

TMVRC OWNERS' ASSOCIATION, INC.

April 1, 2024

Board Meeting Minutes

- **Call to Order**

Bryan Woody called the meeting to order at 2:03pm.

Minutes Services confirmed that this meeting was being recorded.

- **Establish Quorum**

Board members present included:

Bryan Woody, Michael Zarrilli, Michael Wagner, and Chad Arkoff.

Quorum was established.

Also in attendance:

Haleigh Collins, Senior Account Manager, ASAP Accounting

& Payroll Brent Prokaski, Assistant Director of Finance,

Auberge

Kristen Green, Residential Accounting Manager,

Auberge Michael Lynch, counsel for Association

Various owner-members

- **Review of the January 16th, 2024, TMVRC Board Meeting Minutes**

These minutes were distributed to the Board via email on March 27, and Bryan opened the floor to any comments, discussion, or amendments besides the amendment already made by Mike Lynch.

Hearing none, Michael Zarrilli motioned to approve the January 16th, 2024, Board meeting minutes;

Chad seconded; the motion passed; all were in favor; the January 16th minutes were approved and will be uploaded to the website, along with the video recording.

- **Review 2023 TMVRC Year-End Financials**

The report presented by Brent Prokaski discussed the financial overview of the Homeowners Association (HOA) for the year 2023, including both operating and reserve accounts. First, an account overview was provided. The year-end financials for 2023 were considered final, with a surplus of \$20,930, a significant improvement from the initial deficit of \$100,000 experienced in Q1. The surplus was achieved partly due to favorable changes in utility costs, particularly natural gas prices, which decreased after Q1, leading to substantial savings. Despite the surplus, there were several unexpected expenses throughout the year, including emergency elevator repairs, life safety fixes, and increased insurance costs. Savings were realized in accounting due to vacant positions in HR and finance, as well as reduced labor costs in guest services, especially during the off-season.

Outstanding payments for the HOA audit and legal issues were mentioned, with varying impacts on expenses expected.

There was a discussion regarding the allocation of costs related to BMWs leased by the association, which were used for various HOA purposes, such as transportation for residents. It was revealed that these costs were not previously included in the guest services budget, leading to a debate on their proper allocation. Ultimately, it was decided that a portion of the BMW expenses, approximately

\$7,000, should be considered as benefiting the HOA and included in the budget. A motion was made to decide how to utilize the operating surplus of \$20,930. Options included rolling it over to the reserve accounts or distributing it back to homeowners. After discussion, Michael Zarrilli motioned to roll over the surplus into the reserve accounts, ensuring financial stability for future expenses; Michael seconded; the motion passed; and all were in favor.

Total expenditures from the reserve account in 2023 amounted to \$473,000, with notable expenses including elevator refurbishment and building corridor renovations. A settlement agreement regarding a previous issue resulted in a proposed repayment of \$91,000, which was included in the reserve fund balance. Despite the expenditures, there was a surplus of \$93,000 in the reserve account compared to collected assessments and interest. A discussion arose regarding the transfer of surplus funds from previous years' operating accounts to the reserve account for investment purposes.

- **2024 Reserve Updates**

Bryan Woody provided an update on the 2024 reserve projects. He shared that the WiFi system upgrade and wayfinding projects would be completed during the spring off-season, with about 50% of the total scope being finished by the time the building opened. Joseph was managing the fire door, and Camp Madeline refresh, which would be postponed until the fall closure. Discussions were ongoing regarding the scope of residential mailboxes. The ski valet renovation was set to commence the following week and is anticipated to be finished in June. Plans for the fitness center were still being finalized, likely to be pushed to the fall closure. Additionally, Joseph had arrangements for the Chiller VFD replacement within the budgeted \$60,000. Samples of pool furniture cushions were received and found to be under budget, with the replacement of bar stools also planned for the spring off-season.

Concerning Monarch Roofing, Bryan explained that they had pulled out of their bid due to being too busy and potentially realizing their bid was too low. There were no formal agreements or contracts with Monarch. The board was then invited to ask questions about the progress of the 2024 reserve projects.

McKinley Hale provided details on the pool furniture budget, indicating that the total approved budget was \$6,350, with the total cost for cushions just under \$25,000. They also budgeted for loungers at \$12,900, leaving approximately \$5,000 for umbrellas and just under \$15,000 for bar stools. McKinley confirmed that they anticipated coming in under budget for all pool items.

Bryan clarified Michael Wagner's concerns about the pool furniture costs, emphasizing that the budget included replacements for everything except wicker and tables, and they were adding six additional loungers to accommodate high demand. He assured the board that all work would be completed under budget.

