



Pinto Point Owners' Association

Priest Lake, Idaho

Chairman – Denny Christenson, Vice Chairman – Melanie Mikkelsen / Secretary - Jan Tewel / Jeff Christenson
/ Bryan Dearden / Jim McLean / Dave Tewel

PINTO POINT OWNERS ASSOCIATION

SPRING BOARD MEETING MINUTES

Conducted by Conference Call

May 3, 2021

- 1. Meeting called to order** – Denny Christenson at 6:30pm. All Board Members were present with the exception of Melanie Mikkelsen. Betsy Scott was also in attendance.
- 2. Approve Minutes** – Board Meeting Minutes dated 1/27/2021 were approved as written.
- 3. Report of Officers** –
 - a. President –Denny Christenson. See New Business
 - b. Treasurer – Jan Tewel The first PPOA Annual dues invoice was emailed in December 2020 and dues were collected January – March of 2021. The 2020 the first entry for the 2020 Financial Report was for May 2020. Jan explained the PPOA 2021 Financial Report and answered any questions.
- 4. Old Business**
 - a. **PPOA CC&R Amendment Voting** - Two classes of voting in the PPOA Bylaws, in accordance with Nonprofit Act: Class A All PPOA Members, Class B Deeded Lot Members

30-30-404. DIFFERENCES IN RIGHTS AND OBLIGATIONS OF MEMBERS. All members shall have the same rights and obligations with respect to voting, dissolution, redemption and transfer, unless the articles or bylaws establish classes of membership with different rights or obligations or divide voting rights by voting districts. All members shall have the same rights and obligations with respect to any other matters, except as set forth in or authorized by the articles or bylaws

Jim McLean advised the Board that the PPOA Bylaws SECTION 10. VOTES states “The owner of each lot in the area encompassed by this Corporation shall be entitled to one vote on each matter submitted to the Members.” The Bylaws supersede paragraph 30-30-404 of the Idaho Nonprofit Act. Therefore we cannot do two class voting.

Jan explained that this suggestion was made to give the PPOA a better chance at receiving a 67% vote to pass the proposed PPOA CC&R Amendment. However, the proposed amendment could still be voted on by all members with the understanding that this amendment will only apply to the deeded lots owners, since Idaho Department of Lands will not accept the amendment for leased lots. Once a lessee purchases their lot, this amendment would apply.

This item will be tabled until we determine if Idaho Department of Lands will submit their version of the proposed amendment. If they do not provide their revision in a timely manner, we can readdress this item.

b. **Amended PPOA Bylaws** – Amendments to Bylaws were voted and approved during the PPOA Special Board Meeting. Jan asked if the Board Member terms should also remain at four year terms, as voted and approved by the PPSD Board. Denny requested a motion to keep the terms at four years. A motion was made, seconded and all Board Members voted to approve. Jan will type the amended PPOA Bylaws and they will be distributed with the PPOA 2021 Spring Board Meeting Minutes.

5. **New Business –**

a. **East Priest Lake Fire District (EPLFD) Station Location – Update from Dave Tewel**

Dave Tewel updated the Board on the status of the EPLFD. Funding from property taxes will begin in January 2022. There have been multiple training sessions. Coolin Cavanaugh Bay Fire District and Priest Lake Ambulance provided CPR certification, auto accident patient extrication and Life Flight landing training. EPLFD was invited to a house burn training session in Spokane, conducted by Spokane District 4. The Coolin Cavanaugh Bay Fire District has offered a surplus fire engine to EPLFD but it is not equipped with hoses or equipment. Other equipment has also been offered through surplus from different locations. Turnouts have been ordered for all volunteers. There are currently 12 volunteers. The EPLFD is still researching the best location for the construction of a fire station. There may be a more attractive insurance classification given to property owners on their home owners insurance for a staffed fire station located no more than 5 miles away. The bulk of the residents in the EPLFD are located near the Pinto Point/Cape Horn area. It makes the most sense to locate the fire station near the most populated areas.

Denny sent out an email to Board Members on 4/21/2021 with the information regarding the PPOA Community Lot (Lot 1, Block 2):

Here's more info about L1B2 intended to educate us about the value of our community services lot. This discussion has arisen because the fire district is currently exploring potential sites for a fire station. Our community services lot is a candidate. We need to determine how PPOA can provide the District with a station site and the terms of a lease or sale in order to have a meaningful discussion with them.

