

DRAFT

# Mountain Edge Condominium Association

## General Membership Meeting

June 17<sup>th</sup>, 2023

The General Membership Meeting was opened by Jacob Dewey of Crested Yeti Property Management at 10:00 am MST. This meeting was held via ZOOM.

Jacob Dewey asked for a roll call of the membership present:

Marty Smilkstein

Brian Gillette

Lauren Steel

Mike Downer

Chris Crosbey

Hassan Malik

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Janet Artac

Lindsey Oman

Jeremy Robbins

Sharni Barclay

Roy Penner

### **Proof of Notice for Meeting**

- Jacob Dewey stated that the notice and agenda for the meeting was sent out on June 1<sup>st</sup> 2023. The meeting was properly noticed. The notice was also posted on Crested Yeti website the same day for the public to view.
- Jacob asked if there was a motion to approve the 2022-2023 meeting minute.

Hassan Malik made a motion to approve the 2022 meeting minutes.

Marty Smilkstien seconds the motion.

**Unanimously Approved**

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### Financial Report

- The association is in good financial standing.
- Operating Account: \$13,367
- Reserve Account: \$39,121
  - Total assets = 57,177
  - Liabilities = 1,650

The association ended the budget year (May 1 – April 30) with a net income of about 5,000, which is 5,000 favorable to our plan. The association's biggest and most significant overages on expenses included snow removal, hot tub maintenance, and building maintenance/repairs.

The association will see an increase in dues this year of roughly 6.65%, mainly stemming from increases in utilities, snow removal, and building maintenance. **(Now would be the time to make a motion to veto the budget if people want to, need 2/3 to veto)**

### Managers' Report

- Overall, the association looks to be in good physical standing around the grounds, however there are many big projects that will be discussed later in this meeting under "New Business."
- Over the winter there was a pipe that burst in the hot tub mechanical room that caused flooding in the game room. Thanks to Mike Downer and other members, we were able to mitigate the amount of water that was drained into the game room. This was caused by someone hitting the red button that stopped the recirculation of water. Crested Yeti contracted to repair the hot tub and game room out to subs.
- The board of directors updated the laundry room, which included a new set of commercial grade washer and dryers, painting all the walls, and an overall deep clean of the room. This was funded by the Capital Bank Account. Thanks for all your volunteering time to make this happen.
- A group of dedicated homeowners are tackling the garden areas around Mountain Edge and making a big effort to make them look presentable to all our owners and guests.
- The sprinklers will get turned on next week and we have contracted with a third party to come and mow the grass every week.
- The association's carpets get professionally cleaned 2x a year and the hallways get vacuumed weekly by a cleaning service.

### Old Business

- The association is waiting for SGM to do the topographical survey of the property so we can take the next steps to move forward with the foundation wall repair and parking lot. You can expect to hear from the Board of Directors and Management company when we have more concrete information on these major repairs.

### New Business

New STR Fee

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- STR License Fee of \$250.00 a year starting January first. The major reasoning behind this is that in general STR guests do not treat the building with respect because they do not have a vested interest in respecting various amenities.

### Proposed sale of unit 102 at Mountain Edge

- The rationale for the proposed sale of the HOA-owned unit is to raise the funds needed for upcoming large capital expenses without requiring our owners to pay very large assessments.
- The large projects identified that must be completed include (plans pending):
  1. New retaining wall (Creekside): earthmoving and construction to correct the current sloping wall.
  2. Paving parking lot: re-grading, drain installation to correct the ice problem.
  3. Rebuilding/re-pitching the roof (mountainside): This will be discussed after this topic as; the board and management company have received new information
  4. Installation of the storage units (optional): The cost is approximately \$25,000.
- The plan for the property should the sale proceed, is to retain its status as a deed-restricted employee housing unit (EHU), subject to occupancy requirements by the Town and local housing authority. The decision to keep the unit as an EHU will facilitate the required approval of the plan. The approach aims to align with community goals and address the ongoing need for affordable housing in the area.
- To determine the potential revenue from the sale, the Board has enlisted the assistance of a reputable real estate agent who has prepared comparables in the valley (including both deed-restricted and unrestricted properties). These findings are attached. Although the goal will be to maximize the sale price, the Board has proposed a minimum sale price of \$330,000 (\$400/sq ft) to ensure a favorable outcome for the HOA. All proceeds from the sale will be allocated to the capital expense fund.
- Additional consideration:
  1. The HOA will experience a loss of \$1,650 per month in rental income if the property is sold, this will be offset by an estimated increase of approximately \$691.00 in owner dues.
  2. The sale of the unit will result in a slight adjustment to the % ownership table, with each owner experiencing a small reduction in their ownership percentage.

