



LODGE AT
LIONSHEAD

**LODGE AT LIONSHEAD I CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES
JULY 01, 2016**

Bill Palmer called the Board of Directors meeting to order at 8:10 am on Friday, July 1, 2016, in the Lodge at Lionshead, Unit #302. Board Directors present were Bill Palmer, Ken Hauck, Will Thompson, and Jim Mueller. Also present were Jeff Bailey and Joy Dunham of Peak Resort Services, Inc. and Paul Backes and Mike Sherven of McMahan and Associates, CPA/auditors.

Presence of a quorum was established with 100% of Directors in attendance or by proxy (Bill Hellegas).

Board reviewed proof of meeting notice.

The minutes of the June 28, 2015, Board of Directors meeting were reviewed. **Motion was made by Jim Mueller to approve the prior meeting minutes. Motion seconded and passed unanimously.**

Later in the meeting, a question was raised by Ken Hauck about the discrepancy in the management contract term of 5 years, with a 10% increase, that was discussed/approved in the above minutes and the actual 3 year term, with a 10% increase, that was eventually agreed to in the contract. Management explained that the 5 year term was not possible, for the Phase III Association, due to a restriction in their Declaration. In order to keep the contract term consistent between all three Associations, it was decided by the Phase I, II and III Association Presidents and Peak Resort Services, to stick with the three year term for this contract.

Financial Report.

Paul Backes and Mike Sherven of McMahan and Associates reviewed the Financial Statements and stated that it was "clean" review. Paul reviewed with the Board the balance sheet, statement of revenue and

expenses, operating and replacement fund budget to actual statements and the financial notes. After discussion, **Motion made by**

Will Thompson to approve the Financial Report. Motion was seconded and passed unanimously.

Budget Proposal.

Management presented 2 operating budget proposals FYE 4/30/2017. Management reviewed the expense line items that changed from the prior year. After discussion, **a Motion was made by Jim Mueller to approve the \$201,121 operating budget. Motion was seconded and passed unanimously.** This approved budget is attached to these minutes.

Old Business

Management presented reports on the completed siding and fascia replacement project and a CertainTeed litigation and Class Action settlement recap. Attached

Management reviewed with the Board the Capital Replacement Project expenses FYE 4/30/16. Expenses totaled \$469,555. A \$484,821 replacement fund balance will be carried forward in the Association's replacement fund. Attached.

New Business.

Management reviewed the Lodge at Lionshead II Associations plan for a complete update of their Association Condominium Map.

Management presented the Board with a proposal from Colorado Land Art Studio for Successional Tree Master Plan Study. The Board is in favor of presenting this to the Owner's at the Annual Meeting for their approval.

Management reported to the Board that the TOV has incorporated a provision of the National Fire Code into the town building code. It requires monitoring for carbon monoxide in all units with bedrooms. This will apply to new construction and renovations. Smoke and fire monitoring sensors should be replaced every 10 years and our sensors and monitoring panel are scheduled to be replaced/updated in 2017/18. Unfortunately, the alarm monitoring panel will not accommodate the combination smoke and carbon monoxide monitoring devices and probably will have to be replaced except for the enclosure. Since carbon monoxide monitoring is a safety issue the board may recommend accelerating the project after a thorough

examination by the management company of the implementation alternatives. The cost of the project is estimated at \$50K.

Motion made by Jim Mueller to direct management to continue to research the project, to seek input from Mike Hauck and to seek Phase II's approval for a joint effort on the panel replacement and combination smoke/carbon monoxide detector upgrades. Motion seconded and passed unanimously.

Ken Hauck led a discussion on global warming and its potential impacts to the Lodge at Lionshead, due to warming temperatures and lack of air conditioning at the property.

The Board reviewed the updated Capital Replacement Study prepared by Peak Resort Services, Inc. on June 23, 2016. Bill Palmer and Jim Mueller also presented their analysis on the replacement funding needs. Bill Palmer requested that management re-run the Capital Replacement Study Current Assessment Funding Model Project reducing the annual contribution from \$104,000 to a \$78,000 annual contribution amount. After a review of this funding scenario, **Motion made by Ken Hauck to approve a \$78,000 assessment level amount FYE 4/30/2017 for the Capital Replacement fund. Motion seconded and passed unanimously.**

Management reviewed with the Board the proposed Capital Replacement Projects FYE 4/30/2017. **Motion made by Will Thompson to approve the projects presented. Motion seconded and passed unanimously.** Attached. Bill Palmer is planning to see if there is any support from owners at the Annual meeting for additional fitness center improvements.

Nomination of Board of Directors for Annual Meeting.

The Board of Director terms are now staggered. Will Thompson and Bill Hellegas's terms are expiring. Will Thompson is seeking re-election. Bill Hellegas stated he will not, if other owners indicated that they would like to serve. Cathy Nigro and Molly Rudnick have provided notice to the Board that they would like to serve on the Board.

Scheduling of next Board of Directors Meeting.

The next Board of Director meeting will take place immediately after the Annual Meeting on Saturday, July 2, 2016.

The summer, 2017 Board Meeting, will take place on Friday, June 30, 2017, at 8:00 am. Ken Hauck offered to hold the meeting in his unit #208.

Adjournment.

Motion made by Ken Hauck to adjourn meeting at 10:56 am.

Motion was seconded and passed unanimously.

