

Sun Vail Condominium Association
Board Meeting Minutes
Tuesday, May 30, 2023, at 4:00PM MT
Via Zoom.us

BOARD MEMBERS PRESENT VIA VIDEO CONFERENCE CALL: Mike Block, Charles Croney, Sharie Grant, Bruce Johnson and Brian Wilson

ALSO PRESENT VIA VIDEO CONFERENCE CALL: Dan McNeill, Managing Agent, Dave Zippie, CPA and Sara Thurston McNeill, Secretary to the Meeting

- I. Roll Call. With all five Board members present by Zoom, a quorum was established. Dan McNeill called the meeting to order shortly after 4:00PM.

- II. Review and Approval of the Minutes of the March 8, 2023, Board of Directors Meeting. These minutes were drafted by management and circulated to the Board. There being no suggested changes, there was a MOTION: TO APPROVE THE MINUTES OF THE MARCH 8, 2023, BOARD OF DIRECTORS MEETING AS PRESENTED. The motion was duly seconded and approved unanimously.

- III. Financial Review and 2023-24 Fiscal Year Budget Presentation. Dave Zippie, CPA prepared and presented the current financials (April 30, 2023). According to the Balance Sheet, seven months through the fiscal year (which is a shortened fiscal year of only 9 months) the association has \$496,793 in total assets, liabilities and equity, including \$402,914 cash in the bank, \$26,775 in accounts receivable, \$37,341 in fixed assets (Sun Vail Garage Unit 1) and \$29,763 in prepaid insurance. Dave was asked to transfer some of the reserve savings into certificates of deposit or treasury bill accounts in order to earn more interest.

The Income Statement reveals that the association currently has a net deficit of \$7459 in the operating account. This compares to a budgeted surplus of \$7611 at this point in the year. Therefore, the association is \$15,070 over budgeted expenses. Overages have been experienced in Natural Gas, Snow Shoveling, Snow Loader, Roof Shoveling, Trash and Water & Sewer. Savings have been achieved in the line items of Landscaping / Grounds, Maintenance Buildings, Fire Alarm System, Building Janitorial, Office Expense and Snow

Plowing. There was a big spike in natural gas rates this past winter; almost half of the budget overages are due to gas prices.

The 2022-23 fiscal year beginning balance in the Maintenance Capital Reserve Account was \$251,094. Funding through regular assessments has totaled \$31,500 so far, \$31,776 was added from the 2021-22 fiscal year-end operating surplus, \$77,000 was added from the gain on the sale of garage units and \$13 in interest has been earned. 2022-23 capital expenses total \$26,911 so far and includes \$11,015 for brick paver walkway work, \$10,442 for various expenses related to a leak in Building E, \$4820 for the purchase and installation of three new doors for the pool mechanical room and the pool chemical room, \$87 for some new heat tapes, \$232 related to the landscape lighting project and \$315 for a professional update to the Reserve Study. The ending balance in the Maintenance Capital Reserve Account is \$364,472.

Dave then presented the proposed 2023-2024 operating budget to the Board. It was duly noted that the new fiscal year will begin on July 1. Dave expects that the association will end the current fiscal year with a net deficit of approximately \$15,000 (primarily due to the spike in natural gas prices last winter and the overages related to snow shoveling). Incremental increases are expected in the line items of insurance, accounting, electricity, natural gas, trash removal, snow removal and water & sewer.

The Board and management reviewed each line item in the proposed budget and made some adjustments where warranted.

In addition, the capital spending plan was reviewed. The association is currently only contributing about 10% of its annual income from dues to reserves. There are some large-scale capital projects identified in the coming years, including the replacement of all walkway / landscape lighting, the replacement of asphalt, the painting (with related siding replacement) of the structures, chimney cap work, retaining wall work, the replacement of signs and entryway gardens, and the installation of a new fire / life / safety system throughout all of the units (the cost of which is currently unknown). There was consensus that the regular contribution to reserves should be increased each year; this will not alleviate, however, the need for special assessments to fund the asphalt replacement project and the fire / life / safety system replacement project.

After detailed discussion, there was a MOTION: TO APPROVE THE 2023-24 BUDGET WITH A 10% DUES INCREASE. The motion was duly seconded and carried unanimously. Total income for the 2023-24 fiscal year from dues will be \$594,000 with \$496,572 going to operating expenses and \$97,428 being contributed to reserves. 2023-24

fiscal year dues will be \$2475 per unit per quarter. The 2023-24 approval budget is attached hereto and incorporated into these minutes.

It was duly noted that the association was able to cash flow capital projects in recent years by transferring any year-end operating surplus into reserves and also using proceeds from the sale of five garage condominiums to fund capital projects, such as the roof replacement project, without the need for special assessments. Now that the annual operating expenses have increased (so much so that there will be a year-end deficit instead of surplus in the operating account) and there are no more garages to be sold, the association will be facing the need for special assessments in the future. This will be a topic of discussion at the upcoming Annual Meeting on August 26th.

