

2019 CALEDONIAN ANNUAL MEETING MINUTES DRAFT
Tuesday, December 17, 2019
Silver King Hotel 4:00 p.m. (MT)

I. CALL MEETING TO ORDER 4:08pm

II. ESTABLISH QUORUM - 70%

Mike Sweeney – Town Lift Plaza

Board Members

Roland Rapp (R210)

Sarah Campsen (R212)

Margaret Baker (R203)

In Person

Jill Packham (C101A, 101, 102, 103, 104, 105, 106, 107)

Camilla Shumaker (R205)

Diana Cusumano (R208)

Benito Alvarez (R415, 416)

Via Proxy

Carol Bowman (R213)

Jo's Nevada Trust (R419)

Phone

Brian Powers (R418)

Steve Barsh (R214)

All Seasons Staff:

Brian Bartholomew – Maintenance Manager

Lizet Zuniga – General Manager

Carissa Nosack – HOA Manager

Gina Covino – HOA Administrator

Jim Simmons – VP Owner Services and Asset Management

Garrick Malin – HOA Controller

Mike Howe HOA Controller

III. ADDITIONS TO AGENDA None

IV. OLD BUSINESS

A. Approval of 2018 Annual Meeting Minutes

Roland motioned to approve 2018 Annual Meeting Minutes as amended for attendance, Sara 2nd, all in favor. Motion passed.

B. HOA Management Updates

All Seasons Management HOA Division has grown and new staff was introduced.

Mike Sweeney:

New lights were installed in the garage. Efforts are made regularly to keep skate boarders out and the garage clean. Evaluation will continue to keep the garage space profitable.

Approximately 100 acres of the hillside is in a conservation easement as "Open Space". The property was sold to the city and all easements and right of ways have been kept in place for ski access. The ski trail, lift and bridge are owned by Vail. The Lift may be started on Friday so that Santa can come down the mountain on Saturday.

Town Lift has a good relationship with the City.

No Sundance activities will be held in the garage.

C. Maintenance Report

Monthly Contractor Services

Water softener salt delivery – Step Saver – every 6-8 weeks

Boiler room preventative maintenance – MHI – once per month

Main drain jetting – Rescue Rooter – twice per year historically. It is recommended to increase this to quarterly maintenance to prevent emergency/weekend services.

Spring & Summer

Carpet cleaning – Floor Seasons- deep clean all rooms all common areas (spring)

Window washing –Clean Shield Window Care– all exterior glass

Set Timers and Clocks – in house- set lighting timers for exterior lighting and changing clocks (for daylight savings)

Deck Clean – in house- clean all exterior decking

Planting – in house – update public area foliage and planter boxes

Exterior stairwell clean- concrete and stone stairwell cleaning

Turn on exterior water supply – in house

Air Filters – in house – change out all industrial air filter in all units and common areas

Fall & Winter

Carpet Cleaning – Floor Seasons – deep clean all rooms all common areas (fall)

Window Cleaning – Clean Shield Window Care – all exterior glass

Set timers and clock- in house – set lighting timers for exterior lighting and changing clocks (for daylight savings)

Turn off exterior water supply

Snow removal- B&B- as needed snow removal common area and unit decks

Exterior salt- in house- as needed

Interior stairwell cleaning – in house – all stairwells cleaned

Air filters – in house – change out all industrial air filter in all units and common area

Completed

Backup Lighting

Installed Backup Lighting on 2nd and 4th floors

Installed Backup Lighting in all stairwells

Installed Backup Lighting in elevator landings in P1 and P2

Rewired Outdoor Lighting for LED bulb update

Plumbing Repairs

Repaired leaks in rooms 204, 202, and 2nd floor hallway

HVAC Repairs

Repairs to Chiller, Boilers, Control Valves, and Pumps

Roof Repairs

Resealed roof to stop leak in 2nd and 4th floor hallways

To be Completed

Balcony deck Replacement

Resealed and repair sandstone on exterior of building

Culinary Boiler Replacement

Chiller Replacement

Flat Roof Replacement

Doors for dumpster room

Homeowner Questions:

When will replacement carpeting take place? It is in the 2020 Budget. Using carpeting tiles is preferred for replacement as it can be better maintained.

Homeowners are responsible to pay for changing the controls and valves within their own units. They have only been updated as they have broken. If unit owners have particular problems within their unit, MHI is the vendor that has made these modifications. Homeowners are welcome to contact MHI direct. Randy Hoover, MHI 801-550-6479

Regarding the dumpster/trash room, the trash room is cleaned every spring and fall. Increasing the cleaning to 4 times a year is recommended.

Snow removal is based on the snow being in the 2-3ft range. This is done because of the high costs for removal. Preventative removal should be considered specifically so that doors to balconies can be opened.

D. Balcony Repair Project

The decking is being replaced, not repaired. They have reached the end of useful life and are failing. The replacement system will be a water proof surface and will not include the membrane system that is currently failing. The new decking system is more maintainable than the current system. There is a 5-year warranty and then the decking requires an inspection and re-sealing. If this completed, the manufacturer will add an additional 5-year warranty. Regular maintenance is required to continue to extend the life of the project.

Shaan with Ram Construction explained that he will not know the full cost of the project until after the decks are opened up and work is completed on the first few decks. He also explained that where the door meets the deck is flush, which allows wind driven rain to get underneath. Replacement SLIDING doors are a required part of the scope of work. The height of doors will remain the same, but the transom windows above will decrease in height. The new doors will require you to step over the new 1.5" threshold to get outside.