- **2024 Reserve Investments**

Brent Prokaski made a motion to recommend investing \$500,000 in two tranches of \$250,000 each into six-month CDs at the maximum commercially reasonable interest rate. Michael Lynch suggested amending the motion to include a "maximum commercially reasonable interest rate," which was

agreed upon. With the inclusion of this amendment, The motion was seconded by Michael and passed without opposition.

Michael Zarrilli sought clarification on how cash is managed between reserve and operating accounts. Brent explained that while all assessments are initially deposited into the operating account, reserve expenditures are reimbursed from the operating account as needed. The reserve account primarily consists of a money market account and three CDs held within a brokerage account. The association is the account holder for these accounts.

- **ASAP Accounting**

Bryan Woody addressed the absence of ASAP accounting and highlighted that due to operational challenges and the demands of TMVRC, ASAP had decided to terminate their relationship with TMVRC. Kristen Green elaborated that staffing issues and operational complexities were the primary reasons for this decision. The transition involved setting up a new website and transferring to a new system, which unfortunately wasn't seamless. Additionally, efforts were underway to establish a new payment lockbox for check payments. However, ASAP agreed to maintain their services temporarily until the transition was complete.

Brent Prokaski added that the home office was exploring third-party providers to replace ASAP, aiming to streamline services across different residential properties. Despite the mutual agreement to separate, ASAP would assist with the transition until the lockbox was fully established. Kristen confirmed that today marked the formal transition date, with ongoing efforts to transfer services gradually.

Regarding timelines, Brent estimated that the lockbox setup would take four to six weeks, with a nominal cost of around \$270 per month. The full transition to a permanent solution might take two to three months. Michael Zarrilli suggested considering a local firm as an alternative solution, which he would email separately.

Regarding payment options, Kristen explained that credit card payments were possible through the portal, with associated fees. She also mentioned ongoing efforts to set up a new website, which would require new logins for users.

The discussion then shifted to resident services time allocations, with Michael Zarrilli recalling that McKinley had transitioned to part-time status. He emphasized the need for a systematic approach to evaluate time allocations, suggesting a review during the summer season.

Bryan agreed to undertake the review, noting that understanding how Caroline and McKinley allocated their time would be crucial, given the different compensation arrangements. Michael reiterated that there was no rush for the review, emphasizing the importance of thoroughness over haste.

- **House Cars**

Bryan Woody Next addressed the house cars agenda item, specifically mentioning that the leases for the two BMW X7s would expire in July. He highlighted that the association hadn't budgeted for an allocation to cover this expense, which had impacted the year-end financials, contributing to the

surplus now rolled over to the reserve.

Bryan proposed several options, including renewing leases for new BMWs or exploring a cost-free drive program with Toyota for a Land Cruiser. He sought the board's input on whether they valued having house cars, whether residents enjoyed using them, and their preference regarding a drive program or outright leasing without brand affiliation.

Kristen Green inquired if both options could be considered, noting the difference between a Land Cruiser and a BMW. Michael Wagner expressed the need for more space, citing instances where the BMWs felt cramped compared to larger vehicles. He suggested considering alternatives like the Lexus GL or GS, which could accommodate more passengers and luggage.

Michael Zarrilli emphasized the importance of considering the size of the vehicles in relation to parking and practicality, particularly from the perspective of valet staff and the front lobby area. The consensus seemed to lean towards larger, more practical vehicles, especially if obtained at no cost.

Bryan highlighted the need for signing waivers and acknowledging marketing emails if the association opted for a cost-free drive program. Michael Wagner raised concerns about liability in case of accidents while driving the vehicles, prompting Bryan to assure him that coverage was likely provided under the association's policy, although he promised to verify this.

After discussing the options, Bryan concluded that a decision would need to be made before the next board meeting. Once further information was gathered from Toyota, Lexus, and BMW, he would update the board on the available options for consideration.

- **CCTV Proposed Additions**

Bryan Woody addressed the agenda item regarding proposed additions to the CCTV system. He mentioned that an overhaul of the closed circuit majority of cameras on the campus had been conducted a year and a half ago. However, since then, there have been a couple of instances and issues with blind spots, prompting requests from both residents and the Mountain Village Police Department to address these areas.

Bryan presented a bid for eight additional cameras, with six of them falling within HOA spaces and two belonging solely to the hotel operator. The total cost for the six additional cameras for the HOA was \$16,500, including a five-year licensing fee of \$3,450, which might qualify as an operating cost. He assured the board that there was no immediate need for a decision but wanted to provide visibility to the community about the potential incremental spending.

Michael Wagner inquired about potential upgrades to the head and equipment, to which Bryan clarified that it was solely for cameras and conduit. Bryan also reminded Brent and Kristen to consider the initial install date and plan for the renewal of associated costs when the five-year licensing expires.

Michael Zarrilli expressed general support for the proposal, considering the importance of CCTV in the mentioned areas. Bryan highlighted previous incidents and crimes in the community where CCTV footage could have aided investigations.

