**Snow Lion Homeowners Association**

 **Annual Owners Meeting Minutes**

 **Tuesday, November 14, 2023**

 **Teleconference**

 **5:00 p.m.**

**Owners Present:**

Tom Haney

Ahmad Aqqad

Brett and Ashley Foy

Danica Pesic

David Lysaught

Gerald Shea

James Parsons

Jeremy Atencio

John Suczynski

Haley Soreneson

Joe Greco

Jim Roo

Robin Rathke

**Owners Absent:**

Steven Wallis

Ross Cohen

Iliyan Kirov

Gregg Orlinsky

William Shepherd

Magdalena Soto/Tania Odabachian

**Board Members Present:**

Nancy Erwin

Jodi Sorenson

Gunnar Haynes

John Mattingly

Genevieve Ormond

**Owners Present by Proxy:**

Sharon Kendall to Jim Roo

Victoria Sanchez to Nancy Erwin

The meeting was called to order at 5:05. Roll was taken and a quorum established.

Insurance broker, Stephen Derrado, began by making a presentation on the problems with us obtaining better insurance coverage and rates. He stated that we really needed to vote in a “bare walls” amendment, so owners would take on more responsibility for damage to the interior of their individual units, thereby lessening the risk for the HOA insurance company. He reported that the insurance industry is the most difficult he has ever seen, due to catastrophic losses world wide. He said our brush score, as rated by Core Logic, was a 53. Insurance companies are looking hard at these brush scores, as a result of the Maui fire. He felt he needed to get that score down under 50 (and he thought he could) if we took measures in order to be accepted into an insurance pool, Avalon Risk Management, an alternative to the excess surplus market where we are now. They will give credit to us for having a “bare walls” amendment. Stephen stated that we need to mandate that all owners provide proof of their HO6 policy, showing that they have “bare walls” coverage, should we adopt this amendment. By proving that we have done certain upgrades like our new fire alarm system, water shut offs, sewer pipe relining, removing trees near the building, Hardee board etc., he thinks we will qualify for this insurance risk management pool, Avalon. Fortunately, his pool does not consider the number of STRs in the association, as do many regular insurance companies. Avalon has a common effective date of May 30 for all associations in the pool. By March, our water loss from flooding in 2022 will come off the record for some of this pool and other companies which might consider us for insurance.

David Zippie, our accountant, presented our financials. First he spoke to our balance sheet ending Sept 30 for nine months, which shows the money in all three accounts, operating, reserve, and building with total assets and total liabilities and equity of $293,996 with a net operating $48,814 deficit. Our high dues receivable of $38,994 is a concern, which may be caused by the transition form the previous accountant. We will get set up for ACH but until that time, everyone needs to get caught up and pay online when they receive invoices.We are fully paid up from Snow Fox. David is unsure about the building assets of $9457. He is not sure as to the breakdown of these expenses from the previous accountant. He stated it is part of the building, some capitalized expenses, and he will check and see if he can figure it out. He spoke of the two reserve funds ($29,265 and $297,093) which combined show what we truly have in reserves. The smaller reserve fund is the one that has always been in place. The building fund was developed during the special assessment period. Next he addressed the budget. Most of our overages were in the areas of building maintenance and landscaping. He spoke of the building assessment fund which collected $100,000 thru June. July 1, funding of that account stopped. Because we needed money to pay for our huge increase in insurance, we moved money from that account to our operating account. We changed the budget mid year to show $100,000 for insurance. It was pointed out that we need to change that amount now to $125,000. The reimbursement from Snow Fox shows the net amount and Snow Fox is totally paid up with what they owe us. David said he does have a separate reconciliation, detailing all financials with Snow Fox. We went $20,000 over budget this year in a few areas as of Sept., but we should catch up in the next quarter. David explained we are short on cash due to a large accounts receivables from owners’ dues and the fact that we prepaid our fire insurance. The over $20,000 deficit came from our reserves. So, we do not have that cash. However, over the next quarter, we should greatly reduce that deficit. Next he spoke of the building fund reserve account, which shows beginning maintenance reserves of $283,440 from 2022 with current year funding of $97,979 plus some reimbursement from Snow Fox. He spoke of how we have started a review of our finances over the last several years. This will cost $7500. If we had chosen to do an audit of the building assessment account, the cost would have been $7000 a year for each year audited. We can not afford that. Jodi Sorenson explained that she has gone back through all bank statements since 2017 and is able to account for all expenses from the assessment account, with the exception of the interior remodel, which she is attempting to decipher. It is very difficult because we paid VMC large amounts, with no itemization as to what those amounts were for, and they paid the interior remodel contractor.

Nancy Erwin made a motion to accept the 2022 annual meeting minutes. Tom Haney seconded the motion. All voted in favor.

Nancy Erwin made a motion to accept the 2024 budget with one amendment, which was to change the insurance expense from $100,000 to $125,000. Tom Haney seconded it. All voted in favor, except Sharon Kendall thru proxy to Jim Roo.

Nancy Erwin went over a document of this past year’s unplanned expenses/activities, completed activities and those that would be done soon. She asked for a volunteer to help with uploading documents to our website.

John Mattingly gave a report on bids for the exterior remodel and plans with the bank for an HOA loan. He reported that the board had decided a 2.3 million dollar remodel was not feasible, due to our extraordinarily high dues caused by high insurance premiums.He was also concerned that once the siding was off, we might discover many additional expensive problems. Therefore, it was decided to reduce the scope of the work by doing only windows, trim, decks and railings, including the bridge to Vail View, the pool building and the roof. Those improvements would cost around $800,000. That loan amount with a down payment of what we have in our assessment account, would be much more affordable for everyone. Joe Greco suggested we look into having individual owners charged back for the windows and doors in their own units. Brooktree has done this. John stated that he hoped to have a more firm financial plan for these improvements in the next few weeks.

A request was made for others who might want to serve on the board. No one stepped up for that, but Gunnar Haynes did agree to take on uploading documents to our newly created website.

Nancy Erwin made a motion to adjourn the meeting. Jodi Sorenson seconded that motion and the meeting ended at 7:05 p.m.