

Sun Vail Condominium Association
2018 Annual Meeting Minutes

Saturday, August 25, 2018, at 1:00PM MT at the
Vail Public Library Community Room
292 West Meadow Drive, Vail, Colorado

ATTENDANCE: The following Directors were present in person:

- Jennifer Barp
- Michael Block
- Robert Butterfield
- Chris Rink
- Brian Wilson

Other members in attendance were:

- See attached list

Members represented by proxy were:

- See attached list

ALSO PRESENT: Dan McNeill, Managing Agent, David Zippie, CPA and Sara Thurston McNeill, Secretary to the Meeting

- I. **Roll Call.** With 37 of 60 units (or 62% of the membership) represented either in person or by proxy, a quorum was established (accordingly to the by-laws, a quorum constitutes 30% of the membership represented either in person or by proxy). Dan McNeill welcomed all to the Annual Meeting and called the meeting to order shortly after 1:00PM. He read off and certified the proxies, and all attendees took turns introducing themselves to the membership.
- II. **Review and Approval of the Minutes of 2017 Annual Meeting.** These minutes were previously distributed to all owners for review and posted on the website: premier.mcneillproperties.com. With no suggested changes, there was a MOTION: TO APPROVE THE MINUTES OF THE 2017 ANNUAL MEETING OF THE SUN VAIL CONDOMINIUM ASSOCIATION. The motion was seconded and carried unanimously.
- III. **President's Report.** Chris Rink addressed the membership and thanked everyone for attending. He then extended his sincere thanks to the current Board members for their work over the past year. He thanked McNeill Property Management for their diligence and attention to detail, noting that the property

looks great with the recent completion of the painting (and partial siding replacement) project. Although the Board had targeted the complete replacement of the brick paver walkways throughout the complex (at significant expense), management has been able to engage the services of a stone mason to cyclically repair the walkways. They are in great condition and this on-going expense is covered in the operating budget. Another project addressed in the past year is the removal of hundreds of aspen tree suckers.

The association is currently undergoing significant upgrades to the internet wi-fi system. Having garnered a price to upgrade the antiquated wiring in the buildings from DirecTV at a cost of upwards of \$37,000, the Board decided to work with Peter Buckley on the project at a savings of about \$20,000. Three buildings are now complete and the remaining two buildings should be done by the end of September. Robert Butterfield gave those in attendance an explanation of the project in great detail, noting that once the new system is totally operational, the membership will be updated with an overview and summary of the work.

The focus of the Board continues to be fiscal responsibility and increasing property values.

IV. Financial Review. Dave Zippie, CPA for the association prepared the current financial reports (as of July 31, 2018), along with the 2018-19 fiscal year operating budget, and presented them to the membership.

The Balance Sheet reveals that the association currently has \$511,723 in total assets, liabilities and equity. This includes \$182,180 cash in the bank, \$52,667 in accounts receivable (representing current quarter billing) and \$10,892 in prepaid expenses. The balance on the note payable to Alpine Bank is \$144,951. The balance in capital reserves is \$54,063.

The Income Statement reveals that ten months through the current fiscal year, the association is running a net surplus of \$96,828. This compares with a budgeted surplus of \$59,157 at this point in the year; therefore, the association is \$37,671 ahead of budgeted expenses.

The 2017 Operating Budget (approved with no dues increase) anticipates \$583,072 in income with \$54,000 being contributed to reserves.

The fiscal year beginning balance in the Maintenance Capital Reserve Account was \$31,359, funding (through regular dues) totals \$45,000 so far, \$101,026 was added from the 2017 fiscal year-end operating surplus and \$20 in interest has been added. Current year capital expenses total \$123,342 so far and include \$88,300 for the painting and partial siding replacement on Buildings D and E, \$9988 for the sewage line jetting project, \$3106 for exterior staircase replacement, \$2500 for the first draft of the Design Review Guidelines, \$300 for

tree removal, \$4530 for the wi-fi system upgrades, \$8830 for paver work to the walkways and \$5788 for a new pool heater. The ending balance in the Maintenance Reserve Capital Account is \$54,063.

Jennifer Barp, Treasurer, then re-capped the past year for the association in a power point presentation. She focused on budget versus performance for the first three quarters of the current fiscal year, noting that the following line items were under budget: natural gas, cable TV/internet, common landscaping, interest expense, legal fees, fire alarm system, pool maintenance and snow shoveling. The following line items were over budget: maintenance buildings, building janitorial, roof snow shoveling and trash. Overall, the association remains in a favorable fiscal position, funding reserves through regular contributions and transferring any fiscal year-end net surplus to reserve savings.

