

WILLOWS AT VAIL ANNUAL HOMEOWNER MEETING MINUTES

9.16.2023

Meeting commenced at 9:03 AM

ROLL CALL: In person - John Connell, Georgina Lagos, Franco and Margaret Cibebe, Nancy Warshofsky, Cheryl Chantilis, Richard and Pam Hinds, Rod and Teri Nowadzky, David and Wanda Yrstorza, Curt and Nancy Freed, Tim Hargreaves, Erica Cannava, Joe Puebla. **Zoom** – Osman Nalbantoglu, Tracy Tally, Ted and Barbara Alford, Steve and Barb Landwehr, Tonia and Ben Lutch, Matt and Blaine Peck, Jeff Mark, Ken Citron. **Proxy** – Gene Cloud, Jinny Holbrow, Al MacGillis, Ruthanne Ruzika, Caroline Kelly, Tracy Tally, Randy Fishman, Phillip Wolanski

PROOF OF NOTICE OF MEETING: Meeting notice sent via email on August 8, 2023

QUORUM Presence at the beginning of the meeting in person or by proxy of owners possessing sufficient votes to constitute 20% of the total voting power in each class (2 whole/2 QS) (Bylaws Sect. 3.9)

APPROVAL OF MINUTES FROM 2022 ANNUAL MEETING Nancy Warshofsky noted that her name was spelled incorrectly in the 2022 minutes. It was noted and Tim will correct and repost the minutes. A motion to approve the minutes from the 2022 annual meeting was made and hearing no objections was approved.

HIRE LEGAL COUNSEL: In response to the request for an affidavit by certain owners to release the owner roster, the Board retained Dan Wolf for the specific task of drawing up that document. The Board has identified updating Association Documents to remain compliant with CCIOA as a necessary requirement that needs legal assistance. To that end, the Board has retained local attorney Kristi Ferraro for CCIOA documents as well as reviewing construction process and rules that have previously been presented.

REVIEW OF CONSTRUCTION DATE RESTRICTIONS: Current allowed dates are April 15 – June 30, and September 1 – November 30. A motion was made by Mark Iritani to adjust construction dates in the fall to allow work to begin the Tuesday after Labor Day and end the Wednesday before Thanksgiving rather than the specific dates currently listed. Ben Lutch seconded and hearing no objections the motion passed.

UPDATE ON SPA BATH AND LOBBY: No changes or updates have been made to the spa bathroom. Coffee and water machines have been installed in the lobby. This is a lease program. Coffee machine is \$50 per month, water \$37 per month. Product will be expensed monthly and split equally between Willows HOA, WQS, and WMLP

NEWSLETTERS: Blog posts were made to WQS Blog on the website on 9.18.22, 9.20.22, 1.30.23. It was agreed that a bi-yearly Newsletter should be prepared by Willows Management and distributed to all owners.

WHOA Block posts 9.19.22 and 11.1.22. Website address is: www.willowsowners.com.

OWNER LIST: An owner recently requested the Owner Roster. Under the Bylaws an Owner making such a request must file an affidavit containing a confidentiality agreement. The Board had to retain an attorney to prepare the form of affidavit which led to some delay in responding to the Owner's request. As soon as the affidavit was received the Roster was provided. That is a requirement of CO law and our bylaws. If any other Owner desires to receive the Roster just advise Tim and he will provide you the form of affidavit to fill out.

HOA FINANCIAL REPORTS: Tim reported that HOA financial accounts are reconciled monthly. Board of Directors are provided with reconciled financial reports including a Balance Sheet, Profit and Loss Statement, and Budget vs. Actual Statement quarterly. Interim financial statements are presented at the annual meeting in mid-September (January through August). Final reconciled financial statements are provided to the HOA's Certified Public Accountants (TKRM) who review and prepare a year-end financial statement for the Association.

EXTERNAL AUDIT REPORT: John Connell recounted that at last year's annual meeting a request was made for a full audit as the Bylaws require that an audit or review be done every two years. This was conducted for the year ended Dec 31, 2022, and has been posted to the Owner website. Since the audit by necessity had to review the prior 12-months the Board decided that it was not necessary to go back further in time. The auditors, Reese Henry of Aspen, concluded that in their opinion, the financial statements "present fairly, in all material respects, the financial position of Willows at Vail Condominium Owners Association, Inc. as of December 31, 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America." The cost of the audit was \$13,000. Going forward an audit or review will be done every two years. There was discussion about extended the audit to go back two years. The current bylaws require that a financial audit or review occur every two years. Tonia Lutch made a motion to amend the bylaws to remove the review part of the language. Blaine and Matt Peck seconded the motion. There was a vote, and the motion was rejected. Jeff Mark made a suggestion that the CPA could provide a letter saying that the audit required confirmed starting numbers and was in effect a two-year audit.

FINANCIAL AND BUDGET REVIEW:

Tim presented the financial statements for the HOA as of August 31, 2023.