Brent Prokaski added that preliminary estimates for the Wi-Fi expansion project were considerably under budget, suggesting that some of the savings from that project could potentially be used for the CCTV additions.

- **Platt Map Discrepancy**

Bryan Woody introduced the next agenda item, the condominium map discrepancy. He mentioned being asked by the board to find individuals willing to undertake the project. Two professionals, Jeff Haskell at Foley and Chris Kennedy at San Juan Survey expressed their willingness to take on the task. Although Bryan had two other interested individuals, they lacked positive professional references.

Bryan planned to bring both Foley and San Juan Survey in the following week, after the hotel closure, to discuss the project's scope and provide estimates. Michael Lynch shared his email exchanges with Jeff Haskell, highlighting Jeff's willingness to assist as a technician and provide support in spreadsheet work and AutoCAD calculations. However, Jeff expressed hesitance in conducting physical measurements, as it could impact costs.

Michael Zarrilli suggested finalizing a scope of work before engaging the surveyors to ensure alignment on objectives. Bryan agreed and mentioned circulating an email drafted by Michael Wagner to provide clarity on project requirements. Michael Lynch suggested including Jim Shoryak in the discussion due to his technical knowledge as an engineer.

- **Insurance Requirements of Homeowners**

Bryan Woody addressed the insurance requirements for homeowners in TMVRC during the board meeting. McKinley had been reaching out to homeowners to ensure revised Certificates of Insurance (COIs) were obtained. The governing documents mandated commercial insurance with a \$2 million umbrella and \$1 million per incident.

Michael Zarrilli questioned if there had been changes in the insurance requirements from previous years. Bryan noted that some predecessors may not have been fully aware of the requirements, leading to the current situation where homeowners were caught off guard by the enforcement of the insurance provisions.

McKinley clarified that the requirements differed for owners in the rental management program (RNA) and those who were not. The board discussed the issue, emphasizing the importance of adhering to the governing documents and maintaining proper insurance coverage.

Michael Zarrilli suggested providing homeowners with multiple options for obtaining compliant insurance. Bryan agreed, stating that homeowners should be given a reasonable timeline to comply with the requirements. McKinley mentioned that some insurance providers were waiting for the board's decision before adjusting rates.

The board agreed to enforce the governing documents and give homeowners multiple options for obtaining compliant insurance. Michael Zarrilli and Michael Lynch offered suggestions for insurance providers, and Bryan requested clarification on specific sections of the governing documents related

to insurance requirements.

- **Log Chinking Update**

Bryan Woody addressed the log-chinking updates as the last item on the formal agenda. Brent Prokaski confirmed that log-chinking is up to date, with all payments current as of the latest update. Brent mentioned that as of April 1, there was a surplus of \$500, indicating that they were not only current but slightly ahead on payments. Bryan expressed appreciation for the update and noted that, at the request of some community members, the item will remain on the board agenda until the issue is fully resolved.

- **New Business**

Bryan Woody opened the floor for new business from any board members. Michael Wagner raised concerns about the temperature settings in units after cleaning and the operation of fireplaces, seeking clarification on standard procedures. Bryan clarified that rooms should be set to 70 degrees for guest comfort but lowered if unoccupied, with fireplaces off during cleaning and guest turnover.

Michael Wagner also inquired about the snowmelt system's pricing structure, highlighting potential adjustments due to gas price fluctuations. Brent Prokaski explained the billing methodology, emphasizing that prices are not directly tied to gas rates but rather invoiced as a flat dollar amount.

Another topic raised was the replacement of light bulbs in units. Michael Wagner questioned the budget allocation for this and suggested reducing it if it only covers common areas. Brent clarified that unit-specific maintenance costs, like light bulb replacement, are deducted from individual unit owners' rental management agreements.

Regarding TV system issues, Michael Wagner and Michael Zarrilli raised concerns about malfunctions and remote controls, seeking assurances from Bryan Woody that these issues would be addressed. Bryan outlined plans to switch providers, simplify TV options, and ensure system stability.

Later, Bryan introduced discussions about renovation projects in specific units, including concerns about structural modifications like stone veneer and wooden flooring on balconies. Michael Wagner emphasized the importance of structural integrity and waterproofing in such projects, prompting plans for structural assessments and compliance with governing documents.

Towards the end of the meeting, Macy Bryan, speaking on behalf of homeowners, raised questions about access to the Crest Club and potential adjustments in allocation due to shared facility usage. Bryan acknowledged the inquiry, indicating that the matter had been informally discussed and would require further consideration.

- **Adjourn**

Hearing no further new business, Michael Wagner motioned to adjourn today's meeting; Michael Zarrilli seconded; the motion passed; all were in favor; today's meeting adjourned at 3:22pm.