

THE CALEDONIAN HOMEOWNERS ASSOCIATION

ANNUAL MEETING

Friday, December 16, 2016

4:00 PM (MST)

Silver King Hotel – Silver Room

BOARD MEMBERS IN ATTENDANCE:

Margaret Baker- Unit 203

Sarah Campsen- Unit 212 & representing Carol Bowman- Unit 213

Roland Rapp- Unit 210

ASRL STAFF IN ATTENDANCE:

Jim Simmons – HOA Manager

Ken Rabach – HOA Accountant

Hal Smith – HOA Maintenance Manager

Gary Gregg – The Caledonian General Manager

Craig Booth – The Caledonian Operations Manager

Nicole Chastain – Owner Services Administrator

HOMEOWNERS IN ATTENDANCE:

Mike Sweeny representing Jean Paul Dejouria- Unit 419

Dianna Cusumano & Jim Isom- Unit 208

CALL MEETING TO ORDER Margaret Baker called the meeting to order at 4:11 PM.

ESTABLISH QUORUM The quorum was established at 65.90% either by proxy or attendance.

ADDITIONS TO AGENDA

- Flood Insurance
- Happenings around town – Mike Sweeny

OLD BUSINESS

MAINTENANCE UPDATE – Hal Smith:

Planned Capital Reserve Items

- \$2,000 budgeted for glass replacements, only used \$680

Unplanned Capital Reserve Items

- Water softener repair in the winter. A valve broke which wasn't allowing the soft water to cycle. (\$2,384)
- Replaced the heat exchanger (which was relatively new) in one of the water heaters. Maintenance went the rounds with the manufacturer and sent the old one back, but they would not admit their role in the failure. (\$11,567)
 - A different water heater would be very difficult to get into the boiler room.
- Holiday lighting from 2015 was billed in 2016 (\$1,283)
- 500-Gallon hot water storage tank associated with the water heaters that developed a hole in the bottom; it was original to the building. Maintenance attempted to repair it, but it had to be replaced which entailed cutting a hole in the exterior wall and hiring a crane to replace the tank. The wall was rebuilt to be taken apart much easier in the future. The anticipated lifespan of the new tank is 15-20 years. (\$24,159)
- The control board on the water heater had to be replaced. (\$1,147)
- Large amount of fire sprinkler pipe replacement throughout the garage (\$32,903.05 was the HOA's share of the \$100,000+ project)
- Stairs by the Town Lift were repaired and then needed replacement. (\$6,715)
- One of the two heating boilers for the building was not working well had tubes that were clogging and needed to be cleaned out. (\$3,895)

Unplanned R&M Building Items

- Miscellaneous zone valves that control whether water flows or doesn't flow for a/c or heating throughout the common areas and units needed to be replaced (\$659)
- Roof fan replacement (\$522)
- Chiller was started earlier than normal (\$455)
- Water heater after-hours repairs (\$1,283)
- Scour jetted the main sewer line as preventative caution twice a year (\$700)
 - This is listed as unplanned, but it is planned
- Chiller hot gas leak repair (\$1,224)
- LED lights installed in common areas and our portion of garage replacement costs (\$1,391)
- Water heater UV sensor replacement (\$456)
- Water heater circuit setter replacement (\$428)
- Water heater pressure relief valve replacement (\$320)

APPROVAL OF 2015 ANNUAL MEETING MINUTES: Margaret Baker motioned to ratify the minutes. Mike Sweeny seconded the motion. Minutes approved unanimously.

NEW BUSINESS

FLOOD INSURANCE – Jim Simmons

- The Association had flood insurance for years. We were notified four years ago that the Flood-Plane Map was being reviewed by the Army Corps of Engineers to update the Flood-Plane Map; The Caledonian was not believed to be part of a Flood-Plane. The Association and a group of other properties invested money to gain momentum to update the Flood-Plane Map and The Caledonian discontinued the Flood Insurance Policy per the pending revision of the Flood-Plane Map. Three years ago, we were notified by the Insurance company that had provided flood insurance, that in order to renew, several steps needed to be taken and the Association chose not to renew knowing the revision was in progress. This caused some owners issues who were refinancing; some were told they needed individual flood insurance to finance. One owner was denied individual flood insurance because the Association wasn't carrying the required policy per the Declarations. Knowing that the updated Flood-Plane Map hasn't been recorded yet, we re-instated the flood insurance for about \$5,000/year. It is our hope that this expense will go away in the coming years with the updated Flood-Plane Map.

