

**PARK AVENUE LOFTS HOMEOWNER ASSOCIATION
ANNUAL MEETING
April 30, 2016**

I. Call the Meeting to Order

The Park Avenue Lofts Association Annual Meeting was called to order by Denis Franks at 9:45 a.m. on April 30, 2016 in the Park Avenue Lofts Conference Room.

Board Members Present Were:

Denis Franks, President, Unit 307
Robert Young, Commercial

Robert Johnson, Unit 208

Owners Present Were:

Steve Cox, Unit 303
Bruce Tugman, Unit 305
Skip Rhodes, Unit 304

Karina Thomas & Kevin Wood, Unit 202
Matt Alexander, Unit 205

Proxies were received from Units 201, 203, 204, 206, 207, 209, 301, 302, 306, 308 and 309.

Representing Great Western Lodging were Chad Christy, Keith Kroepler, Jeff Cospolich, Leanne Hamilton, Jessica DeAngelis, James Quirino and Brian Juchno. Erika Krainz of Summit Management Resources was recording secretary.

II. Roll Call and Proxies

With seven units represented in person and 11 proxies received a quorum was confirmed.

III. Verification of Notice

Notice of the meeting was sent in accordance with the Bylaws.

IV. Review and Approval of Previous Meeting Minutes

Denis Franks made a motion to approve the April 25, 2015 Annual Meeting minutes as presented. Steve Cox seconded and the motion carried.

V. Financial Report

A. *2015 Year-End Results*

Keith Kroepler reported that the Association had savings in the Electric & Gas, Snow Removal and General Landscaping line items. Those savings were shifted to Repairs & Maintenance and General Supplies. Repairs & Maintenance was \$20,000 over budget due to a \$12,000 expense for carpeting, a \$4,000 expense for the key card machine, and a number of smaller expenses for door locks and lights. These expenses were paid from Operating in order to preserve the Reserve Fund balance.

B. 2016 Budget Overview

The 2016 Budget included no increase to dues. The Management Fee was increased 3% for the first time in three years. Denis Franks noted that at the end of the first quarter, the Association was operating \$5,000 favorable to budget, due in part to the careful management of the driveway snow melt system.

C. Profit and Loss as of March 31, 2016

1. Insurance – \$1,334 unfavorable to budget due to timing of the payments.
2. Tax Return – \$540 unfavorable to budget due to being budgeted in April but paid in March.
3. Maintenance & Repairs General – \$475 unfavorable to budget due to a \$2,000 expense for clearing a drain in Unit 304.
4. Electric & Gas – \$5,287 favorable to budget.

Overall, the Association was \$5,161 favorable to budget at the end of the first quarter.

Denis Franks said there should be enough of a surplus at the end of the year to pay for removal of the steps behind the building without using any money from the Reserve Fund. The project is anticipated to cost about \$5,000. At the end of the year, a portion of the anticipated surplus will be reallocated to the Reserve contribution for compliance with the FNMA/FHMLC guidelines (10% of income) without a dues increase.

Denis Franks made a motion to approve the 2016 Budget as presented. Steve Cox seconded and the motion and carried.

VI. Property Manager's Report

A. 2015/2016 Completed Projects

1. Replaced the front door and mat.
2. Replaced emergency lighting in the stairwell.
3. Tore out and replaced the concrete at the front of the driveway to address settling and failing.
4. Replaced the hallway carpet in the second and third floor hallways. This expense was paid from Operating. The previous carpet lasted over nine years.
5. Entering into a contract with Tiger Gas. This allows the Association to hedge the gas at a lower rate.
6. The Board approved purchase of an updated key card reader for improved security.

B. 2016 Upcoming Reserve Projects

1. Painting the building exterior was scheduled in the Reserve Study for \$76,000 last year but it was determined that the siding was in good condition and it was not necessary. Touch-up painting will be done this year in house as needed based on the contractor's recommendation.
2. A new Reserve Study will be completed. The Reserve Study should be redone every five or six years. A shortfall is anticipated in 2018/2019 due to painting

- the building exterior, but only if all projects are completed as scheduled, which is unlikely to occur.
3. Tolin Mechanical will be making some repairs to the domestic hot water shutoff valves at an anticipated cost of \$4,000 – 5,000. This work will be scheduled in May. The heat exchanger will be flushed and cleaned.
 4. Tolin Mechanical has been engaged to provide an energy audit at no cost to the Association to identify potential areas for savings.
 5. The back stairs will be removed this year and will be paid for from the anticipated Operating surplus. The Town has already given approval and issued the permit.

VII. President's Comments

Denis Franks said the Association had a very good year. The building is immaculate. The new carpet has brightened the hallways and the new key card system has addressed security issues. Base Mountain Sports will be providing funding for the key cards in return for having their logo on the cards. There have been numerous positive comments about the ski concierge service. A list of House Rules for VRBO owners was created and published to ensure everybody understands the procedures. It is posted on the website.

Upcoming projects include painting the exterior and the driveway. There may need to be an assessment of less than \$2,000 per owner in the next year in anticipation of the \$50,000 – 60,000 expense for painting the building exterior. There has only been one assessment since 2000, which was for the two holding tanks in the basement.

Rob Young commented that the only real construction issue with the building was the flat decks with hot tubs. The deterioration of the snowmelt system is unavoidable and mechanically the building is solid. He recognized the Board and management staff for their efforts.

Denis Franks noted that property values have continued to increase and a unit is under contract for \$629,900. The previous high was \$555,000. He recognized Great Western Lodging for their outstanding service on all levels and James and Tyler for their efforts on a daily basis.

Leanne Hamilton is working on refinancing the employee unit. The Association has about 75% equity in the unit. It is a great asset because it allows someone who has a vested interest in the building to live on site.

VIII. Election of Directors

Denis Franks made a motion to reelect the current Board members by acclamation. Robert Johnson seconded and the motion carried.

Robert Johnson thanked the owners for their participation at the meeting.

IX. Old Business

There was no Old Business discussed.

X. New Business

Robert Johnson asked if there was any opportunity for discounted lift tickets. Chad Christy said ski free/stay free packages used to be offered. Vail Resorts is now converting day ticket buyers to season pass buyers. The breakeven point is about 4.5 days. The Summit Foundation and Grand Foundation medallions cost \$5,000, which is 100% tax deductible, and are transferrable.

XI. Set Next Meeting Date

The next Annual Meeting was tentatively set for April 29, 2017.

XII. Adjournment

Denis Franks made a motion to adjourn at 10:38 a.m. Steve Cox seconded and the motion carried.

Approved By: _____


Board Member Approval

Date: _____

5/8/16