



2021 BOARD MEETING MINUTES – DRAFT
Wednesday, July 14, 2021, 4:00 pm (MT)
Web-conference
Open Meeting

BOARD MEMBERS: Mike Kvietkus, John Rasmussen, Doug Haigh

ASHM: Jim Simmons, Chris Tomczyk, Mike Howe, Nicole Chastain

OWNERS: Mary Carlson, Julie Evans, Cheri Tanimura, Michele Levy, Larry Hall, Mike James, Deborah Hickey, Greg Koch, Bobbi Whitehead, Richard Schwartz, Cecilia Hall, Kevin Murphy, Howard Locker, Andrea Luce, Noah Ramirez

- CALL MEETING TO ORDER: Mike Kvietkus called the meeting to order at 4:05 PM (MT)
- ESTABLISH QUORUM: The quorum was established with all board members in attendance.
- ADDITIONS TO AGENDA: No additions
- OLD BUSINESS
 - Approval of December 2020 Board Meeting Minutes: John Rasmussen motioned to approve the minutes as presented; Doug Haigh seconded the motion. The minutes were approved unanimously.
 - Maintenance Update
 - Thursday 7/15 we will be replacing the lobby large upper glass pieces that were reordered due to not fitting correctly.
 - The landscaping, sprinklers, and electrical in the construction disturbed areas will follow. The new tile is in place in the lobby.
 - The new carpet for the lobby, second floor, and stairs is ordered and scheduled to be installed the second week of September, possibly mid-August.
 - June 2021 we installed two new culinary hot water boilers to increase efficiency and the availability of hot water to our rooms.
 - Our pool and spa equipment is performing well, good water for our guests.
 - The chiller and cooling tower are performing well in providing cool air to our rooms despite our hot temperatures as of late.
 - Adding a water softener to the hot water boilers would elongate the life of the boilers.
 - Financial Update:
 - YTD the association is flat to budget.
 - Housekeeping is about \$600 more than budget for the period (May). Savings in supplies, but pool towels and labor were about \$600 more than budget for May.
 - Repairs & maintenance is about \$555 more than budget for the

- period.
 - Utilities saw savings of around \$200, primarily due to water for the period.
 - An owner inquired about a reserve study, in consideration of the recent Florida event. The last reserve study took place in 2019, and we like to complete these every three years, with the state requirement being every five years. The association will conduct a reserve study next year, and moving forward will move to completing a reserve study every five years.
- Phase One Truss Repair Project Update: The phase one project had delays, particularly with the window glass contractor. The landscaping repair has been delayed until cranes and hoists are no longer present. The front steps look great and fine-tuning continues on the inside. All structural issues have been resolved. The entry doors have been relocated.
- NEW BUSINESS
 - Pending Assessment - Phase 2 Truss Work: The board sent a letter to owners regarding phase 2 of the truss project, proposing a \$2.1 million assessment to include remedying the failing trusses near the pool area, as well as improving the pool area for owners and guests. Phase 2 has been less of a safety priority than phase 1, but needs addressing as soon as possible. The board's guiding principles include: safety as first priority as well as maintaining owners' values. The truss repair is mandatory.

As the board looked at the project, there was additional planned work that was going to be completed all along. It was part of the capital reserve and addressed the pool area. There is a curb over by the shower area that does not comply with ADA regulations; this will be removed. This area in general needs improvements; capital reserves are budgeted for this portion, and this project will be grouped with the phase 2 project, to minimize impact on owners and guests. There are improvements to the pool area that are needed. The ski lockers are at the end of their useful life and need replacement. The association formed a sub-committee to assist with this project as a whole.

Vail has plans to develop the parking lots surrounding the area with a new base area. They are still working with the city to determine the details, but there will be much improved and newer development in the area. Deer Valley is also looking to develop their Snow Park parking lots. Silver King is being surrounded by an influx of cash and capital to improve the areas around us. Capital reserve funds are for planned replacement of items shown on the reserve study, not improvements. We want to remain a contender for guests.

The board looked at loan options, which could potentially be an option, but the bank requires one of two things: collateral (the small parking lot that Silver King owns), and by proving the association's ability to pay the loan back (proof of a revenue stream being collected, and proof that we have the ability to make assessments 6 months to a year ahead of getting the loan money). It

was asked if the phase 1 assessment shows us as being credit-worthy. Phase 1 was a one time payment. Banks do not use a one time payment as proof of ability to generate a revenue stream over a period of time, hence the need for assessment ahead of the loan period.

The board wants to ensure they are being sensitive to owners' current financial situations. They are looking into options for barbeques, fire pits, an additional hot tub, extended patio area, new signage etc. down the road.

We need to have an assessment to prove that we can get a bank loan, and get started on the failing trusses.

Phase 1's assessment was for \$750,000, but we only spent around \$600,000. The capital reserve was bolstered by the leftover balance. Phase 2 is more complicated on the financing side, due to the scope of the project. We have to have an assessment in place, and prove that assessments are being paid, as part of the loan application process. This first requires bids from contractors to determine the actual cost of the project. This project was initially estimated at 1.7 million, but that has increased due to construction cost increases.

Silver King couldn't have a better location. With PEG, a world class resort is on its way.

