Board meeting in November of 2015. After discussing various Member's calendars for the balance of 2016, the Board determined that the preliminary budget meeting would be August 6<sup>th</sup> with the Budget approval meeting being August 27<sup>th</sup>.

Bill Manion then asked if there were any other business or discussion. Being none, he called for a motion to adjourn. A motion made by Jim Barnett, seconded by Jim Butler, was unanimously approved by the Board. The meeting adjourned at 10:48 AM.

Respectfully submitted,  
Dana Johannesen