

**Sun Vail Condominium Association
2019 Annual Meeting Minutes**

Saturday, August 24, 2019, 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
- Tanya Hill
- Brian Wilson

Homeowners in attendance were:

- See attached list

Homeowners represented by proxy were:

- See attached list

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

- I. Roll Call. With 30 of 60 units (or 50% 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 2018 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 2018 ANNUAL MEETING OF THE SUN VAIL CONDOMINIUM ASSOCIATION AS PRESENTED. The motion was seconded and carried unanimously.

- III. President's Report. Jennifer Barp addressed the membership and thanked everyone for attending. She read off a list of action items that have been accomplished since last year's annual meeting including:
 - Television and internet access instructions were compiled and given to all owners

- The short-term rental form (complete with bullet points of the most pertinent Rules) was compiled, given to all owners and posted to the website
- The Limited Amendment to the Declarations that shifts the responsibility to individual owners for the replacement of windows and exterior doors was passed
- The Board continues to research better options for community-wide television and internet service
- The hot tub covers were replaced
- The Board considered the installation of an electric car charging station and decided that it was not in the best interest of the HOA to undertake it this past year; it could be reconsidered in the future
- New LED bulbs have been installed in the pathway lights and the bollards continue to be shored up, as needed
- An arborist was hired to inspect all of the trees on common area, provide a report on health and recommendations for treatment, pruning and/or removal, and determine if there are steps the association should take for wildfire risk mitigation

Jennifer then reported on the action items that the Board is still working on, including:

- The gate by the east entrance to the property (waiting for the construction on the school site / parking garage / bike path to be completed)
- A long-term vision for Sun Vail Condominiums (the Board continues to focus on capital projects that the association is facing in the short term)
- Security cameras on the buildings and at the pool (bids have been garnered and the new Board will review and make a decision)
- Entry signs and gardens (the signs cannot be raised so management will continue to remove snow from the garden beds as needed). The plantings in the entry garden have been enhanced.

Jennifer completed her report by noting that in the coming year, the Board will be working on a Design Review Policy, purchase of a new pool cover, and the sale of the Sun Vail Garage Condominiums Units #1 through #6. #5 and #6 have been converted into usable garages and once sold, the proceeds will be used to pay off the loan to Alpine Bank. Any remaining balance will be contributed to the reserve fund, and some of these funds will be used to restore Units #1 through #4 back into usable garages. One owner asked whether it would be wise for the association to keep one of the garages for common storage; Dan McNeill responded that there is plenty of storage for association items in the trash enclosures and pool house.

The insurance company conducted a risk management inspection this past year and returned some recommendations that the Board is pursuing, including bringing the railings along the common staircases into compliance with current codes and installing a higher fence and gates at the pool.

Finally, management continues to repair the cobblestone walkways with a local masonry contractor, keeping these common elements in good condition. The Board does not anticipate the need to replace them anytime soon.

IV. Financial Review. Dave Zippie, CPA for the association prepared the current financial reports (as of June 30, 2019), along with the 2019-20 fiscal year operating budget, and Dan McNeill presented them to the membership.

According to the Balance Sheet, the association has \$537,063 in total assets, liabilities and equity, including \$239,159 cash in the bank, \$25,667 in accounts receivable and \$13,978 in prepaid expenses. Fixed assets total \$258,259. The balance on the loan to Alpine Bank is \$125,841.

The Income Statement reveals that nine months through the fiscal year, the association has a net operating surplus of \$85,689. This compares to a budgeted surplus of \$60,811 at this point in the year. Therefore, the association is \$24,878 ahead of budgeted expenses. Overages were experienced in the Fire / Life / Safety, Legal Fees, Water & Sewer and Roof Shoveling line items. Savings have been achieved in Pool Maintenance, Snow Shoveling, Snow Loader, Snow Plowing, Electricity, Landscaping, Building Maintenance and Pool Maintenance.

The 2018-19 fiscal year beginning balance in the Reserve Capital Fund was \$50,999. Funding through regular assessments totals \$40,500 for the first three quarters of the fiscal year, and \$13 in interest has been earned. 2018-19 fiscal year capital expenses total \$17,704 so far and include \$1586 for internet system upgrades, \$200 for the compilation of the Design Review Guidelines, \$1403 for more DirecTV receivers, \$2839 for a new water heater for the pool house showers, \$5548 for paver walkway work, \$480 for tree removal, \$1272 for the balustrade project and \$4376 to address a dryer vent that was not connected to an outside wall. The ending balance in the Reserve Capital Fund is \$73,808.

Dan then presented the approved 2019-20 fiscal year operating budget to the Board. No dues increase is planned; assessments are to remain at \$2250 per unit per quarter.

A budget explanation sheet detailing the components of each line item in the operating budget was distributed to all.

