

SUNDIAL LODGE CONDOMINIUM OWNERS' ASSOCIATION, INC.
QUARTERLY BOARD OF DIRECTORS MEETING MINUTES
VIRTUAL MEETING
SEPTEMBER 25, 2020
2:00 PM (MT)

BOARD MEMBERS: Heather Janas (Worrall) (B321, B406), Richard Schwartz (B202, C212), Brad Iverson (C104, C411), Howard Scher (B402), Ben Wedeking (commercial units/Vail)

ALL SEASONS HOA MANAGEMENT: Jim Simmons, Mike Howe, Dave Guyer, Nicole Chastain

OWNERS: Pam and Alan Cheever (C311), Michael Janas (B321, B406), Kelly Powell (B413), Bob Flaig (B403), David Scher (C307, C403, C408), Jay Stewart (C313, B409), Kenneth Schwartz (C215)

GUESTS: Melyssa Davidson (HOA attorney)

I. CALL MEETING TO ORDER

The meeting was called to order at 2:07 PM (MT).

II. ADDITIONS TO AGENDA

- Update to new road adjacent to Pendry
- Mike Howe's update

III. APPROVAL OF JUNE 2020 MEETING MINUTES

Richard Schwartz motioned to approve the minutes; Heather Janas seconded the motion. The motion carried unanimously.

IV. CANYONS VILLAGE UPDATES:

Jim Simmons shared that the entry into the village/road-widening is in progress. Pendry Hotel construction continues which has created challenges with early morning noise. There are several pending projects that are moving forward. Dave March has recently sent some updates that Jim will review for Saturday's annual meeting.

David Scher indicated that YotelPad is close to 100% completion with construction (three to four weeks to go). The developers are looking to start closing sometime in October, with a November opening date, ahead of the ski season. They are approximately 80% sold. Sales slowed down in March, but picked back up in August.

Dave Guyer noted that the paving of the road (from Hwy 224 through the first roundabout) is in progress and that it has been a mess. Pendry is on their final cement pour and the early morning work should be over soon.

V. MAINTENANCE UPDATES:

The Trane building control system is installed, with the exception of the two final cooling tower VFDs (which are scheduled for October when the weather is cooler). Dave Guyer is extremely happy with the system.

The Park City Fire Department walk-through/inspection was completed in August. This takes place every two years with the fire safety inspector. It went very well and the inspector had positive feedback about the building. There were a few minor items (mostly related to door handles, push

buttons, and automatic closures) which have since been updated. One sprinkler head in the B building (second floor, far end in the alcove area) needs to be added.

A three-hour property walkthrough was completed in August with Zurich Insurance and the risk assessment advisor. All common areas, the garage, mechanical rooms, closets, and exterior of the grounds were walked. He had only two minor suggestions: additional information on inside doors regarding rentals and additional locks on the patio doors as an extra safety precaution.

The 21-year-old primary and secondary boiler and chiller motors were replaced in the mechanical rooms, this summer, as scheduled capital reserve work. Additionally, the bearings, gaskets, and seals were also replaced. Eight new check valves were installed on the main HVAC pipes that lead up to the building.

Both ADA lifts have been repaired. Maintenance has the batteries in their shop; when they are needed for use, the batteries can be placed on the machine and they will operate. New seat belts have been placed on the lifts.

With the board's approval, automatic no-touch hand sanitizer stations were placed in both lobbies. Dave's custodial and maintenance teams have been cleaning and disinfecting at least three times a day in the common areas, including the railings, elevator buttons, bathrooms, counters, and any other high-touch points.

Trees and bushes are being pruned and prepped for winter. A number of concrete caps around the steel columns, that have been damaged over the years from ice are being repaired. They are being re-skimmed with specialty cement, they will be caulked where needed, and a special cement paint (similar to the paint around the caps of the pool), and will hold up well over the coming years.

Vandalism was occurring to the elevator call buttons. HD cameras were put up in the elevators. Maintenance was checking these at least three times a day during the vandalism periods. The repairs from the vandalism were not covered under the Thyssen-Krupp contract. Dave has spoken with our contractor to identify if there are any vandal-proof options, like metal buttons or metal frames.

The air handler and common area filters were replaced earlier this month and are replaced on a quarterly basis. Maintenance is in the process of starting replacement on filters each room, which is done on an annual basis.