V. Manager's Report. Dan McNeill, Managing Agent addressed the membership and referred to the Projects List that was compiled during the Spring Walk Through. The List was circulated to all owners for comments and additions. The items on the list are completed during the summer and fall months according to priority and budget constraints. At this point, the 2018 Projects List is now substantially complete.

Dan reviewed the Reserve Study with the membership. This document, compiled by management with the assistance of the Board, is a “working document” and subject to change during the course of any year, based upon site inspections and the comparable bidding process. All of the common elements that the association is responsible to repair and replace are identified in the Reserve Study, along with an estimated useful remaining life and its cost for replacement.

Capital projects under consideration for the 2019-20 fiscal year include entry sign upgrades, pool / hot tub mechanical equipment work (as needed), fire / life / safety equipment upgrades and professional fees related to roof replacement.

Prior to winter, the association will undertake approximately \$9000 in repairs to the flat roofs. Dan noted that the EPDM membrane on the flat roofs is near the end of its useful life (estimated to be 20 years) and the Board intends to hire a roof consultant to design the specifications for its replacement. Replacement of the flat roofs will occur cyclically over three years (2020, 2021, and 2022). Asphalt replacement is also planned for this time period, and it was duly noted that if both of these large-scale capital projects are undertaken concurrently, the association will incur a cash flow shortage. Dan recommends repairing the asphalt to extend its useful life, until such time that reserve funds are replenished after roof replacement.

There was a request to accelerate the replacement of walkway lighting in the Reserve Study (currently targeted for 2021) and to consider hiring an arborist to

make recommendations for tree removal / pruning. Another owner requested that a security camera be installed at the pool and at the east entry (with a gate, signage and lighting) to the property. Management has a proposal from Summit Security and can add the cost for this to the Reserve Study.

There was also a request for an electric car charging station. Detailed discussion on this topic ensued. An ad-hoc committee will be formed to investigate this project more fully. Committee members will include Michael Block and Maria Payen.

Dan distributed an Insurance Claims Protocol Sheet. All insurance claims must go through management. The association's insurance policy is with American Family. Each owner should have their condo owner's insurance agent contact the association's carrier to ensure that there are no gaps in coverage. It is management's intention to keep claims to a minimum whenever possible in order to avoid falling into a higher rate category.

Dan noted that the Amended & Restated Declaration shifted more of the burden for insurance coverage to individual owners with its adoption last year. The association's insurance coverage is referred to as "bare walls." Therefore, owners' HO-6 policies must cover wall coverings (drywall texture and paint, wallpaper, faux painting), floor coverings, all fixtures, cabinetry, lighting and all contents and personal possessions. Owners that have upgraded over the years from developer-conveyed levels of finish to higher end items (such as granite counters, stainless appliances, wood floors) need to make sure this difference in conditions is covered. Finally, **Dan recommended that every owner add loss assessment coverage to their condo owner's policy** to cover the cost of a deductible payment if the owner is determined to be responsible to pay it (\$5000 per insurable event). Any owner that rents their unit on a short-term basis should be sure to have adequate liability insurance.

The Risk Management Checklist was compiled last winter and given to all present (it is also re-distributed every fall and posted to the website). Owners are asked to follow the guidelines in the checklist in order to avoid costly damage and insurance claims. It also includes suggestions for water and energy conservation, and information about the carbon monoxide detector laws in Colorado. All owners are requested to report any roof leaks as soon as they are detected. Management can provide weekly or bi-weekly interior unit checks for homeowners whose condo sits unoccupied for long periods of time.

Management also distributed an updated Contact List to attendees. The List includes contact information for the office, maintenance staff, accounting, code enforcement and website information. Owners who rent their units are advised to post the Contact List in their unit for easy reference. The one-page Rules Reminder Memo (to be redistributed to all owners) should be given to all renters

and guests prior to occupancy to remind them of quiet hours, pool rules, proper disposal of trash, etc. The Rules Reminder Memo is posted on the website.

VI. **Old Business.** The association's legal counsel compiled an update for owners to the lawsuit filed last year by the association's former managing agent. It was distributed to all owners prior to the Annual Meeting. The date for the trial has been set for April 1, 2019. Chris Rink is the association's representative in the lawsuit and as such is the "point person" for legal counsel hired by the association's insurance company.

