

**Altair Vail Inn Association
Annual Meeting Minutes
Saturday, May 20, 2017, at 10:00AM MT
Vail Racquet Club and Via Conference Call**

MEMBERS PRESENT IN PERSON: Coughlin (Unit #101), Stenmark (Unit #102), Loes (Unit #103), Rundle (Unit #108), Linton (Unit #203), Linnan (Unit #205), Aurbach (Unit #207) and Conlin (Unit #212)

MEMBERS PRESENT VIA CONFERENCE CALL: Schlichting (Unit #106 and #208), Reddig (Unit #108) and Barclay (Unit #211)

MEMBERS REPRESENTED BY PROXY: Kaemmer (Unit #104), Casey (Unit #202) and Levine (Unit #209 and #210)

ALSO PRESENT: Dan McNeill, Managing Agent, Dave Zippie, CPA and Sara Thurston McNeill, Secretary to the Meeting

- I. Roll Call. With 16 of 24 units either represented in person or by proxy, a quorum was established. According to the Bylaws, at least 25% of owners (or six units) must present in person or by telephone or represented by proxy in order to establish a quorum. Dan called the meeting to order shortly after 10:00AM and welcomed all attendees. Those present in person and over the telephone took turns introducing themselves.

- II. Review and Approval of 2016 Annual Meeting Minutes. These minutes were previously distributed and posted to the website (hoa.mcneillproperties.com) for review. There being no proposed changes, there was a MOTION: TO APPROVE THE MINUTES OF THE 2016 ALTAIR VAIL INN ASSOCIATION ANNUAL MEETING. The motion was duly seconded and passed unanimously.

- III. Financial Review. Dave Zippie, CPA prepared and presented the 2015-2016 Fiscal Year Year-End (as of November 30, 2016) financial reports to the membership. According to the Balance Sheet, the association ended the 2015-2016 fiscal year with \$119,145 in total assets, liabilities and equity including \$35,998 owed by three owners who chose to finance their facelift special assessment; they are making payments on a monthly basis. The total balance on the loan to Alpine Bank is \$209,726.

The Income Statement reveals that there was a fiscal year-end net deficit of \$3931 in the Operating Account. Cost savings were achieved in the line item of Building Maintenance. Cost overruns were experienced in Snow End Loader, Sidewalk Shoveling and Water & Sewer.

The fiscal year beginning balance in the Maintenance Reserve Capital Account was \$56,170. 2015-2016 fiscal year funding totaled \$21,969, \$740 was added from the 2014-2015 fiscal year-end operating surplus and reserve participation was \$900. Capital expenses totaled \$6025 and included \$1963 for asphalt repairs, \$1150 for landscaping improvements and \$2912 for the replacement of some heat tapes. The ending balance in the Maintenance Reserve Capital Account was \$73,754.

Dave prepared a cash flow analysis for the loan payback to Alpine Bank. Dan reminded all that the association was forced to borrow funds during the Facelift Project, completed in 2012, due to change orders for unforeseen conditions, including insulation, electrical issues and the trash enclosure. At the currently amortized rate of payback, the association will experience negative cash flow beginning in May 2019. Therefore, the majority of the loan must be paid back prior to that time. At the March 19, 2017, Board of Directors Meeting, the Board voted unanimously to levy a series of special assessments over the next few years to pay this loan back. The payment schedule will be as follows:

Beginning on December 1, 2017, and every six months thereafter (June 1, 2018, December 1, 2018, June 1, 2019 and December 1, 2019) the one bedroom units will pay five equal payments of \$791 and the two bedroom units will pay five equal payments of \$ 1153.

Dave presented the 2016-17 fiscal year operating budget to the membership. The Board approved this budget last fall with no dues increase. Cost increases are expected in the Trash and Water & Sewer line items. There is no increase in management fees or accounting services. In order to cover the estimated beginning fiscal year deficit of \$8000, a bit less will be contributed to reserves. Income includes \$94,478 in operating assessments and \$11,650 in reserve assessments, for total annual income of \$106,333 (representing no increase in income over the prior fiscal year). Therefore, dues remain at \$300 per month for a one-bedroom unit and \$437 per month for a two-bedroom unit.

Dave then presented the current, year-to-date (as of April 30, 2017) financial reports to the membership. For the first four months of the fiscal year, the association has \$95,635 in assets, including \$3186 in prepaid insurance premiums. The total amount owed to Alpine Bank for the Facelift Project is

\$163,631; \$33,666 is due from owners who borrowed money to pay their special assessment. Dave noted that all owners are now current with their dues; there are no outstanding accounts receivable.