SURROUNDING AREA UPDATES – Mike Sweeny

- The deck and membrane at Town Lift were replaced. The waterproofing will be refurbished yearly and the new Alaskan Cedar deck should last 40+ years.
- Vail Resorts pays for most of the landscaping around the Town Lift
- Six new monuments will be put on the deck to reflect the old times in Park City
- The Christmas lights were cut back; they were hard on the trees. The existing lights are all LEDs.
- Sunday Silly Market was pushing around 15,000 people per Sunday
- Town Lift opened the first week of December for the first time. We are up 500% in Town Lift ridership this year.
- Treasure Hill Development is currently in the conditional-use permit stage of approval with the city. Best case scenario, the project would be off the ground in five years.
- Sundance & Parking
 - Lower Main St will be closed from 7th St. to 9th St.
 - The garage will run strictly as a parking garage; no storage for Sundance/sponsors
 - Diamond Parking will manage the garage for ten days and will charge the daily market rate.
 - All easement holders have a shared agreement with Diamond to manage the garage
 - Owners and guests will still utilize their designated spots outside the gate with their passes.
 - There are security cameras in the garage.
- Lobby Restrooms & Common Areas

- Paid for by The Caledonian HOA, but used heavily during Silly Market & Sundance by event goers and Butchers' customers.
 - Mike Sweeny will facilitate communications between Silly Market & Jim Simmons to discuss arrangements for use of our lobby restrooms.
 - Discuss entering an agreement with Sundance for allowed use of common areas and restrooms
 - Ensure the portion Butchers is paying for use of our restrooms is proportionate to actual use of their customers
 - ASRL will audit the expenses of common area restroom usage to ensure a fair split

BUDGET – Ken Rabach

2016 Variance Report

- Income
 - Exceeded by about \$1300 primarily due to cell tower income
 - Parking was under budget by about \$777
- Expenses
 - Insurance \$3330 unfavorable variance
 - Rate increase and added flood insurance
 - Taxes & Licensing \$26,700 favorable variance
 - Association received money back for property taxes on the Town Lift.
 - Based on the condition of the reserve, this money was not distributed back to owners this year and was rolled back into the reserve. Jim advises this money be rolled back into the reserve moving forward due to lack of income
 - Building Maintenance \$38,000 unfavorable variance
 - Several large and unanticipated expenses mentioned in the Maintenance Update
 - Contract Services \$13,000 favorable variance
 - Common Area Cleaning coded differently
 - Utilities \$5,131 favorable variance
 - New cable system reduced costs significantly
 - Slight rate increases by water company and implemented a pumping surcharge
 - For the year, the operating budget is unfavorable by \$8400 total

2017 HOA Budget

- Operating Budget
 - 5% HOA dues increase recommended to absorb flood insurance and other unanticipated maintenance costs from 2016. The last dues increase was 2014 at 5.9%
 - 10% of dues are required to go into capital reserve per state law
 - Large impact from cell tower income reduction of \$40,000
 - Since 2009, ASRL hasn't raised their management fees. The new proposed contract includes a 2.6% increase which is based on truing up our labor increases.
 - Any third floor Income goes directly to the Association
- Capital Reserve Fund
 - The reserve is underfunded and the Board needs to decide how to achieve a healthy capital reserve fund, whether through a dues increase or special assessment.
 - The current approximate funding level is 10%; 50-60% is the recommended target funding level.
 - 2017 - \$102,000 of scheduled projects
 - Reserve Plan Projects for 2017:
 1. Balcony Repairs
 - They need resurfacing and potential membrane repair or replacement depending on the severity when they are assessed in the spring.
 - Will investigate option of heating elements for the decks

2. Masonry Repairs
3. Elevator Cab Upgrade
4. Window Replacements
5. Cooling Tower
6. Air Handler & Vents
7. Reserve Study

- Projected 2017 Ending Reserve Balance: \$49,364

- Margaret Baker motioned to ratify the 2017 Budget with changes discussed. Roland Rapp seconded the motion. 2017 Budget approved unanimously.

Board of Directors Election: The Board will continue as currently represented with no other owners wishing to serve on the Board.

ADJOURNMENT: Margaret Baker motioned to adjourn the meeting. Dianna Cusumano seconded the motion. Meeting adjourned with all in favor at 5:52 PM.