VII. **New Business.** Dan McNeill reported that the Board has engaged the services of Mauriello Planning Group to compile Design Review Guidelines for the association. A first draft of the guidelines has been reviewed by the Board, and some changes will be incorporated. The guidelines outline the process homeowners must undertake in order to make any exterior modifications to their unit, including vents, window replacement and exterior door replacement. The design application fee will be paid to MPG directly for review and oversight. MPG will make its recommendation to the Board for approval (with any special requirements or conditions), and then the homeowner will be responsible for obtaining all required building permits from the Town of Vail.

The replacement of windows is currently an association responsibility. Dan McNeill explained that this was most likely an oversight during the governing documents revision project, undertaken in 2016. Approximately 20% of all homeowners have replaced their windows at Sun Vail at this point at their own expense. In order to be fair and equitable to all, the association should probably adopt a Limited Amendment to the Declarations that shifts the burden for the replacement of windows to individual owners. Dan further explained that if the association were to undertake a comprehensive window replacement project, a special assessment would be required.

A draft of this proposed Limited Amendment was included in all attendees' packets. The newly elected Board of Directors will discuss this amendment in greater detail in the coming months. 67% of the membership will need to approve the amendment in order for it to be approved and implemented. Based upon discussion at the Annual Meeting, there was general support for this change.

One homeowner asked whether the association should consider a comprehensive Facelift Project since roofs need to be replaced and most homeowners will eventually need to replace their windows. Dan responded that the association has recently undertaken the exterior painting of all of the buildings with a significant amount of cedar siding being replaced with a cementitious product similar to Hardie-board. The goal of this large-scale capital project (begun in 2017 and completed this summer) was to extend the life of the buildings' exteriors for

another 10 +/- years. This gives the membership time to decide if it wants to eventually change the exterior facades of the buildings to an updated look, possibly incorporating more stucco siding or stone. There was a suggestion to have the roof consultant look at the possibility of changing the flat roofs to pitched roofs, along with the associated costs, during the planning phase of the project in the coming year.

One homeowner reported that she felt there was unauthorized access to her unit at some point between her visits to Vail. Management encouraged all owners to install electronic locks to their units so that they can monitor who enters their home at all times. Access codes or keys must be provided to MPM for emergency access, but no one from the management company enters a unit without prior homeowner authorization.

A reception for all homeowners and guests is planned at the pool beginning at 4:00PM. Refreshments will be served.

VIII. Board of Director Elections. The current Board consists of Chris Rink (term expiring), Robert Butterfield (term expiring), Brian Wilson (term expires in 2019), Michael Block (term expires in 2019) and Jennifer Barp (term expires in 2019). Both Chris and Robert have decided not to re-run for another term. Self-nomination forms were returned to management from Tanya Hill and Charles Croney prior to the meeting. They each took a few minutes to address the membership to review their backgrounds and the skills they could bring to the Board of Directors. Additional nominations were sought from the floor; none were forthcoming.

Tanya Hill and Charles Croney were therefore elected to the Board via acclamation.

The membership extended its sincere thanks to Chris Rink for his wide-ranging oversight and dedication to Sun Vail over the years. The membership also extended its sincere thanks to Robert Butterfield for his years of service on the Board and especially his expertise with regard to the wi-fi upgrade project.

IX. Adjournment. There being no further business to come before the membership, the meeting adjourned at 3:00PM.

Respectfully submitted,

Secretary to the Meeting

MEMBERS IN ATTENDANCE:

Johnson	12-A
Croney	13-A
Payen	21-A
Payen	31-A
Braun	32-A
Rink	11-B
Block	12-B
Wilson	22-B
Butterfield	31-B
Sixler	34-B
Levin	11-C
Volkers	12-C
Searls	21-C
Radell	22-D
Reece	24-C
Searls	31-C
Johnson	24-D
Kenyon	21-E
Coleman	22-E
Keaveney	31-E
Jacques	32-E
Jacques	33-E

MEMBERS REPRESENTED BY PROXY:

Swatik	34-A
DDHG Holdings	13-B
Steele	21-B
Sullivan	22-B
Anderson	32-C
Love	11-D
Gannon	13-D
Forth	23-D
Rutherford-Zander	34-D
Swatik	12-E
Grant	13-E
Anderson-Gertz	14-E
Anderson-Gertz	23-E
Bluechip Investment Co.	24-E
Bluechip Investment Co.	34-E