### DISCUSSION and VOTE

Marty made a motion for the sole purpose of building the Mountain Edge capital expense fund, the Board of Managers shall be authorized to undertake all necessary steps to accomplish the sale of unit A- E-102. Steps include but are not limited to: Revision of documents, preparation of the unit for sale (maintenance, minor construction & greater than \$500), listing for sale and determining proposed sale price, acceptance/rejection of offers, payment of realtor commission and closing costs.

Seconded by Brian Gilette

**Unanimously Approved**

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### Re-roofing Discussion

- Roof re-construction/ re-roof concept: we are a long way from having the final plan, but since the roof has been a source of trouble over the years, we want to ensure you understand what we are proposing. In short, although local sealing will help with some of the leaks that have caused recent damage to units (particularly on the town side of the building), this is not a reliable solution to the long-standing leaks that have caused the most damage on the mountainside of the building.

### The recommended solution:

- Several individuals from the Board and the Management Company convened atop the building alongside Centennial State Roofing (CSR) to explore the potential option of repairing the roof. Following an extensive conversation, they ultimately advised re-roofing the structure due to numerous workmanship deficiencies. We sincerely apologize for deliberating this matter despite owners having made a significant investment a few years ago. However, based on discussions with CSR, the board firmly believes that re-roofing is the best course of action to rectify the leakage problems.
- Couple of points to note:
  - We have identified two primary issues: pre-existing leaks that remained unresolved despite the new roof, and new leaks that occurred after the installation of the brand-new roof.
  - The prevailing belief among the board and management is that the new leaks can be addressed through localized repairs, likely due to subpar workmanship, rather than any design flaws in the roof. Additionally, the persistent old leaks were caused by ice dams forming in low-pitch sections.
  - The idea of re-pitching the roof originated from two assumptions:
    - Ice dam leaks are not the result of poor workmanship or materials, but rather an inherent problem associated with nearly flat roof sections.
    - Previous roof consultants suggested that re-pitching the roof might be the only way to completely resolve the leaking issue.
  - Earlier this week, board members and the management company enlisted the expertise of two highly reputable roofers, who swiftly identified numerous workmanship errors closely tied to the majority of the leaks. They firmly disagreed with the aforementioned assumptions. Crucially, they expressed a high level of confidence that a well-constructed roof would prevent all leaks, rendering re-pitching unnecessary and an extravagant waste of funds.
  - The management company and board expressed significant concern over the potential of another failed roof. CSR assured us that if the job is executed according to their company's and manufacturers' specifications, it will come with a comprehensive 20-year watertight warranty.
  - After careful consideration, consulting with the roofers, and discussing with the board, it is recommended that we formally request a bid from CSR. While re-pitching remains an option, this alternative represents a more prudent use of the association's finances.

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### **Election of Board Members**

- There are 3 board positions open. Currently Martin Smilkstein and Brian Gillette would like to run. Both have served on the board as interim people but are seeking a long-term position. A little bit about them:
  - Martin: Career-wise I'm a retired emergency medicine physician and mostly retired medical researcher and educator; family-wise a husband, father, and grandfather; recreation-wise a resort and backcountry skier, hiker, and gravel biker, playing in in the valley for 30 years. I've been a Mountain Edge owner and resident for three years and have served as an interim Board member for the past year. On the spectrum from full-time resident to full-time STR host, my wife and I are closer to the former – we do hold an STR license but have been at Mountain Edge most of the time, so rarely rent our unit. All this to say that I'm familiar with life as a resident and as an STR host and with the rewards and challenges of both. Recognizing that both residents and STR hosts need representation on the Board, I'm able to speak for both, and being at Mountain Edge most of the time I'm able to be quickly responsive to pretty much anything that comes up and to be helpful when on-site problem-solving is needed. The current Board has needed to take on some long-overdue, long-deferred big challenges – I feel that I've been effective helping to get some important initiatives started, to move Mountain Edge to the place we all want it to be for our quality of life and for our investments. I believe that remaining on the Board will be useful to achieving that goal, and I hope you'll vote to allow me to continue to serve you.
  - Brian Gillette made a motion to elect Martin Smilkstein to a 3 year term on the board.
  - Second by Lauren Steel
  - Brian:
    - General Contractor for 30 years.
    - Administer an HOA with 16 units in Vail, Colorado.
    - Served on the Town of Vail Design Review Board or Planning Commission for the past 16 years.
    - Enjoyed my interim position on the ME board.
  - Martin Smilkstein made a motion to elect Brian Gillette to a 3 year term on the board.
  - Second by Hassan Malik

### **Adjournment of Meeting**

- Hassan Malik made a motion to adjourn the meeting.

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- Second by Roy Penner

**Unanimously Approved**

Meeting closed at 12:10 PM MST