**LODGE AT LIONSHEAD I CONDOMINIUM ASSOCIATION
PROPOSED OPERATING BUDGET
FOR YEAR ENDING APRIL 30, 2017**

	2016	2016	2017
	BUDGET	ACTUAL	PROPOSED
REVENUE			
Assessments	196,621	196,621	201,121
TOTAL REVENUES	196,621	196,621	201,121
EXPENSES			
Trash Removal	5,000	4,729	5,000
Snow Removal	2,500	753	2,500
Landscape	9,500	7,063	9,500
Office Expenses	750	913	947
Management Fee	28,931	28,931	31,824
Insurance	15,200	14,650	15,220
Pool Maintenance	5,500	4,649	5,500
Building Maintenance	14,500	14,384	14,500
Water and Sewer	9,500	11,694	11,750
Gas-Pool, Site & Drive	13,500	8,755	11,500
Gas - House	13,000	8,877	11,600
Electricity	14,000	13,160	14,000
Common Area Cleaning	7,500	6,912	7,500
Maintenance Man	27,000	28,689	29,000
Management office Expense C-3	3,800	5,102	4,200
Employee Housing Expense #290	2,500	1,798	2,500
Professional Fees - Accounting	3,680	3,790	3,680
Miscellaneous/ Contingency Expense	100	0	100
Annual Meeting Expense	1,800	1,333	1,800
In-Room Internet	2,500	1,420	1,750
Director's Fee	0	0	0
Cable Television	12,750	12,742	13,500
Professional Fees - Legal	250	195	250
Fire Protection Inspections	2,860	2,985	3,000
TOTAL EXPENSES	196,621	183,524	201,121
VARIANCE		13,097	

**LODGE AT LIONSHEAD I and II
SIDING and FASCIA REPLACEMENT PROJECT
BUDGET vs. ACTUAL AS OF 4.30.16**

	BUDGET	ACTUAL	VARIANCE
Phase I Estimate (includes cedar material upgrade \$31,068)	460,397	405,340	\$ 55,057
Phase II Estimate (includes cedar material upgrade \$33,657)	439,502	418,799	\$ 20,703
TOTAL CONSTRUCTION COSTS	\$ 899,899	\$ 824,139	\$ 75,760
PRE-DEVELOPMENT / SOFT COSTS			
Architectural/ Engineering	20,000	17,286	
Legal Fees: Bonds, ROW Permits, Access	3,000	1,334	
Misc Fees: Design Review Fees, Bonds, Reprographics	3,000	0	
Town of Vail Material Use Tax	16,000	9,324	
Building Permit	15,000	6,088	
TOTAL SOFT COSTS	\$ 57,000	\$ 34,032	\$ 22,968
PROJECT COSTS SUMMARY			
Construction Costs	899,899	824,139	
Pre-Development/ Soft Costs	57,000	34,032	
Architectural Construction Administration	12,000	-	
Associations Contingency (+/- 20%)	179,979	-	
TOTAL PROJECT COSTS	\$ 1,148,878	\$ 858,171	\$ 290,707
TOTAL COST ESTIMATE LODGE AT LIONSHEAD I	\$586,976	\$ 422,356	\$ 164,620
TOTAL COST ESTIMATE LODGE AT LIONSHEAD II	\$561,902	\$ 435,815	\$ 126,087

**LODGE AT LIONSHEAD I CONDOMINIUM ASSOCIATION
SIDING and FASCIA REPLACEMENT PROJECT
COMPLETED COST RECAP**

REVENUES	
CertainTeed Settlement	112,500
1st Payment Class Action Settlement	29,274
TOTAL REVENUES	\$ 141,774
EXPENSE CATEGORIES	
Siding & Fascia Replacement	413,046
Architectural/ Engineering	22,932
Legal	70,540
Destructive Testing	719
Mock-up	2,906
TOTAL PROJECT EXPENSES	\$ 510,143
TOTAL COST TO ASSOCIATION	\$ 368,369

LODGE AT LIONSHEAD I CONDOMINIUM ASSOCIATION
CAPITAL REPLACEMENT PROJECTS COMPLETED
YEAR ENDING APRIL 30, 2016

REVENUES	
Beginning Balance	\$ 521,962
Quarterly Assessments	104,636
Special Assessments	293,488
CertainTeed Settlement	29,274
Interest	5,016
TOTAL REVENUES	\$ 954,376
EXPENSE CATEGORIES	
Siding	
Siding & Fascia Replacement	413,046
Architectural/ Engineering	8,643
Legal	667
Shroud Replacement	24,050
Mechanical Systems	6,687
Pool/ Spa Equipment	3,966
C-3 Siding Special Assessment	2,913
Unit 290 Siding Special Assessment	1,303
Landscape	1,992
Document Modernization	800
Internet System	450
Taxes	551
Misc. Equipment	2,088
Project Mgmt & Supervision Fee 2015	2,399
	\$ 469,555
ENDING FUND BALANCE FYE 4.30.16	\$ 484,821

**LODGE AT LIONSHEAD I CONDOMINIUM ASSOCIATION
CAPITAL REPLACEMENT PROJECTS PROPOSED
YEAR ENDING APRIL 30, 2017**

REVENUE	
Beginning Balance	\$ 484,821
Quarterly Assessments	78,000
Interest	2,500
TOTAL REVENUE	\$ 565,321
EXPENSES CATEGORIES	
	COST ESTIMATE
Siding and Fascia Replacement Final	\$ 14,000
Tree Removal/ Root Barrier/ Paver repair	5,950
Landscape Improvement	3,500
Tree/ Landscape Succession Plan	1,080
Fitness Center Carpet & Paint	5,500
Building/ Unit Re-Key	2,400
Roof Snow Fencing Addition	1,200
Pool/ Lighting System	2,000
Pool Component Replacement	2,500
Contingency	2,500
TOTAL ANTICIPATED EXPENSES	\$ 40,630
ANTICIPATED ENDING FUND BALANCE FYE 4.30.2017	\$ 524,691