



LODGE AT
LIONSHEAD

**LODGE AT LIONSHEAD II CONDOMINIUM ASSOCIATION
ANNUAL MEETING MINUTES
JULY 27, 2019**

Bob Lichtenstein called the Annual meeting to order at 9:37 am on Saturday, July 27, 2019, in the Lodge at Lionshead, Unit #400. Owners present were Don Werner and Mike Gosline Unit #140, Bob Howard Unit #280 & #160, Charles Bowles Unit #230, Bob Lichtenstein Unit #250 & #360, Crys and Mike Margolis Unit #350, Peggy and Tony Sciotto unit #400. Also present was Jeff Bailey of Peak Resort Services, Inc.

Presence of a quorum was established with 79.84% of ownership represented in person or by Proxy.

Notice of meeting was reviewed.

The minutes of the July 28, 2018 Annual Homeowners meeting were reviewed. **Motion made by Mike Margolis to approve the minutes as presented. Motion seconded and passed unanimously.**

Financial Report.

Bob Lichtenstein presented the Financial Audit Report. Bob explained that Paul Backes of McMahan and Associates presented the report at the Board meeting on Friday and issued the Association a clean audit opinion. Bob reviewed the Balance Sheet, Statement of Revenues and footnotes. **A Motion was made by Crys Margolis to adopt the Financial Report. Motion was seconded and passed unanimously.**

Management presented to the meeting (2) resolutions:

1. **Capital Contributions.** RESOLVED that amounts collected by or paid to the Association for Capital Replacement purposes for the fiscal year ended April 30, 2019, shall be set aside for future major repairs and replacements and allocated to capital

components as provided by the guidelines established by IRC Section 118 and Revenue Rulings 75-370 and 75-371. Such amounts shall be deposited into a separate account. Any amounts so added to replacement funds shall be allocated to the various components at the discretion of the Board of Directors.

2. **Excess income applied towards subsequent year's expenditures.** RESOLVED, that excess membership income over membership expense collected by or paid to the Association for the year ended April 30, 2019, shall not be directly refunded to owners, but shall be applied against subsequent tax year member assessments as provided by IRS Revenue Ruling 70-604.

A Motion was made by Peggy Sciotto to pass the 2 tax Resolutions. Motion was seconded and passed unanimously.

Budget Proposal

Management presented an Operating Budget proposal of \$243,820 for FYE 4/30/2020. This represents a 3% increase over prior year. Management reviewed with the Owners the expense line items that have changed from the prior year. Bob recommended holding on the budget decision until the capital projects are reviewed later in the meeting. **Attached**

Old Business

Management reviewed with Owners the Capital Replacement Project expenses FYE 4/30/19 report. Expenses totaled \$142,468. A \$216,266 replacement fund balance was carried forward in the Association's Replacement Fund. **Attached.**

Management gave the Ownership an update on the lower level improvement projects. Nedbo Construction is managing the project well. Major completion is scheduled for the week of August 19th.

Bob reviewed the plan for the new equipment in the fitness center. The plan is to add a new Life Fitness upright bike, a new Peloton Bike and a TRX system. Once space is completed and new equipment installed options for additional equipment will be considered for future.

New Business

Management presented an update on the Civic Area Master Planning process. All Owners are encouraged to follow along and provide feedback on www.engagevail.com.

Management reviewed with Ownership the proposed Capital Replacement Projects FYE 4/30/2020 and assessment level. Management presented a potential layout and cost proposal for equipment in the expanded fitness center. Management also relayed an offer from Mike Berland, Owner of units #100/#110 to split the cost of a new Peloton bike for the fitness room. Ownership agreed that the equipment recommendations in the proposal were a good start and that the Peloton bike would be a welcomed addition. Bob explained that LAL III will be approached about continuing their cost share agreement for new equipment in exchange for continued use of the amenity. After discussion a **Motion made by Mike Margolis to approve the Operating Budget Proposal of \$243,820, to approve holding the Capital Replacement quarterly assessment level the same, at \$80,980 and a Special Assessment of \$100,000 for the Capital Replacement Fund. Motion seconded and passed unanimously.**

Ratify Board of Director Actions

Motion made by Don Werner to Ratify the actions of the Board of Directors for FYE 4/30/2019. Motion seconded and passed unanimously.

Board of Director Elections

Bob reviewed the election procedures as outlined in the Association By-Laws. By-Laws require written notification be received in advance of Annual meeting from any Owner's desiring to run for the Board of Directors. Bob and Peggy had met this requirement but no other Owner's expressed interest in being on the Board. The By-Laws allow up to five Board Members and the Association currently has four.

Motion made by Don Werner to nominate Bob Lichtenstein and Peggy Sciotto for two-year terms. Motion was seconded and passed unanimously. Board will be comprised of Bob Lichtenstein, Peggy Sciotto, Crys Margolis and Don Werner.

The Next Annual Meeting will be held on July 25, 2020.

