

Riva Ridge South Annual Meeting

Meeting Minutes

December 2, 2023

Agenda

Call to Order

Calling of Roll:

Approval of Minutes
Vote

Opening Statement

Approval of Agenda
Vote

Financial Statement (Tracy)

Owners' Dues (Tracy)
Discussion of Financials and Dues

Building Update (Tracy)

Elevator Update (Randy)
Discussion

Entrance Update (Wendy)
Discussion

Reserves Update (Tracy)
Discussion

Budget with Willows Management approval (Tim)
Vote

Elections
Vote

Special Assessments Update

Unfinished Business

Adjourn

Call To Order

Tracy Tall called the meeting Called to order at 9:05 AM mountain standard time.

Quorum

Tim Hargreaves confirmed a quorum (10% of owners present or by proxy) is present.

Roll Call

Roll Call of Owners attending included via Zoom: Tracy Tally, Wendy Smith, Randy Fishman, Patsy Smith, Sue Popkin, Christina Valentiner, Catherine Roberts, Kathryn Middleton, Mark Metzger, Mike Pembroke, Tracy Fauver, Tim Hargreaves. No proxies for this meeting

Approval of Minutes

Motion to approve last owners' minutes was made by Randy Fishman and a second by Wendy Smith, none opposed, the minutes were approved.

Opening Statement

Thank you for joining us today. My name is Tracy Tally, and I am serving as President. Randy Fishman is Vice President, and Wendy Smith is Secretary. Over the last year we have been working on completing improvements on the building.

We sent a package of information to all of you, and we trust you have had time to review it. Mute will be on during each presentation. Please hold your questions to the end of each presentation, at which time the mute will be turned off.

Approval of Agenda

Motion to approve agenda made by Wendy Smith, seconded by Sue Popkin.

Financial Update

We are presenting our financials for 11 months of the year compared with the same period last year.

Balance Sheet

Your board has sent out the financials prior to this meeting to allow each owner time to review.

I would like to let all know that Fritz is no longer doing accounting work for Riva Ridge and Willows, and a transfer of duties is occurring. As with any change in personnel, Riva Ridge owners may see some differences in the methods being used in reports and collections.

Our operating funds are \$56,000.

Our investment funds are \$226,000.

Profit and Income

A few things are different than the approved budget from December 2022. We can explain how they impacted us during 2023.

- a. Our natural gas bill in January was extremely high as was discussed at our July meeting.
- b. Installation of the irrigation system improved the aesthetics and landscaping, but it was an off-budget item that increased landscaping expenses.
- c. Additions of some heat strips on the roof required electric improvement.
- d. Assessment in September increased our reserves.
- e. Initial costs for elevator consultants and front entrance architecture increased expenditures.

Otherwise, our budget was very close to the estimate, and our overall financial health is in a much better place going into 2024.

Owners' Dues

I would like to address the letter that was sent out to owners in June 2023 about account balances and timely payments. We think that it is important for all owners to be current in making payments. We also think that we should rely on Willows Management to follow up with owners. We are being fiducially responsible, but we also prefer not to know each owner's payment schedule. The letter was a way for us to simply notify owners of one tool that Willows Management and the board can use for collections. Yes, we do have one owner who is historically late in paying.

Your board is working with Willows Management and attorneys to make sure that Riva Ridge has a solid collection notice and system in place to start assessing fees on delinquent payments. Your board recognizes that most owners are at a financial level that making payments should not be an issue. Many of us are active in other areas of life and need others to assist in our financials, and an occasional delay may occur. Our hope is to communicate with these individuals and owners quickly to correct any oversight. However, going forward a more aggressive approach will be taken for collections.

Your board is using the letter in June 2023, or July 2023 special meeting, as well as this annual meeting of December 2023 to put owners on notice of the need to make timely payments. Going forward, our by-laws for collections will be enforced.

Building Update

To save time I am not going to go over a history of our building. Most owners are knowledgeable of our past. If you are not, and would like more information, please let one of us know and we will visit with you.

Overall, our building is doing well. Please remember that our structure is dated from the 1960's and will continue to need updating.

Over the last several years our heating boiler, roof, balconies, hallways, and paint have been updated, just to name a few.

Our current plans to replace the elevator and entrance are examples of what we know need to be addressed.

Yes, we are aware that other items will need to be replaced or updated, such as the heated driveway, painting the exterior on a regular basis, and installing a fire suppression system. We are monitoring all of these, but they are not pressing or required at this time.

I would also like to mention how we determine replacing or updating various things. I would like to place these into 3 “buckets”.

- a. Maintenance or failure: Things break or deteriorate over time and must be addressed. One example is our elevator, which we are being proactive in addressing.
- b. Regulations: The Town of Vail may want us to have a better fire suppression system, but it is not required, currently. Other issues may occur, but we are not aware of any additional ones at this time.
- c. Insurance: Insurance in the Vail Valley has become an issue this year. Fortunately, this has yet to impact Riva Ridge substantially. However, it is impacting other buildings with increased costs of policies, and at times requires building changes.

Elevator Update (Randy)

We are working closely with the elevator cab construction company, SnapCab, the elevator contractor, Mountain Town Elevator, and our consultant, PEI to facilitate the installation of the new elevator next spring.

The new elevator interior specifications have been selected. It consists of a wooden laminate surface, that coordinates well with the building’s unit doors and base trim, on approximately the top 2/3 of the walls. The bottom 1/3 of the walls are covered in a textured stainless steel, to help minimize scratches and damages from ski boots, snow boards and luggage carts, and a handrail will be installed on all three sides.

