

Sun Vail Condominium Association
Board Meeting Minutes
Wednesday, December 9, 2020, at 4:00PM MT
Via Zoom.us

BOARD MEMBERS PRESENT VIA VIDEO CONFERENCE CALL: Jennifer Barp, Mike Block, Charles Croney, Sharie Grant 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. Jennifer Barp called the meeting to order shortly after 4:00PM.
- II. Review and Approval of the Minutes of the September 17, 2020, Board of Directors Meeting. These minutes were drafted by management and circulated to the Board for review prior to the meeting. There being no suggested changes, there was a MOTION: TO APPROVE THE MINUTES OF THE SEPTEMBER 17, 2020, BOARD OF DIRECTORS MEETING AS PRESENTED. The motion was duly seconded and approved unanimously.
- III. Financial Review. Dave Zippie, CPA prepared and presented the 2019-20 fiscal year end financials to the Board (September 30, 2020). According to the Balance Sheet, the association end the fiscal year with \$598,780 in total assets, liabilities and equity, including \$351,055 cash in the bank, \$29,348 in accounts receivable, \$206,438 in fixed assets and \$7085 in prepaid expenses. The payoff on the loan to Alpine Bank was \$60,098.

Dan reviewed the list of owners in arrears with the Board. There are three accounts of concern and it was duly noted that these same owners have a history of paying late. Management has been in contact with them; all have received reminder emails and demand letters. Late fees and interest charges are accruing, per the Collections Policy. Jennifer Barp offered to call these homeowners and have a discussion with them.

The Income Statement reveals that the association ended the fiscal year with a net surplus of \$88,737 in the operating account. This compares to a budgeted year-end surplus of \$32,212. Therefore, the association was \$64,769 ahead of budgeted expenses.

The Board discussed the outstanding receivable for rent owed from Vail Resort Rentals (this company has since sold its assets and is no longer in business) and an outstanding payable to a hot tub service provider. After discussion, there was consensus to write off both the receivable and payable from the books. There was a MOTION: TO TRANSFER THE NET OPERATING EXCESS OF \$146,947 INTO RESERVES. The motion was duly seconded and carried unanimously.

The 2019-20 fiscal year beginning balance in the Maintenance Capital Reserve Account was \$118,733. Funding through regular assessments totals \$54,000, \$150,000 was added from the 2018-19 fiscal year end operating surplus and \$30 in interest was earned. Capital expenses totaled \$55,078 and included \$5095 for the Baluster Project, \$3290 for roof repairs, \$20,110 for a new snow melt boiler, \$330 to update the Reserve Study, \$1950 for engineering work related to the Garage Conversion Project, \$6960 for walkway pavers, \$5398 for a new pool heater, \$3332 for jetting of sewer lines, \$1296 for the Comcast conversion project and \$7317 for a new pool cover. The ending balance in the Maintenance Capital Reserve Account was \$280,185.

Garage Unit #6 was sold on November 17th and the association received \$82,000 in proceeds from the sale. Management presented the Board with a new bid for the conversion of Garage Units #1 through #4 for approximately \$11,000 per garage. After discussion, there was a MOTION: TO HIRE TIMBERLEE & COMPANY TO PROCEED WITH THE CONVERSION OF GARAGES #3 AND #4 SO THEY ARE IN SELLABLE CONDITION. The motion was duly seconded and carried unanimously.

There was a MOTION: TO PAY OFF THE NOTE TO ALPINE BANK WITH THE PROCEEDS OF THE SALE OF GARAGE #6 AND TO TRANSFER THE REMAINING BALANCE TO RESERVES. The motion was duly seconded and carried unanimously.

Dave then presented the current (as of October 31, 2020) financials to the Board. According to the Balance Sheet, the association currently has total assets, liabilities and equity of \$693,404 including \$416,645 cash in the bank, \$63,348 in accounts receivable (primarily representing current quarter billing), \$7588 in prepaid expenses and \$205,824 in fixed assets. The balance on the loan from Alpine Bank is \$57,985. The Income Statement reveals that one month through the fiscal year, the association is running a net surplus of \$8360 in the operating account. This compares to a budgeted surplus of

\$6335; therefore, the association is \$2026 ahead of budget. Capital expenses for the current fiscal year total \$4168 for work related Comcast conversion project.

IV. Manager's Report. Mark Sauerman, Maintenance Manager sent the updated Projects List and submitted the following report via email prior to the meeting:

- The roof inspections and preventative maintenance were done. We also water tested all of the roof drains.
- All of the heat tapes were turned on and are currently working.
- All of the heaters in the rooms with the water service and fire sprinkler systems are on and working.
- The Comcast project is done. We have had to work with a few owners that have had issues with changing internet passwords and network names, but other than that I have not had to respond to any other issues with the new system (and I shouldn't have to because if there is an issue, then Comcast will need to respond and service their system).
- The annual test and inspections of the fire, life, safety system was done. There were a few deficiencies that were found during the inspection and those were addressed as well. The wireless systems in Buildings A, B and C have been working well with the exception of a few trouble signals.
- The annual service for the snowmelt system/boiler was done.
- The pool furniture is put away for the season. The pool is operating on winter hours. The bathroom, shower and sauna remain closed. Corey still is servicing the pool and hot tub seven days a week and Charles's family is still closing it up nightly. Thanks Charles!
- There was recently an issue with the ropes for the pool cover that was resolved by Poseidon.
- I did meet with Mike Gardner and several roofing contractors for a pre-bid meeting.
- I also met with Tim Barany for another bid to convert the office back to garages.
- I met with ERWDS (Eagle River Water and Sanitation District) for their site survey for the BPCCC (Backflow Protection Cross Contamination Control) program. Basically, they are surveying properties to try to get everyone compliant with the state's requirements when it comes to water contamination safety. What this means for Sun Vail is that you will receive a report from ERWSD with mandated actions

that will need to be completed in a certain time frame. All of the buildings will need backflow preventers at the very least and will like cost about \$15,000.

Dan reviewed the Reserve Study with the Board. Capital projects under consideration for the 2020-21 fiscal year include the conversion of Garages 1 through 4 from office space to either garage spaces or storage units, the installation of a security camera system and the pool fence / gate project. Dan should have all of the roofing bids by the end of December and plans to schedule a meeting in January to review the bids with the Board.

- V. Other Business. The Board discussed the draft of the Rental Agreement that was sent to the association's legal counsel for review. Jonah Hunt noted that any restrictions on rentals, including a minimum number of nights and / or a fee paid to the association (to help cover costs associated with use of common amenities, additional trash, code inspections, etc.) would need to be specified in an Amendment to the Declarations in order to be enforceable. 67% of the membership will be required to approve such an amendment. The Board directed Jennifer Barp to communicate with Mr. Hunt and to have him prepare the amendment for the Board's review.

Brian Wilson reported that the Court of Appeals will be hearing oral arguments on Vail Resort Rentals lawsuit on January 27, 2021. The Court will take approximately one month after the hearing to render their decision.

- VI. Adjournment. There being no further business to come before the Board, the meeting adjourned at approximately 5:40PM.

Respectfully submitted,

Secretary to the Meeting