



LODGE AT
LIONSHEAD

**LODGE AT LIONSHEAD I CONDOMINIUM ASSOCIATION
ANNUAL HOMEOWNERS MEETING MINUTES
JULY 7, 2018**

Association President, Bill Palmer called the Annual Meeting to order at 3:05 pm, on Saturday, July 7, 2018. The meeting was held at the Town of Vail Library's Community Room. Homeowners present were Molly and David Rudnick #101, Rich Kraemer #102, Rob Russo #104, Cathy, Lori and Chris Nigro #203, Patti Nunnally and John Smart #206, Bill and Jean Ann Palmer #207, Nikki and Ken Hauck and Jen Schied #208, Jean and Bill Hellegas #301, Will Thompson #302, Kenny Slutsky #403, Jim and Vicki Mueller #405, Stuart, Deb and Barbara Spencer, Stacia and Steve Walz and Shannon Goertz #406, Mark Kachmer #407. Also attending were Paul Backes of McMahan and Associates, auditor and Jeff Bailey, Joy Dunham and Ryan Sommers of Peak Resort Services, Inc.

Presence of a quorum was established with 14 of 18 units (75.71%) represented in person or by proxy.

Notice of Meeting was reviewed.

The minutes of the July 1, 2017, Annual Homeowners meeting were reviewed. **A motion was made by Molly Rudnick to approve the minutes as presented. Motion was seconded and passed unanimously.**

Financial Report.

Paul Backes of McMahan and Associates reviewed the Financial Statements and stated that it was "clean" review. Paul reviewed with owners the balance sheet, statement of revenue and expenses, operating and replacement fund budget to actual statements and the financial notes.

Paul presented to the meeting (2) tax 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, 2018, 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, 2018, 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 Stuart Spencer to approve both tax resolutions. Motion was seconded and passed unanimously.

Paul Backes departed the meeting.

A Motion was made by Ken Hauck to approve the Financial Report. Motion was seconded and passed unanimously.

Management presented a 10-year Operating Expense History, an Operating Budget Explanation report and the Proposed Operating Budget FYE 4/30/2019. **(Attached)** The Board approved budget is: \$210,930, which represents a 2% increase over the prior year. The expense line items that are changing from the previous year were reviewed. After discussion, a **Motion was made by Rob Russo to approve the Proposed Operating Budget as presented. Motion seconded and passed unanimously.**

Management presented a letter from the Association's insurance Broker's reviewing the coverage provided by the Association policy and what coverage each owner should carry individually.

Old Business

Management reviewed the Capital Replacement Project expenses FYE 4/30/18. Expenses totaled \$86,175. A \$487,678 replacement fund balance was carried forward in the Association's replacement fund. **(Attached)**

Board of Directors Bill Palmer and Will Thompson updated the ownership on the conceptual planning undertaken to date on the lower level improvement plans for both Phases I & II. Will Thompson explained to ownership that the Board is requesting their approval to move forward with the KH Webb conceptual plan "C", in cooperation with Phase II. To approve estimated soft cost of \$10,000 for the further development of architectural/engineering plans and a \$150,000 preliminary project budget, to seek town of Vail approvals and if all goes well, to have the flexibility to commence the project as soon as Spring 2019. After discussion, a **Motion was made by Rich Kraemer to approve this Board recommendation as presented by Will Thompson. Motion was seconded and passed with 13 owners in favor and one opposed (Molly Rudnick unit #101).**

New Business

Jeff Bailey and Ryan Sommers presented a proposal to do an in-unit LED lighting conversion for all individual units this Fall. This LED conversion has support of the Board of directors and has been completed for the LAL II Association earlier this Summer. Management is requesting that all owners participate but all have the ability to opt out if so desired. Communication will follow to all owners with information on this program.

Management reviewed with the owners the proposed Capital Replacement Projects FYE 4/30/2019 and assessment funding level. After discussion, **A Motion was made by Rob Russo to approve the projects, totaling \$76,850, and an annual assessment level of \$78,000 as presented. Motion seconded and passed unanimously.** Attached

Ratify Board of Directors Actions

Motion made by Rich Kraemer to ratify the actions of the Board of Directors FYE 4/30/2018 and to thank them for their efforts on behalf of the Association. Motion seconded and passed unanimously.

