



LODGE AT  
LIONSHEAD

**LODGE AT LIONSHEAD I CONDOMINIUM ASSOCIATION  
ANNUAL HOMEOWNERS MEETING MINUTES  
JULY 6, 2019**

Association President, Bill Palmer called the Annual Meeting to order at 3:00 pm, on Saturday, July 6, 2019. The meeting was held at the Town of Vail Library's Community Room. Homeowners present were Rob Russo #104, Cathy and Chris Nigro and Suzie Walti #203, Bill and Jean Ann Palmer #207, Mike, Nikki and Ken Hauck #208, Jean and Bill Hellegas #301, Will Thompson #302, Jim and Vicki Mueller #405, Stuart, Deb and Barbara Spencer, Stacia and Steve Walz and Shannon Goertz #406, Sylvia and Doug Olney #408. Also attending were Paul Backes of McMahan and Associates, auditor and Jeff Bailey and Joy Dunham of Peak Resort Services, Inc.

Presence of a quorum was established with 16 of 18 units (89.19%) represented in person or by proxy.

Notice of Meeting was reviewed.

The minutes of the July 7, 2018, Annual Homeowners meeting were reviewed. **A motion was made by Rob Russo 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.

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

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, 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 Stuart Spencer to approve both tax resolutions. Motion was seconded and passed unanimously.**

Paul Backes departed the meeting.

Management presented a 10-year Operating Expense History, an Operating Budget Explanation report and the Proposed Operating Budget FYE 4/30/2020. **(Attached)** The Board approved budget is: \$215,017, 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 Bill Palmer 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 4/30/19. Expenses totaled \$118,830. A \$457,339 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 end of July.

### **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](http://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 an owner in LAL II 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. Bill Palmer explained that the Board intended to survey Ownership on other additions they may want to see for the Fitness Center and that a sign in sheet will be implemented for liability purposes and better determining usage. Bill also explained that LAL 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 Rob Russo to approve the projects presented. Total project budget of \$161,500. The replacement fund assessment level of \$78,000 to remain same. Motion seconded and passed unanimously.** Attached.

### **Ratify Board of Directors Actions**

**Motion made by Stuart Spencer to ratify the actions of the Board of Directors FYE 4/30/2019. 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 were three Board positions up for election this year. The By-Laws require advance notice of intent to run for the Board. Bill Palmer, Jim Mueller and Mike Hauck expressed advance intent, in writing, to run for election. There were no other nominations received from ownership. Bill Palmer acknowledged Ken Hauck for his 20 years of service on the LAL I

Board. Ken Hauck in turn thanked the Board, Ownership and Management for making his time spent on the Board rewarding and interesting. **A Motion was made by Stuart Spencer to elect Bill Palmer, Jim Mueller and Mike Hauck for the open Board of Director positions for two-year terms. Motion was seconded and passed unanimously.**

The current Board of Directors are Cathy Nigro, Will Thompson, Bill Palmer, Jim Mueller and Mike Hauck.

The next Annual Homeowners meeting will be held on Friday, July 3, 2020 at 3:00 pm.

**Motion to adjourn the meeting at 4:20 pm. Motion was seconded and passed unanimously.**

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

	<b>2019</b>	<b>2019</b>	<b>2020</b>
	<b>BUDGET</b>	<b>ACTUAL</b>	<b>PROPOSED</b>
<b>REVENUE</b>			
Assessments	210,930	210,930	215,017
<b>TOTAL REVENUES</b>	<b>210,930</b>	<b>210,930</b>	<b>215,017</b>
<b>EXPENSES</b>			
Trash and Recycle Service	6,000	6,249	4,000
Snow Removal	2,500	1,733	2,500
Landscape	11,500	10,694	11,500
Office Expenses	950	638	950
Management Fee	31,824	31,824	35,006
Insurance	17,157	17,157	18,562
Pool Maintenance	6,000	5,311	6,000
Building Maintenance	14,500	15,729	15,000
Water and Sewer	12,250	12,101	12,250
Gas-Pool, Site & Drive	11,500	11,859	11,500
Gas - House	10,000	9,874	10,000
Electricity	14,500	15,265	15,000
Common Area Cleaning	8,000	9,375	8,500
Maintenance Man	29,500	28,127	29,500
Management office Expense C-3	5,000	4,527	5,000
Employee Housing Expense #290	2,500	1,677	2,500
Professional Fees - Accounting	4,100	4,175	4,100
Miscellaneous/ Contingency Expense	99	0	99
Annual Meeting Expense	1,800	1,499	1,800
In-Room Internet	0	0	0
Director's Fee	0	0	0
Comcast Cable, Phone & Internet	18,000	17,745	18,000
Professional Fees - Legal	250	538	250
Fire Protection Systems Test and	3,000	3,264	3,000
<b>TOTAL EXPENSES</b>	<b>210,930</b>	<b>209,361</b>	<b>215,017</b>

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

<b>REVENUES</b>	
Beginning Balance	\$ 487,678
Quarterly Assessments	78,000
Interest	10,491
<b>TOTAL REVENUES</b>	<b>\$ 576,169</b>
<b>EXPENSE CATEGORIES</b>	
Stairwell Carpet & Nosing	48,336
Lower Level Improvement Project	
- Architectural	9,604
- Construction	15,360
Fire Sprinkler System	15,171
Mechanical Systems	9,445
Electrical Systems	6,446
Pool/ Spa Systems	2,745
Ski Lockers	2,500
Pool Gate Hardware	1,573
Fire Alarm System	1,023
Misc. Parts & Equipment	1,797
Project Mgmt & Supervision Fee	4,097
Income Taxes	733
<b>TOTAL EXPENSES</b>	<b>\$ 118,830</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 457,339</b>

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

<b>REVENUE</b>	
Beginning Balance	\$ 457,339
Quarterly Assessments	78,000
Interest	5,000
<b>TOTAL REVENUE</b>	<b>\$ 540,339</b>
<b>EXPENSES CATEGORIES</b>	
Lower Level Improvement Project	<b>COST ESTIMATE</b>
Construction	\$ 135,000
Architectural	5,000
Fitness Equipment	3,500
Laundry Equipment	1,500
Snowmelt Manifold Replacement	4,000
Mechanical Systems	2,500
Fire Sprinkler System	2,500
Pool & Spa Systems	2,500
Contingency	5,000
<b>TOTAL ANTICIPATED EXPENSES</b>	<b>\$ 161,500</b>
<b>ANTICIPATED ENDING FUND BALANCE</b>	<b>\$ 378,839</b>