The Income Statement reveals that four months through the fiscal year there is a net deficit of \$17,069 in the Operating Account. This compares to a budgeted deficit of \$11,151 at this point in the year, so the association is currently \$5917 over budget. Cost overruns have been experienced in the snow removal line items. All other line items are tracking at or under budget. A \$1000 credit from Avalanche Property Maintenance has been issued to help with snow removal costs from this past winter.

The fiscal year beginning balance in the Maintenance Capital Reserve Accounts was \$77,816. Current year funding stands at \$4958 and \$1311 was added from Reserve Participation (one quarter of dues from a new owner). There have been no capital expenses incurred yet this year. The ending balance in the Maintenance Capital Reserve Account is \$84,085.

Management prepared a Dues Comparison, comparing the regular assessments at Altair Vail, to other, similar associations in East Vail. The dues at Altair Vail are comparatively low at 45 cents per square foot per month for a one bedroom condo and 37 cents for a two bedroom condo. Vail Racquet Club dues are 89 cents and 73 cents, respectively (but include all the amenities of the athletic club), Vail East Lodging is 47 cents and Wren House is 55 cents.

Management also prepared and distributed a Budget Explanation Sheet that details the components of each line item in the Operating Budget.

- IV. Manager's Report. Members of the Board and management were planning to conduct the Spring Walk Through at Altair Vail following the Annual Meeting, but due to several inches of fresh snow on the ground, there was consensus to reschedule to a later date. At the walk through, the 2017 Projects List will be compiled and then distributed to all owners for comments and additions. Projects will be prioritized and completed according to budget constraints. The items on the List can be tied directly to the Building Maintenance and Grounds line items in the operating budget.

Dan distributed the updated Reserve Study. Capital projects under consideration for 2017 include some concrete walkway repairs, asphalt patching, continued gutter and heat tape replacement, some heat tape additions to scuppers on the flat roof components and landscaping upgrades. Exterior painting is currently slated for 2018 and interior hallway paint and carpet replacement is planned for 2020.

Dan explained that there was recently a drain line back up in Units #106 and #206. PSI was called in to do the plumbing repairs (the cause of the problem was severe scaling in the original cast iron sewer lines). Dan asked that all residents be vigilant about slow drains and to contact management immediately, prior to a back-up. The cost to jet and televise all drain lines will be added to the Reserve Study.

Management distributed an Insurance Claims Procedure Sheet to all present. All insurance claims must go through management. The association's carrier is Alpine Insurance, and each owner should have their condo owner's insurance agent contact the association's carrier to ensure that there are no gaps in coverage. Every owner needs to insure their own contents, possessions and UPGRADES to developer-conveyed finishes (including, but not limited to wood floors, granite counters and faux painting). Dan recommended that every owner consider adding **loss assessment** coverage their policy to help pay the deductible on an association insurance claim (\$5000 per claim) if the owner is found negligent in contributing to the damages incurred. Owners that rent their unit on a long-term basis should require their tenants to carry renter's insurance.

Management prepares and distributes a Risk Management Checklist to all owners every fall. It is also posted on the website: hoa.mcneillproperties.com. Owners are asked to follow the guidelines in the checklist in order to avoid costly damage and insurance claims. It also includes suggestions for water and energy conservation, and information about the carbon monoxide detector laws in Colorado.

Management's full time code enforcement officer, Jennie Lewis makes weekly inspections of the complex. The time and day of inspections is subject to change. Residents can contact Jennie directly by calling her phone at 970-904-0519 or sending an email to jennie@mcneillinc.com. Photos are very useful when reporting code violations. Residents are also asked to contact the police whenever an after hours incident occurs. Written citations are delivered to the offender, the owner, and kept on file in the management office. Management keeps a detailed log of all violations so that a record of any repeat offences can be easily be accessed. **Several recent code violations involve clutter on decks**, parking violations and some noise issues. Tenants are NOT permitted to have dogs at Altair Vail.

There is one reserved parking spot for each unit at Altair Vail. Guest parking spots are available on a first come, first served basis. No more than two vehicles per unit are permitted. Firewood can be neatly stored on decks, away from the side of the building, under BROWN tarps (only).

- V. Board Member Elections. The current Board consists of Kevin Rundle (one year left in his term), Todd Dextrateur (term expiring), Shawn Couglin (2 years left in his term) and Pam Aurbach (2 years left in her term). Per the Bylaws, the Board should consist of three Directors. Therefore, no elections were held.

The membership extended its sincere thanks to Todd Dextrateur for his many years of service on the Board of Directors and acting in the best interest of the ownership at Altair Vail.

- VI. Old / New Business. There was no old or new business to discuss.

- VII. Adjournment. There being no further business to come before the membership, the meeting adjourned at approximately 10:45AM.

Respectfully submitted,

Secretary to the Meeting