BALANCE SHEET: Total cash is reduced \$44,230 year-over-year, at \$241,118 compared to \$285,348 last year. Funds were moved to the Operating Account from the Reserve Account, which is currently \$177,560, compared to last year when it was \$250,135. This was necessary to cover operating liabilities. Outstanding Assessments receivable as of August 31, are \$35,547 compared with \$17,031 at the same time last year.

PROFIT AND LOSS: Expenses year-to-date are running substantially ahead of the budgeted numbers, to the amount of \$60,942. Line items running above budget are all in the Building Expense Category. Notable expenses include:

Elevator: \$5K over budget due to repairs outside of contract

Grounds: \$11.5 K over budget due to increased flower expenditures and a project between Riva and Willows properties to the east of the building, and the replacement of foliage in the courtyard.

Natural gas: \$37.5K over budget due to a specific gas bill for February. The price of gas for that month was remarkable due to pipeline issues with the supplier. There are three pipelines used and two of them were down leading to a specific increase in the spot price of the gas.

Water and Sewer: \$3.2K due to price increases over prior year.

Spa: \$11.5K due to additional expenditures on the Spa. These included \$3,994 for a new control panel that controls the emergency button, the jets, and the temperature in the hot tub. \$12,964 for the replacement of two motors and pumps and included converting the sand filters over to regular cartridge filters, and the replacement of the hot water heat exchanger and a new back flow valve. \$2623 for the removal of a filtration tank, the redirection of water flow to the waterfall to the single tank and the addition of a shut off valve between the waterfall and circulating water in the tub.

Spa Issues: There are several things that need to be addressed with the hot tub to keep it in good working order. There is currently a leak that manifests into the garage area. Resurfacing work is required due to numerous cracks, and replacement of damaged tiles. These could be contributing factors to the leak. The waterfall plumbing is probably a cause of the leak into the garage. One of the skimmers was causing part of the leak. It was shut down and approximately 70% of the water into the garage stopped. There are four skimmers for the spa but only two are currently operational. Joe is soliciting bids for outstanding work with Maximum Comfort. It will also be necessary to remove stone add waterproofing and replace stonework. Joe provided some additional comments on the required work.

Future Capital Expenditures: Tim presented the forecast of capital expenses he outlined at last year's meeting. After reviewing with Eagle Water and Sanitation their opinion of water hardness in the building, it was decided to forgo replacement of the water softener system and bypass treatment in favor of City water. All items in the matrix were identified as key potential future expenditures working with a local contractor to estimate costs. Tim suggested that the HOA Board should consider contracting to have a Reserve Study to further refine potential costs and time frames.

Blaine Peck asked for building protocol on leaks. Tim responded that on a case-by-case basis and determined by the severity of the situation. A consensus was reached that communication with all owners and the Board could be improved to ensure full transparency.

PROJECTED FUTURE CAPITAL EXPENDITURES						
WHOA	Cost	Installed	# of this item	Life	Replace	Anticipated Cost
WATER TREATMENT	\$ 60,000	2009	1	13	2022	\$ -
LOBBY REMODEL	\$ 30,000	2009	1	15	2024	\$ 30,000
PORTE CACHERE	\$ 15,000	2009	1	18	2027	\$ 15,000
HALLWAY REMODELS	\$ 6,000	2009	6	18	2027	\$ 36,000
LANDSCAPE	\$ 10,000	2009	1	18	2027	\$ 10,000
5 YEAR TOTAL						\$ 81,000
GUTTERS	\$ 50,000	2009	1	20	2029	\$ 50,000
SPA REPLACEMENT	\$300,000	2009	1	20	2029	\$ 300,000
BATHROOMS	\$ 25,000	2009	2	20	2029	\$ 50,000
10 YEAR TOTAL						\$ 481,000
ELEVATORS	\$155,000	2009	3	25	2034	\$ 465,000
15 YEAR TOTAL						\$ 946,000
HEATING AND COOLING	\$600,000	2009	1	30	2039	\$ 600,000
BALCONIES	\$300,000	2009	1	30	2039	\$ 300,000
20 YEAR TOTAL						\$ 1,846,000
ROOF	\$500,000	2009	1	40	2049	\$ 500,000
DRIVEWAY HEATING	\$250,000	2009	1	40	2049	\$ 250,000
27 YEAR TOTAL						\$ 2,596,000

Tim presented information on the relationships between the entities in the Willows. The Willows Condominiums were built in 1970 and the original HOA was formed at that time. Willows Management was formed in 1985 to contract with the Riva Ridge South Association to manage their building, and to offer a rental program for owners wishing to rent their units. In 2007 the original building was demolished, and a new building erected on the site with a previously agreed structure. Nine Quarter Share units were formed whose ownership was the 28 owners of the old building. Nine whole owner units were sold at this time and nine new owners joined together with the Quarter Share owners to form the Willows at Vail Condominium Association.