IV. Manager's Report. Mark Sauerman sent the following maintenance report to the Board via email prior to the meeting:

- The paver project is going well, and the contractor should be done next week. They did a considerable amount of extra work on the walkways, and I also had them replace the metal brackets for the handrail posts on the stairs to the east of the pool. They did this work for no additional charge.
- I also attached a quote to redo the Building D stairs in all pavers and get rid of the timber stairs. Evidently, the timbers get really slippery in the winter and when they get wet.
- The pool, hot tubs and furniture are all set up and ready for the summer season.
- We should have the quote for the walkway / landscaping lighting project soon.
- Items I have added to the 2023 Projects List include a new fire / life / safety system, new heat tapes in the roof drains, chimney cap repairs, painting of the deck railings and metal deck caps. More items will be added during the Spring Walkthrough.

Dan will draft a letter to the entire membership for the Board's review that gives an overview of future capital projects and funding concerns. Capital projects prioritized for summer 2023 include the landscape lighting project (safety concern) and the removal of the juniper shrubs adjacent to the structures (fire concern). Dan noted that he met with Paul Cada from the Town of Vail Fire Department last week. The Town is offering Sun Vail a \$10,000 rebate if \$12,500 in fire mitigation expenses are incurred.

V. Other Business. The next Board Meeting was scheduled for Wednesday, August 2, 2023, at 4PM MT. The meeting will be held via Zoom.

The 2023 Annual Meeting is scheduled for Saturday, August 26, 2023, at 1:00PM. The meeting will be held via Zoom. Brian Wilson, Michael Block and Bruce Johnson's two-

year terms expire at the Annual Meeting. The Board will meet briefly immediately following the Annual Meeting in order to elect officers and set the date of the next regular Board Meeting. A social gathering for homeowners is planned at the pool beginning at 4PM.

VI. Adjournment. There being no further business to come before the Board, the meeting was adjourned at approximately 5:21PM.

Respectfully submitted,

Secretary to the Meeting

SUN VAIL CONDOMINIUM ASSOCIATION NET SURPLUS (DEFICIT) FOR THE SEVEN MONTHS ENDING APRIL 30, 2023					7	
					2022-2023	
					9 Months	2023-2024
					June 30	June 30
					Approved	Approved
		Seven Months		Variance		
		April 30	Ytd Budget	Inc (Decr)	Budget	Budget
Revenues						
Operating Dues	\$ 283,500	\$ 283,500	\$ -	\$ 364,500	\$ 496,572	
Reserve Dues	31,500	31,500	-	40,500	97,428	
Garage Rental	1,540	-	1,540			
Interest	13	8	5	10	10	
Late Fees	-	-				
Garage Sale Gain	-	-	-	-	-	
Total Revenues	316,553	315,008	1,545	405,010	594,010	
General & Administrative Expenses						
Accounting	4,375	4,375	-	6,125	7,800	
Bank Fees	874	8	866	10	1,000	
Electric-Commons	11,378	10,000	1,378	12,000	17,000	
Natural Gas	27,690	13,000	14,690	15,000	25,000	
Cable TV & Internet	27,991	28,000	(9)	36,000	50,000	
Depreciation	1,092	1,092	-	1,404	1,872	
Income Taxes	-			-		
Insurance	26,552	26,444	108	34,000	50,000	
Landscaping-Commons/Grounds	7,699	10,000	(2,301)	37,000	45,000	
Garage Offices - Association Dues	467	467	0	600	600	
Interest Expense	-	-	-	-		
Legal Fees	84	389	(305)	500	500	
Maintenance - Buildings	17,331	27,036	(9,705)	34,761	47,000	
Fire Alarm Systems	10,575	19,444	(8,869)	25,000	30,000	
Building Janitorial	5,656	7,000	(1,344)	9,000	13,000	
Maintenance Pool	19,014	18,667	347	24,000	32,000	
Management Fees	13,300	13,300	-	17,100	22,800	
Office Expense	391	1,556	(1,165)	2,000	2,000	
Pool Open/Close	6,700	7,000	(300)	9,000	12,000	
Snow Shoveling	34,353	20,000	14,353	20,000	25,000	
Snow Plowing	7,530	9,000	(1,470)	9,000	12,000	
Snow Loader	6,925	5,000	1,925	5,000	6,000	
Roof Shoveling	9,717	6,000	3,717	6,000	8,000	
Trash	12,783	10,111	2,672	13,000	20,000	
Water & Sewer	40,022	38,000	2,022	48,000	68,000	
Total Expenses	292,499	275,889	16,610	364,500	496,572	
Transfer To Reserve	31,513	31,508	5	40,510	97,438	
Net Surplus (Deficit)	(7,459)	7,611	(15,070)	-	-	
Beginning Surplus (Deficit)	38,000	38,000	-	15,000		
Ending Surplus (Deficit)	\$ 30,541	\$ 45,611	\$ (15,070)	\$ 15,000	\$ -	