- V. Manager's Report. Dan McNeill, Managing Agent addressed the membership and referred to the Projects List that is 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. Items on the List can be tied to the Building Maintenance and Landscaping line items in the operating budget.

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 2020 include fire / life / safety equipment upgrades, a security camera system (and work to the east end gate) and professional fees related to roof replacement. The roof replacement consultant will be tasked with two options for roof replacement: replacement of the existing flat type of roof and an option for a sloped roof on each building.

Dan noted that management is currently working to get all staircase railings (balustrades) adjusted to current codes. All turf areas and tree have been sprayed for pests and diseases. The contractor who was on site during the past two summers to paint the buildings is currently doing touch up painting throughout, per their warranty.

Dan will email the arborist's report to all owners for review. Owners who would like certain trees addressed will be asked to email their requests to Dan. He noted that with the much colder and wetter spring weather than typical, the flower gardens were planted a bit late this year, but they are now in full bloom. There was a request for the association to take over all garden beds in front of the lower level patios on the front sides of the buildings for a more consistent look.

One owner had concerns about unauthorized use of the pool and hot tubs, along with the parking lot. He asked how the association will protect itself in the case of an accident or injury. Dan responded that the association carries a general liability insurance policy with \$2 million in coverage, plus an umbrella liability policy with an additional \$4 million in coverage. The security camera system should help cut back on unauthorized use. There was a request to post the management company's phone number at the pool so that owners can report unauthorized use when they witness it.

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. He noted that the Amended & Restated Declaration shifted more of the burden for insurance coverage to individual owners with its adoption in 2017. 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 recently updated 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 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. One of the insurance company attorneys approved a statement to update owners on the lawsuit filed last year by the association's former managing agent.

The lawsuit by Dale Bugby and his companies against the Sun Vail Association, Board members and homeowners, went before a two-week jury trial in April. The Association and some Board members were dismissed from the suit just prior to trial. Board member Mike Block was dismissed during the trial. At the trial's end, the trial jury found homeowners Barry and Jan Coleman and Board member Brian Wilson liable for defamation and civil conspiracy. However minimal economic

damages were awarded, totaling \$14.00 per person. Bugby et. al. filed a motion with the court for a new trial, exclusively for damages. This motion was denied by the Court. The matter of court costs is still to be addressed by the Court, with a hearing scheduled for November. On August 5th, Bugby and his companies filed an appeal with the Colorado Court of Appeals.

- VII. New Business. Jennifer Barp explained that Garage Units #5 and #6, recently converted back into usable garage spaces by the Sun Vail Condominium Association are available for purchase to homeowners in SVCA. Both are priced at \$95,000 (the value of the last sale which occurred in April 2019), and Unit #5 is now under contract. Owners who are interested in purchasing Unit #6 should contact McNeill Property Management.

Brian Wilson updated the membership with regard to the reconstructed walkway / bike path that leads from the pedestrian overpass over I-70 on the east end of Sun Vail property. The Town of Vail is creating a pathway that has about 8% grade from the overpass to the bike path along North Frontage Road. Boulders will be placed on either side of the path to prevent pedestrians and bikers from veering off the designated path. A concrete sidewalk with a 5% grade will connect the pathway with the Sun Vail entrance. No stairs are planned. He distributed the Red Sandstone Bridge Path grading plan to those present at the meeting.

Brian then reminded all that a reception for 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 Brian Wilson (term expiring), Michael Block (term expiring) and Jennifer Barp (term expiring), Charles Croney (term expires in 2020) and Tanya Hill (term expires in 2020). Self-nomination forms were returned to management from Sharie Grant, Jennifer Barp and Michael Block prior to the meeting. Brian Wilson also offered to serve another 2-year term on the Board. All of the candidates 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.

Management distributed a ballot form to each attendee and once the ballots were tallied, Jennifer Barp, Michael Block and Brian Wilson were re-elected. The Board expressed its sincere thanks to all candidates.

- IX. Adjournment. There being no further business to come before the membership, the meeting adjourned at 2:55PM.

Respectfully submitted,

Secretary to the Meeting

MEMBERS IN ATTENDANCE:

Goode	22-A
Braun	32-A
Block	12-B
Loebig	21-B
Wilson	22-B
Barp	34-B
Levin	11-C
Volkers	12-C
Hill	22-C
Cranor	23-C
Reece	24-C
Radell	22-D
Grant	13-E
Kenyon	21-E
Jacques	32-E and 33-E

MEMBERS REPRESENTED BY PROXY:

Johnson	12-A
Croney	13-A
Swatik	34-A
Rink	11-B
Sullivan	23-B
Searls	21-C and 31-C
Anderson	32-C
Hallen – Ross	12-D
Johnson	24-D
Rutherford-Zander	34-D
Anderson—Gertz	14-E and 23-E
Coleman	22-E