Elections

Bill Palmer reported to ownership that the Association By-Laws call for staggered two-year Board of Director terms. There are two Board positions up for election this year. The By-Laws require advance notice of intent to run for the Board. Cathy Nigro and Will Thompson expressed advance intent, in writing, to run for election. There were no other nominations received from ownership. **A Motion was made by Stuart Spencer to elect Cathy and Will for the open Board of Director positions for two-year terms. Motion was seconded and passed unanimously.**

The next Annual Homeowners meeting will be held on Saturday, July 6, 2019 at 3:00 pm.

Motion made by Patti Nunnally to adjourn the meeting at 4:07 pm. Motion was seconded and passed unanimously.

LODGE AT LIONSHEAD I CONDOMINIUM ASSOCIATION
PROPOSED OPERATING BUDGET
FOR YEAR ENDING APRIL 30, 2019

	2018	2018	2019
	BUDGET	ACTUAL	PROPOSED
REVENUE			
Assessments	206,217	206,217	210,930
TOTAL REVENUES	206,217	206,217	210,930
EXPENSES			
Trash and Recycle Service	5,000	6,074	6,000
Snow Removal	2,500	1,173	2,500
Landscape	11,000	11,462	11,500
Office Expenses	947	1,239	950
Management Fee	31,824	31,824	31,824
Insurance	16,396	16,200	17,157
Pool Maintenance	6,000	5,435	6,000
Building Maintenance	14,500	14,864	14,500
Water and Sewer	12,250	12,040	12,250
Gas-Pool, Site & Drive	11,500	11,157	11,500
Gas - House	11,600	9,902	10,000
Electricity	14,000	15,117	14,500
Common Area Cleaning	8,000	8,096	8,000
Maintenance Man	29,500	29,559	29,500
Management office Expense C-3	4,200	5,394	5,000
Employee Housing Expense #290	2,500	2,260	2,500
Professional Fees - Accounting	4,100	4,055	4,100
Miscellaneous/ Contingency Expense	100	0	99
Annual Meeting Expense	1,800	2,030	1,800
In-Room Internet	1,750	874	0
Director's Fee	0	461	0
Comcast Cable, Phone & Internet	13,500	15,331	18,000
Professional Fees - Legal	250	0	250
Fire Protection Systems Test and Inspect	3,000	1,957	3,000
TOTAL EXPENSES	206,217	206,504	210,930

LODGE AT LIONSHEAD I CONDOMINIUM ASSOCIATION
CAPITAL REPLACEMENT PROJECTS COMPLETED
YEAR ENDING APRIL 30, 2018

	A	B
1	REVENUES	
2	Beginning Balance	\$ 489,954
3	Quarterly Assessments	78,000
4	Interest	5,899
5	TOTAL REVENUES	\$ 573,853
6		
7	EXPENSE CATEGORIES	
8	Fire Alarm System (Final)	27,594
9	Mechanical Systems	21,112
10	Firesprinkler System	8,107
11	Fitness Center	5,684
12	Exterior Doors	4,620
13	Pool/ Spa Systems	4,499
14	Building Wi-Fi System	1,497
15	Fence/ Perimeter	1,471
16	C-3 Office	1,344
17	Lower Level Planning	1,155
18	Electrical	1,092
19	Landscape Planning	741
20	Misc. Parts & Equipment	3,033
21	Taxes	436
22	Project Mgmt & Supervision Fee	3,790
23		\$ 86,175
24		
25	ENDING FUND BALANCE	\$ 487,678

**LODGE AT LIONSHEAD I CONDOMINIUM ASSOCIATION
CAPITAL REPLACEMENT PROJECTS PROPOSED
YEAR ENDING APRIL 30, 2019**

	A	B
1	REVENUE	
2	Beginning Balance	\$ 487,678
3	Quarterly Assessments	78,000
4	Interest	5,000
5	TOTAL REVENUE	\$ 570,678
6		
7	EXPENSES CATEGORIES	COST ESTIMATE
8	Stairwell Carpet & Nosing	\$ 48,000
9	Lower Level Architectural Planning	10,000
10	Fire Sprinkler System	7,550
11	Ski Locker Refinishing	2,500
12	Pool & Spa Gate Hardware	1,300
13	Mechanical Systems	2,500
14	Pool & Spa Systems	2,500
15	Contingency	2,500
16	TOTAL ANTICIPATED EXPENSES	\$ 76,850
17		
18	ANTICIPATED ENDING FUND BALANCE	\$ 493,828