- Open Discussion
 - Deborah Hickey:
 - Details for a mid-July meeting were received by owners less than 24 hours prior for the biggest assessment of "all-time"
 - Can we consider a delay in requesting a vote so all owners can have their questions or concerns answered?
 - The pool committee suggested presenting three options to the owners
 - This is another large assessment following the first, plus a 30% increase in dues in the past two years
 - Concerns about the additional amenities around the pool requiring more maintenance, when we can barely keep up with the facilities as-is, due to staffing challenges in the Park City area
 - The assessment amount does not include the capital contributions for the bathroom and sauna area
 - Neither PEG nor Deer Valley have been approved by the city
 - A web cam will not see the mountain, just the new structure
 - PEG wouldn't start their project until 2023, even with approval tomorrow
 - How would we offset our costs with 450 new units built by PEG?
 - The 1983 original plan included 16 more units zoned and planned. With more creative planning, we could improve the property without the burden of all the costs. This idea was presented by Hans Hoffman a few years ago, but at the time we didn't have the concept of two

major renovations.

- Will the drought impact tourism and improvement of rental rates?
- There is a 2018 engineer report that estimates pool repair costs around \$800,000.
- Larry Hall
 - The truss is high priority. The other upgrades would be positive for rental income and unit value. We need to move ahead on the truss, and if we can at least do some improvements, that would be great.
- Howard Locker
 - Should we wait on landscaping on the front until phase two is done?
 - Options should be presented to the owner regarding the plans of the project, up to the owners to decide
 - Realistically, would this be done over spring/summer/fall, considering how long phase one took?
- Bobbi Whitehead
 - As a member of the pool committee, it was discussed three options would be available for homeowners to look at and only one option was presented
 - June 16 letter said more information would come in the next week, but it wasn't received until last night
 - We do need to do work on Silver King. There is no mention of how additional amenities would impact HOA dues (electric, water, maintenance). Bobbi would like to see projections
- Mary Carlson
 - Agreeing with Bobbi, Mary believed multiple options would be presented to vote on, and owners just received this last night.
 - Tiered approach so owners could vote on what's most important
 - How relevant is PEG development?
- Andie Luce
 - Andie is all for options and doesn't believe the area around the pool does much for value, but the pool does.
 - Our location will help increased rates
- Greg Koch
 - Greg thanked the board for their work
 - The truss, ADA needs to be addressed, as well as the sauna, restrooms, etc.
 - Add tables to the green space that isn't being utilized, add fencing
 - Agrees with the improvements presented, but it would take 15-20 years, charging double/night to pay off the costs.
 - It all comes down to timing
- Richard Schwartz
 - Thank you to the board!
 - Would want to vote on the must-haves (safety) and encourages a menu of options including the safety needs

- How much would interest be?
- What is the return on investment?
- All boats rise with the tide

- Michele Levy
 - Sticker shock upon receipt of the letter
 - Not apples to apples to PEG
 - Her unit would probably bring in more money than an un-renovated unit on the market
 - Siding, painting, other projects needs addressing to spruce up Silver King

- Kevin Murphy
 - Break down the options by priority to help owners make a decision
 - What happens if improvements to our property aren't in keeping with PEG's projects. Thinks we should wait to see what they do around us
 - Amount of interest for the loan is a concern

- Mike James (had to leave the meeting ahead of owner comments- sent via email)
 - First, I am in agreement with making the appropriate improvements. It always hurts to have to come up with cash, but it is an investment, and investments always require additional cash infusion to stay viable.
 - Second, there is no doubt that Vail is going to do something with those parking lots. The city may cut things back a bit, but the owners of that property have a right to develop it. Noisy citizens might slow things and make it less expansive, but they are not going to be able to stop it. It will be a blessing to the Silver King, but it is going to require the Silver King to up its game.
 - Third, I really appreciate all of the time, effort and work that has gone into figuring out how to best proceed. I don't like meetings where the only comments are the negative ones. I understand the frustration that people have with having to come up with more cash. But trying to figure out financing options is the board going the extra mile in my book. There is no perfect solution, and so I am willing to defer to those who have rolled up their sleeves and have done the difficult work of learning the options and applying their best judgement to the issue. I support the board and appreciate their hard work.

- Mike Kvietkus, President
 - Thank you to all who participated today. The board wants to be responsive to owners and this communication is an important part of hearing owners' voices.
 - There were several options that the committee came up with. We looked at an outdoor pool only, which would cost around 600k to

eliminate the structure. There was a 3.4 million dollar option which included enhancement and enlargement of the pool itself. Costs of fire pits and hot tubs would slightly increase dues, but not significantly.

- Special projects to improve common areas require special assessments.
 - There are safety and ADA requirements that are mandatory. Areas in the shower/locker room need refreshment (we have capital money for this).
 - Total costs still need to go out for bid.
 - We must do the minimum for safety, but does this actually help the owners? We don't want to build things out of proportion with the rest of the building, but there are problems in the pool area that need to be fixed.
 - Rental rates aren't a HOA responsibility, but this would impact the rates that rental managers could obtain
- Doug Haigh, Treasurer
 - It will take our attorney to determine if owner ideas can be incorporated into a vote. 51% is required to pass the vote. The bulk of the cost will be reconstruction of the atrium, the incremental work can be deferred and will be a smaller part of the whole equation.
 - The board is tasked with making a decision. It takes input from owners, but ultimately the board needs to make a decision.
 - John Rasmussen, Board Member
 - We will go back to the drawing board, taking owners' valid comments into consideration.

The board will work with Mike Howe and Chris Tomczyk on how we can define options. By design, if multiple options are presented, we would almost never get 51%. Work wouldn't be completed all at once, so this would be spread out over time. Owners can look for a follow-up communication from the HOA.

- ADJOURNMENT: Mike Kvietkus adjourned the meeting at 5:45 PM (MT).