18 units make up the HOA for the Willows. Voting is allocated as one vote per unit. The assessments are split approximately 50/50 between Whole Owners and Quarter Share owners. There is a five-person Board of Directors for the HOA, and a five-person Board of Directors for Quarter Share. Willows Management is a partnership of the 28 Willows Quarter Share owners and has no Board. On a price per foot basis by owner category, Quarter Share pay \$22.77 per foot – almost double the amount per foot paid by the Whole Owners as a category \$11.86 per foot. Mark Iritani noted that his until pays more than the average of the whole owners and Tim confirmed that Mark pays \$18.14 per foot.

Willows Management have a contract with Willows at Vail Condominium Association to manage the building. Obligations of the management company are defined in the management agreement with the HOA.

A preliminary budget was presented to the HOA Board in July. The annual budget includes operating expenditures based on prior year experience. For 2024, the Board is recommending a significant increase in the budget. Changes include increases to accounting to pay for the Audit, increases in legal fees to pay for review and revision of HOA documents, increase in insurance expense as a precautionary measure, increase in spa expense due to anticipated costs in 2024, and a line item for Reserve Fund/2023 Budget Deficit. The year-to-date actual expenses vs. budget are running at a \$60,000 deficit.

The reserve fund/2023 Budget Deficit would be used to fill budget shortfalls from 2023 and provide additional funds for any 2024 unanticipated increases and expenses.

John Connell asked if there were any objections to the budget, hearing none, the 2024 budget was approved as presented.

Election of the Board of Directors: There are four current Board members: John Connell, Richard Hinds, Tonia Lutch, and Joey Donahue, all who have expressed interest in serving an additional term on the HOA Board. Jeff Mark had previously submitted a resume and expressed interest to serve. John asked if there were any additional interested owners. Georgina Lagos indicated that she was interested, and Tonia Lutch nominated Blaine Peck. John asked Georgina and Blaine to give a brief oral resume. After discussion it was decided that a secret ballot would be held for the five Board positions; two of which are filled by representatives of the whole owners, two by representatives of the Quarter Share owners and one as a position at large. The result of the ballot was as follows: representing the whole owners – Joey Donahue and Georgina Lagos were elected. Representing the Quarter Share – John Connell and Richard Hinds were elected. Jeff Mark was elected as the owner at large.

(Pursuant to the HOA bylaws (Section 4.4) and the Quarter Share Operating Agreement (Section 8.3) the new Boards take office immediately upon election.)

New Business:

Insurance update: The building was originally insured by State Farm. Farmers Insurance has insured the building for the past several years. Last year Farmers informed us during the renewal process that they were instituting caps on the building coverage at \$19.5 million. They have subsequently declined renewal for 2023/24. We have undertaken a valuation of the building which is pending to determine what coverage amounts are appropriate. Independent agent, Wall Street Insurance, is bidding the building for coverage beginning October 21.

Request for Vote on Five-Year Term Limits for Board Members: Discussion on this topic took place with John Connell explaining that historically it has been very difficult to get people to run for Board positions and consequently mandating term limits could be problematic.

Request for Vote Requiring Notice to be Provided to all Owners of any Annual or Special Meetings of the Board: It was agreed that all Meetings would be noticed to all owners except for Board Executive Sessions.

Request to Trim Trees on the Front and East side of the building: It was agreed that Joe and the maintenance team would trim the trees once the leaves have dropped.

Installation of a Water Purification System for the Building: This idea was tabled but Tim to seek pricing on individual faucet systems for the kitchens of Willows Quarter Share units and to share that pricing with whole owners who might be interested.

Motion to Adjourn: A motion was made, and the meeting adjourned at 1:30 PM

Wednesday August 8, 2023

Subject: Notice of Annual Meetings - September 16, 2023

Dear Homeowners and Members,

I hope this letter finds you well. We are pleased to announce the upcoming Annual Meeting for the following organization:

Willows at Vail Condominium Association - Meeting scheduled for 9:00 AM

The Annual Meeting of the Homeowners Association has been scheduled to take place on Saturday, September 16, 2023, at 9:00 a.m. The meeting will be held in Vail and Zoom call access will also be available.

Agenda and Financial Reports:

An agenda detailing the items to be discussed during the meeting, along with the financial reports of the organization, will be sent to all members prior to the meeting date. Please review these materials beforehand to better understand the topics that will be covered.

Proxy Voting:

For those who are unable to attend the Annual Meeting, you have the option to appoint an individual as your proxy to vote on your behalf. A proxy form is enclosed with this notice. Kindly complete the form, indicating your chosen proxy, and ensure it is signed and dated. Please return the proxy form to the Willows no later than September 8, 2023. The current Board of Directors is:

John Connell/President

Joseph Donahue/Vice President, Treasurer

Tonia Lutch/Secretary

Richard Hinds

It is suggested that owners choose one of the Board as proxy.

Owner Reception:

In addition to the Annual Meeting, we are planning an owner reception on the Friday preceding the meeting. More details regarding the reception will be communicated to you in due course.

Your active participation in the Annual Meeting is highly valued as it provides an opportunity to discuss important matters concerning our community and make informed decisions for the future.

Thank you for your continued support, and we look forward to seeing you at the Annual Meeting.

Sincerely,

Tim Hargreaves