Here is a representation of what the finished interior will look like. This is not an exact replica, but closely aligns with the selected materials.



At our last meeting, we presented the budget from our consultants below:

Riva Mod Budget Worksheet

	<u>2023</u>	<u>2024</u>
Elevator Scope	\$105,000	\$115,500
Work by Others	\$35,000	\$38,500
Cab/Ceiling Interior	\$15,000	\$16,500
Misc. Fees	\$4,500	\$4,950
Total	\$159,500	\$175,450

Unfortunately, the current estimate we have received, based on our cab selection is approximately \$31,500 - \$33,500 above estimate.

Current Budget:

Elevator Scope	\$143,000
Work by Others	45,000

Includes: Electrical, fire life safety, mechanical, machine room, fire rating.

Flooring	\$3000-5000
TOTAL	\$191,000-193,00

While this is an increase from our projected budget, the installer feels confident that a Spring 2024 installation is possible if we deliver a signed contract by Dec 15, 2023. Discussion:

Entrance Update (Wendy)

As you all remember in July, we discussed the need for a new front entrance both from a safety and aesthetic point of view. We interviewed various firms and decided upon Pierce Austin architects that have a long history in the valley, know the town well, and are very experienced in doing HOA projects.

The plans you see here addressed steps that were too steep, short, and narrow, had limited handrails, had very little coverage from the roof and poor signage. What Pierce Austin presented us with various designs, and we chose is the following. The stairs are to be widened and lengthened for safety. At the same time, we will retain a heating element in the stairs while covering the raw concrete with flagstone that matches the stone color and texture of the chimney. The concrete railings on either side will be removed and replaced with railings on either side which match the balconies and a center railing for better mobility. We have removed the planters on either side of the stairway as well, this will provide areas for future landscaping or to actually stand while waiting. The overhang will be wider to each side therefore removing the need for a downspout that empties directly onto the walkway in front. The underside of the overhang will be lined with good looking wood planks that match the color and tone of the rest of the building. The underside will also have good clean lighting that illuminates the entrance

and makes it safer. At the same time, we will create new building signage that will fit nicely on the elevator shaft creating something legible and attractive on a large blank space.

Budget- we are still waiting for two estimates but the one that we have received this far falls within our original internal guesstimate which was between \$250,000- \$340,000. We feel confident that we will fall within our original budget. While cheaper is not always better, once the other two estimates come in, we will choose the contractor that we feel can best deliver quality at a good price.

Timing- we believe doing the work in the fall window of time will be more beneficial to the building. As Randy pointed out the elevator project will happen in the spring, and we cannot do two at the same time. We predict that we will do the construction in the fall of 2024 thereby providing is with a new entrance by Thanksgiving of the Holidays of 2024.

A review of your board's guideline for reserves.

Riva Ridge Reserves Guidelines

July 2023

Maintain

Minimum of 60% of annual operation budget.

(Example 2022 was \$283,261 = \$169,956 reserves)

Maximum of 90% of annual operation budget.

(Example 2022 was \$283,261 = \$254,934 reserves)

Until we replace the elevator and update the front entrance, we are in a good position.

Budget with Willows Management approval (Tim)

The Association accounts are fairly straightforward. Assessments are calculated based on an annual budget that is compiled based on historical numbers and approved by owners at the annual meeting. Line items of note for the 2024 proposed budget include the following:

Grounds Maintenance: last year's expense included the addition of an irrigation system for the building. We anticipate a much-reduced expenditure but increased the number over the 2023 budget amount to allocate funds for potential landscaping improvements in the spring.

Insurance: Insurance is increased year-over-year due to an increase in premiums from Farmers who insure the building. Please note that this insurance covers only to the drywall in the units and that unit interiors are the responsibility of the homeowners.

Legal Fees: The Willows recently conducted a legal review of Association Documents to ensure compliance with the Colorado Common Interest Ownership Act. This is something that Riva Ridge should consider to ensure we are current on the law.

Natural Gas: In the fiscal year 2023 there was one extremely high gas bill due to supply restriction in the winter. The proposed budget is increased over the 2023 budget but approximately \$10,000 lower than 12-month actual costs.

Assessments: the 2024 budget anticipates keeping quarterly assessments at the same level as 2023. This gives a projected \$15,000 that can be applied to reserves or used to cover unanticipated expenses.

Vote motion to approve the budget as presented made by Wendy Smith, seconded by Sue Popkin. None opposed. Budget approved.

Elections

Board terms are for three years, each Board member can serve a maximum of three terms before taking a break from the Board.

Board Terms		
Terms are 3 years/staggered		
	Start	End
Randy Fishman	Dec 2020	Dec 2023
Wendy Smith	Dec 2021	Dec 2024
Tracy Tally	Dec 2022	Dec 2025

Vote: Randy has served one term and is willing serve another term. Tracy Tally asked for any other nominations. Not hearing any other nominations, a motion was made by Sue Popkin that nominations cease, Mark Metzger seconded the motion. Randy Fishman is appointed to a new term.

Special Assessment Update

At this time half of our assessment approved in July has been collected. Your board is working hard to get the elevator and front entrance replaced. Tracy Tally informed the meeting that it is likely the second part of the special assessment will be requested July 1 rather than in April as previously presented, due to timing of construction.

Motion to Adjourn

Randy Fishman made a motion to adjourn, seconded by Tracy Fauver. None opposed. Meeting adjourned at 9:55 AM.