The emergency stairwell lighting was repaired in the B stairwells. New exit signs with battery back-up lighting. The kick plates and railing support brackets were painted black in the C lobby.

The ceiling in the archway will be opened up around October to address the leak.

New laminate in the elevator cabs will be installed before the winter. Additionally, the faux leather panels will also be taken down.

Maintenance has been tracking bad actuator valves and shut-off valves in the rooms. There are about 20 rooms that will be repaired in October, early November. The repairs will require water shutoffs.

Sprinkler blowouts are upcoming.

Heat tape addition, cleaning of the gutters, and new gutters are upcoming on the 4th floor of the B building, facing the gondola.

Dave reminded owners who are not in the Vail/ASRL rental programs that three blinking lights on the door locks of the rooms means the batteries are dying and need to be changed. Please let maintenance know and they will replace your batteries. Please remind your property managers to flush the toilets and run a little bit of water in the tubs/sinks, especially during low-occupancy times. Please also have your TVs turned on, as DirecTV goes silent after 90 days, and a long reactivation process with DirecTV will have to be done. A communication will be sent on this.

VI. FINANCIAL UPDATES

August/YTD

Mike Howe pointed out that for the month of August alone, the elevator button damage cost the association \$1,600. On a YTD basis, elevator button damage has cost the association \$8,100.

The association finished about \$3,900 worse than budget for the month of August: elevator button vandalism (\$1,600), legal expenses (timing issue), interest income with low percentages on capital reserve funds (\$1,000)

The association is pacing about \$17,000 worse than budget, YTD: elevator button vandalism (\$8,100), income interest that was budgeted for, meeting room income (COVID-19), pool towels (timing issue), unanticipated fire sprinkler and electrical repairs

An owner asked about vandalism coverage. Jim Simmons & Mike Howe will look into it.

Capital Reserve

As of the month of August, the association has spent \$143,000 to a budget of \$735,000. We do know going into this budget year, we aren't going to spend \$735,000.

The 19-20 fiscal year is in the middle of an audit. This will be shared once this has been completed.

IRS revenue ruling 70-604 states that excess revenues over expenses at the end of the year, the board needs to decide what to do with the money so that its non-taxable. Traditionally, and best practices, most boards look to have that money transferred into their capital reserve funds. The board could vote on a resolution that would essentially meet the requirements for this ruling, which would state that if there is an excess revenue at the end of the year, that excess would be transferred into the capital reserve. Mike pointed out that the entire excess amount would be transferred to the reserve, and the board doesn't have to vote on it at the annual meeting.

Heather Janas motioned to move forward with the resolution to have excess revenue moved to the capital reserve at the end of the year. Richard Schwartz seconded the motion. The motion carried with all in favor.

This will be shared with the owners tomorrow at the Annual Meeting, and added to the agenda to be ratified by the owners.

Richard Schwartz noted the reserves are currently about 27.5% and that we'd like to be higher. He asked Mike Howe if he thinks this number, given the way the budget is setup, will go up, noting the fact we need to address this to avoid special assessments, in the event something happens. Mike Howe said that the percent funded will increase, however it's based upon the assumption that Dave Guyer is going to hold off on some projects that need to be done, and essentially address them in future years. The capital reserve balance changes yearly based on capital reserve studies. Mike shared that during the associations budget process this year, because the insurance almost doubled, and we didn't want to put forth a dues increase, a large line item that was affected was the reserve accrual, which is put away each month into the reserve fund. He noted this can be addressed in the coming few years, depending on when these projects can start up again and that we need to keep this in mind. Between COVID-19 and learning that our insurance costs doubled, a ripple effect ensued. Richard Schwartz noted that there's a chance they will increase next year again, due to all the events that have occurred on the west coast.

VII. BOARD DISCUSSION

COVID-19 & Sundial Ski/Boot Room

The board and management have participated in prior discussions regarding the way this will operate while encouraging and implementing social distancing. At this time, there isn't a firm answer for how this will look, but Ben Wedeking and his team are looking at the ski lounge for opportunities. Ideas discussed were removing some furniture, marking off areas, possibly a tent or outside vestibule use.

Ben Wedeking noted that it's a bit early for details, and that Vail has committees looking into guidelines in response to COVID-19, with ski valet being at the top of the list.