Scaffolding will be what they used during the Olympics and all extra safety measures will be taken because of the location. There will be some damage beneath the decks, but we won't know the extent until we open them up. Permitting will be important to secure as soon as possible. Hot tubs will be drained, craned off, stored and then replaced upon completion of the decking.

The total process to complete the first decking project will be about 6 weeks. Doors need to be ordered 6-8 weeks in advance of beginning the project. The estimated beginning time is end of April to mid-May, depending on weather. Part of the process is temperature dependent. Plans have already been submitted to the City building department which will then go to the Planning Department. Updated plans with the increased scope of work will be submitted. Mike Sweeney mentioned this project may affect traffic on Main Street and as a member of the HBCA, he will help with advance notification for Silly Sunday and other events.

Future balcony projects and replacements will be evaluated annually for necessity. All balconies have not yet been evaluated. The 2nd floor Main Street and Park Avenue balconies are different from the 4th floor balconies. Fourth floor balconies are highest priority at this time because of failure. We will learn a lot as we work through this process and complete the first replacements. Door replacement will not be required unnecessarily and if there is no issue. *Advance notice will be given to owners if their unit needs to be removed from rental status. The Board and Management are sensitive to minimizing the impact to both owners and guests.

V. NEW BUSINESS

A. 2020 HOA Budget

The 2019 year is forecasted to end with a deficit of revenue over expenses of \$44,000. This deficit is primarily from the maintenance and repairs section. Heavy snowfall required an additional \$10K of expenses that were not anticipated. Significant HVAC \$6K and plumbing repairs \$14K were incurred. Fire Sprinkler repairs were higher than budgeted at \$4k. Additional General & Administration fees related to legal expenses to discuss balcony repairs and utility rates increased totaling an additional \$9K of non-budgeted expenses. Year over year, plumbing repairs continue to escalate with the age of the building. No preventative measures can be taken. Plumbing leaks are just addressed as quickly as they manifest and maintenance staff carefully monitor the situation.

Jim Simmons reported that during the history of the association there was a time when the association decreased the dues, which is highly unusual. Following that decrease, the association also experienced declining revenue from outside sources (cell tower reduction and elimination of the Sundance Café) that have combined with increasing expenses in operating costs to create the current financial situation. Unfortunately, this combination lead to a decrease in Capital Reserve Funding and has forced the need for a large increase in dues. The proposed member dues increase is 23.4%, which is primarily from plumbing repairs, increased utilities, increased reserve funding and increased legal fees and equates to a \$58,000 increase for the association. Based off of 2019 actual expenses, 17% of the increase is from the 2019 deficit budget, which leaves a 6% increase on top of actual expenses. The net effect of the deficit is that it wiped out all capital reserve contributions. The 2020 Budget will ensure that appropriate levels of capital reserve funding continue into future years.

Margaret motioned to approve the 2020 Operating Budget, Roland 2nd, all in favor. Motion passes

2020 Capital Budget Discussion:

Large Capital expenditures are coming up over the next 2 years totaling \$750K. Projects include: Flat Roofing, Metal Railing, Carpeting, Building Exterior Repair and Repaint, Masonry Repairs, Awnings on Commercial Units, Wi-Fi System, Chiller Replacement, and Boilers (domestic 1). Management is proactively managing these projects prior to failure and we have already made large repairs to these systems. Total for 2020 Budgeted Capital Expenses is \$500K. Maintaining an average of close to 50% funding over the course of 10 years is optimal.

Roland motioned to approve the 2020 Capital Budget, Sarah 2nd, all in favor. Motion passes

B. Special Assessment

The majority of the first \$500K Special Assessment has been collected. There are a few accounts that are on payment plans. 100% of the ownership has responded to the Special Assessment. With the Balcony Project, the association wanted to make sure they had the funds to cover the initial deposits required to secure the builder. The association will also have to pay for portions of the balcony replacement costs related to structural repairs. *The water barrier portion of the building affects all of the units, both commercial and residential.

Legal Discussion: Attorney Melyssa Davidson from Wrona and DuBois was present. She solely practices Condominium Law and HOA Law. The documents give the Board broad authority in assessing replacement costs. The documents are old and were developer drafted. They do not contemplate some of specific issues that we are now dealing with.

Balconies are defined as Limited Common area, which is a subset of Common Area and the association is responsible for the repair and replacement of the Common Areas and Common Expenses.

Section 15.02 b) and d) give the Board broad discretion to decide whether to special assess the residential units for some or all of these particular Common Expenses. There is no guidance for the Board on how to assess these disproportionate expenses in the documents. It is left to the Board's discretion to decide how to assess in the absence of direction.

Precedent has been set within the association that balcony repair work has been paid for by individual unit owners. Replacement of the surface of the balcony is the homeowner responsibility and the HOA is responsible for the damage beneath and the structural "envelope" portion that creates the water barrier.

The costs will be broken down as follows:

Removal and replacement of the decking will be the individual homeowner units' responsibility, as their Limited Common Area.

The water proof structure of the building underneath the decking surface and any damage that needs to be repaired, will be the HOA expense and borne by all owners as part of the Common Expenses.

Homeowner comment after the discussion: "The manner in which the Board is handling the situation seems very fair and equitable. It is clear that a lot of time and thought have gone into making this is as fair as possible."

Board of Directors Election

No new candidates were nominated. Current Board Members are willing to step down or continue to serve. Roland Rapp, Sarah Campsen, and Margaret Baker were unanimously re-elected.

VI. ADJOURNMENT 6:02pm, all in favor