Bob Howard requested that the Board consider improving the condition of the lobby furnishings and finishes. Bob explained that the stairwells will be carpeted this Fall and that the Board would consider lobby improvements for the following year.

Motion was made by Bob Howard to adjourn the meeting at 10:30 am.

**LODGE AT LIONSHEAD II CONDOMINIUM ASSOCIATION
PROPOSED OPERATING BUDGET
FOR YEAR ENDING APRIL 30, 2020**

| | 2019 BUDGET | 2019 ACTUAL | 2020 PROPOSED |
|--------------------------------------|------------------------|------------------------|--------------------------|
| REVENUE | | | |
| Operating Assessment | 237,050 | 237,050 | 243,820 |
| TOTAL REVENUE | 237,050 | 237,050 | 243,820 |
| EXPENSES | | | |
| Trash Removal | 6,000 | 6,249 | 4,000 |
| Snow Removal | 2,500 | 1,933 | 2,500 |
| Landscape | 11,500 | 10,615 | 11,500 |
| Professional Fees - Accounting | 5,200 | 6,283 | 5,500 |
| Professional Fees - Legal | 200 | | 200 |
| Office | 750 | 750 | 750 |
| Management Fee | 34,267 | 34,267 | 37,694 |
| Insurance | 20,660 | 20,660 | 22,203 |
| Fire Sprinkler: Alarm/ Test/ Inspect | 3,000 | 3,399 | 3,000 |
| Pool Maintenance | 6,000 | 5,349 | 6,000 |
| Building Maintenance | 16,500 | 16,514 | 16,500 |
| Water/ Sewer | 19,000 | 19,604 | 19,000 |
| Gas: Pool/ Spa/ Driveway/ Site | 12,500 | 14,740 | 14,000 |
| Electricity | 18,000 | 17,701 | 18,000 |
| Cable/ Phone/ Internet Service | 26,400 | 26,652 | 27,000 |
| Common Area Cleaning | 12,500 | 13,202 | 13,000 |
| Maintenance Man | 29,500 | 28,127 | 29,500 |
| Elevator | 6,000 | 5,667 | 6,000 |
| In-Room Internet | 0 | | 0 |
| Unit C-3 Expense | 4,500 | 5,253 | 4,500 |
| Miscellaneous/ Contingency Expense | 23 | | 23 |
| Unit 290 Expense | 2,000 | 1,677 | 2,000 |
| Director's Expense | | | 900 |
| Meeting Expense | 50 | 298 | 50 |
| TOTAL EXPENSES | 237,050 | 238,940 | 243,820 |
| VARIANCE | | -1,890 | |

LODGE AT LIONSHEAD II CONDOMINIUM ASSOCIATION
CAPITAL REPLACEMENT PROJECTS COMPLETED
YEAR ENDING APRIL 30, 2019

| REVENUES | |
|--|-------------------|
| Beginning Balance | \$ 276,121 |
| Quarterly Assessments | 80,980 |
| Interest Income | 1,633 |
| TOTAL REVENUES | \$ 358,734 |
| EXPENSE CATEGORIES | |
| Deck Resurfacing | 79,152 |
| Lower Level Improvement | |
| -Architectural | 9,604 |
| -Construction | 16,280 |
| Electrical Systems | 9,410 |
| Mechanical Systems | 8,429 |
| Pool/Hot Tub Systems | 4,948 |
| Garage | 2,113 |
| Deck Posts | 1,955 |
| Flower Boxes | 1,350 |
| Misc. Tools, Parts & Equipment | 1,284 |
| Project Mgmt & Supervision Fee | 7,943 |
| TOTAL EXPENSES | \$ 142,468 |
| ENDING FUND BALANCE FYE 4.30.19 | \$ 216,266 |

**LODGE AT LIONSHEAD II CONDOMINIUM ASSOCIATION
CAPITAL REPLACEMENT PROJECTS PROPOSED
YEAR ENDING APRIL 30, 2020**

| REVENUE | |
|--|----------------------|
| Beginning Balance | 216,266 |
| Quarterly Assessments | 80,980 |
| Special Assessment | 100,000 |
| Interest | 1,000 |
| TOTAL REVENUE | 398,246 |
| EXPENSES CATEGORIES | |
| | COST ESTIMATE |
| Lower Level Improvement Project | |
| Construction | 135,000 |
| Architectural | 7,500 |
| Fitness Equipment | 3,500 |
| Laundry Equipment | 1,500 |
| Stairwell Carpeting | 12,500 |
| Roof Penthouse | 20,250 |
| Emergency Lighting | 2,300 |
| Snowmelt Manifold Replacement | 4,000 |
| Mechanical Systems | 2,500 |
| Fire Sprinkler Systems | 2,500 |
| Pool & Spa Systems | 2,500 |
| Contingency | 5,000 |
| TOTAL ANTICIPATED EXPENSES | 199,050 |
| ANTICIPATED ENDING FUND BALANCE FYE 4.30.2020 | 199,196 |