Jim Simmons noted that Vail and All Seasons have been working together in accordance with county guidelines in the lobby and common areas. They are working together to ensure they are following CDC and Summit County guidelines, including social distancing and mask wearing.

TV SERVICE PROPOSALS

The association has been with Groove Satellite (DirecTV) for several years. At the board's request, we have been shopping the service to ensure great value. Dave Guyer researched options with Comcast and Dish Network. Comcast was double the cost, and they wouldn't be able to start until next spring. Dish who was slow getting the proposals to Dave, gave two proposals: one was for \$9,000/month, and the other one was around (\$3,900) but didn't have as many capabilities and technology. Groove gave a renewal proposal for a 3-year contract with no penalty for leaving at the end of the contract (\$2,100).

Groove provides better support and included in the contract would be all new hardware equipment in the hallways and closets (the equipment that transfers the power from the satellites to each

units). The previous technology was 6-7 years old and was occasionally causing issues. The board has decided to move forward with a renewed 3-year contract with Groove. The new contract will be about \$200 less than the existing Groove contract. The installation/upgrade will take approximately one week, around October/November.

Richard Schwartz acknowledged all the efforts that Brad Iverson put in on this project.

HOA UPDATES

David Scher shared that construction of the new road between Westgate and Pendry will not start until the spring and will be completed by the next season. Sundial will be the only drop-off point for the upcoming ski season. David Scher spoke with John Simmons about concerns of people dropping off people in the circle, rather than taking them to the Cabriolet drop-off. John Simmons assured David Scher that the number of people will be greatly reduced due to COVID-19. David asked John to coordinate with Jim Simmons and keep him in the loop. David is happy to continue assisting with this if the new board would like him to.

Jim Simmons reminded the board and owners that Vail and All Seasons are working hard to make sure all safety measures are in place so that owners and guests feel safe and comfortable coming to Sundial Lodge. We will share details with owners and communicate plans as we have them.

JANUARY 2021 MEETING DATE

The board will decide the date via email.

OWNER COMMENTS

Kelly Powell: Kudos to Dave Guyer for keeping the building so great. Could the hand sanitizer stations be added near the elevator doors? Dave will look into this.

Bob Flaig: Dave, you did a marvelous job on the fitness room. It looks really, really good. It was nice to see both elevators working in the B Building and we had a great trip.

Jay Fink: I would echo that about the fitness room and the water machine is really great. It's been very useful to have that available to people.

Richard Schwartz: Are there any Utah guidelines on fitness rooms in Park City, and how do you maintain it given the new environment? Dave stated that similar to the pool area, signage is up. No more than five people are allowed in the fitness room at one time. People have been cooperating; some people wear masks in there, others don't. Clorox and Lysol wipes are in there for equipment wipe-down. Dave said he hasn't had any negative feedback about the fitness room. Richard Schwartz asked if the wipes are self-serve, and Dave said yes. The HOA doesn't have the manpower to be wiping everything down. Richard Schwartz asked if people are complying, and he said yes, they see people wiping down the equipment.

Bob Flaig: I was over there for a few days. The most I ever saw in there was three of us, and everyone pretty much tries to stay away from each other. I saw the wipes sitting there on the counter, and I'm surprised nobody had taken them. Dave said the HOA has paid a lot on Clorox wipes, and unfortunately some of them have been taken, but for the most part people are good and

keep the place clean. The feedback has been overwhelmingly positive about the fitness room, and the previous board was awesome in improving the fitness room.

Richard Schwartz: Have the hand sanitizer stations walked off? No, they're about 30 lbs. each.

Jay Stewart: When we were there a few weeks ago, I happened to observe someone drive into the parking lot behind another person. Will this be an issue with the season coming up and the circle being the main drop-off point? Dave said this happens more in the summertime, when there are more vehicles per room. Typically, it's one vehicle per unit in the winter time. Additionally, the night audit staff checks parking passes and tickets anyone who doesn't have a pass.

Bob Flaig: I did forget to put my parking pass up on my rental car and got a ticket. Do you keep track of the cars to identify habitual offenders? Dave replied that the team writes down the plates, and this is kept at the front desk. We have only seen one habitual offender (someone from Yellowstone). We don't tow, it's more of a wake-up citation. We could get strict and start towing out of there, but it hasn't come to that.

ADJOURNMENT

The meeting was adjourned at 3:17 PM (MT) with all in favor.