The appraised value for L1B2 in the 2021 VAFO is about \$19,000. Currently there are at least 3 Pinto
18912 N. Division Road, Colbert, WA 99005

Point lots in the 2021 VAFO; 214A (Carroll), 210 (Ossello) and 202 (Blumel). June 7th is the deadline for 2021 VAFO applications so there may be more Pinto Point entries by then.

Currently 12 of the 53 Pinto Point Subdivision lots are owned by IDL, including 3 that are vacant and unleased. After the 2021 VAFO, it's very likely there will be 9 or fewer lots owned by IDL in our neighborhood.

The Land Board has committed to offer the VAFO program through 2024, but VAFO auctions may not necessarily occur each year. The need for a VAFO will be based upon the anticipated number of applicants. IDL could skip a year in order to collect enough applicants to justify a VAFO.

I've attached a spreadsheet that shows the value per lot, the fire station lot value, and the VAFO value should PPOA decide to purchase IDL's remaining interest. (attachment)

1. buy out IDL's interest and sell 2 acres to the fire district or
2. become a joint landlord with IDL and lease 2 acres to the fire district
3. or do nothing at this time

It was suggested that the PPOA might buy the two acre lot. This would require PPOA going to VAFO. Discussion was held regarding the likelihood of competitive bidders and a plan agreed to for maximum cost of this lot, should that happen. At the current appraised value, the VAFO fee would be \$4517, with the cost of the 2 area lot being set at \$419,000. This item will be tabled until the EPLFD commits to a location for the fire station.

b. Annual Federal Tax Filing – IRS Form 1120-H

Jan completed the IRS Form 1120-H for the PLCOA. According to a tax advisor she worked with, none of the income to the PPOA in the form of dues is taxed. Any income that is not for the PPOA Member use would be taxed. For instance, if we were to receive a lease payment from the EPLRD, unless the Board agrees that this lease payment would be for the benefit of the entire PPOA and is in compliance with the Articles of Incorporation, all funds received less \$100 would be taxable at the 30% rate.

c. Financial Audit - Jan could request a review from the tax advisor she worked with to complete the 2020 Federal Tax filing, since he is familiar with HOA taxes/finances. He is in Spokane and has offered to help with that requirement.

The PPOA Bylaws state:

"Article X, Section 5, B. Each year the Board of Directors shall appoint an individual or entity to conduct a financial review of the records of the Association, which review shall be completed at least 30 days prior to the annual meeting. The individual or entity so appointed shall not be a member or officer of the Board of Directors of the Association and shall exercise independent judgment when conducting the financial review. The financial review shall include a written report to the Board of any irregularities or disparities discovered or determined to exist by the reviewer."

This item will need to be addressed and review conducted no later than June 1st, prior to the July PPOA Member Meeting and will need to be decided by the Board via email.

c. Other New Business -

1. **Road grading notification** – the Road Committee will be performing much more extensive grading this year due to all the traffic from construction that has taken place. All members are requested to keep any vehicles or building supplies or gravel piles off of the shoulders of the road during the grading. Jan will keep in contact with Tom Clevenger, to provide all members of the date of road grading, as early as possible.

2. **Priest A Paloosa** – there will be a fund raiser hosted by Mike Lyons on June 12, 2021 from noon to evening, as a fundraiser for the East Priest Lake Fire District. This even will include live music. Mike will be roasting a pig. All attendees are requested to bring a donation for the fire department, your own chairs, drinks and a side dish. Jan will be sending out a reminder with a list of who brings what side dish, in the near future. Parking will be needed for this event. If you are able to allow people to park in front of your lot or in your driveway, please let Jan know so she can pass that information on. This should be a very fun event and an opportunity to get to know you neighbors as well as an opportunity to provide funding to the EPLFD.

3. **Nominations for PPOA Board Trustees** - Discussion took place regarding the nomination of PPOA Board Trustees. It was decided to explain the function of the PPOA Board Trustees at the PPOA Member Meeting and request nominations from the PPOA Members.

4. **Zoning** – A question was raised regarding the status of the zoning for our lots. Currently we are zoned as Recreational but we do not meet the criteria for Recreational Zoning, which includes fire & police service, as well as public utilities. The Neighborhood Planning Committee was required to turn in reports by March 31, 2021. Denny advised that he has not received any more information since the Bonner County Planning Committee decided to research assigning a new Zoning category for the lots in our area.

7. Adjournment - Meeting was adjourned at 7:30 pm