

**MILLER RANCH CONDOMINIUM ASSOCIATION
ANNUAL HOMEOWNERS MEETING
JANUARY 30, 2018**

MINUTES

CALL TO ORDER

The meeting was called to order by Steve Stafford, Community Association Manager for the Association, at 6:30 p.m. The meeting was held in the Event Room on the second floor of the Miller Ranch Community Center.

ATTENDANCE

The following Board Members were present:

- Camille Thurston, Unit H239
- Mark Hoblitzell, Unit E222
- Euginnia Seyferth, Unit D118
- Antonio Costa, Unit B206

Other homeowners present were as follows:

- Cathy Heller, Unit A201
- Larry Benway, Unit C216
- Johanna Johnsson, Unit E223
- Ted Katauskas, Unit C213
- Jen Wondrasek, Unit A101
- Michael Leffler, Unit F228

Other homeowners present via proxy were as follows:

- Ellen Miller, Unit F230, via proxy to Camille Thurston
- David LaGrange, Unit C214, via proxy to Camille Thurston
- Marybeth Bahan, Unit E124, via proxy to Camille Thurston

Other persons present at the meeting were as follows:

- Steve Stafford, Slifer Management Company
- Heidi Hanson, Slifer Management Company
- Vincent Vigliotti, Slifer Management Company

MINUTES FROM PREVIOUS ANNUAL MEETING

There was a brief discussion about the Minutes from the previous Annual Homeowners Meeting, which had been held on April 4, 2017. The Minutes had been distributed to all owners prior to the Annual Meeting. One owner asked if the issue of maintenance of balconies has been dealt with. Steve Stafford said that the Board of Directors has discussed it and they have also received

some input from the Association's attorney. The attorney said that the Association could go either way in regard to whether the Association or individual unit owners would be responsible for maintenance of the porches and balconies. On the one hand, the governing documents in one place says that the porches and balconies are limited common elements that are the responsibility of the Association. On the other hand, the governing documents say that the Board of Directors can set policy as to how responsibilities are administered. The attorney said that this could apply to maintenance responsibilities. The Board subsequently decided to continue the same policy that has been followed since the beginning of the Association, which is that maintenance of the porches and balconies will continue to be an individual owner responsibility. The attorney recommended that if that policy continues, it should be clearly defined and owners should be made aware of that policy, The Association should then probably do periodic inspections, or have an engineer do periodic inspections. The attorney did not say how often those periodic inspections should be done. The Board has discussed having the periodic inspections done about every five years. The periodic inspections would be for the purpose of making sure that owners do properly maintain their balconies. An owner asked who is responsible for maintenance of the stairwells and breezeways and Steve said those are general common elements to be maintained by the Association. An owner asked who is responsible for maintenance of the ground floor courtyards and the fences around them. Steve said that the courtyards and the fences around them are limited common elements and they are the responsibility of individual owners. An owner asked who is responsible for patios that have settled. Steve said that the individual owners are responsible since those are limited common elements. He said that there have however, been a few cases where the Board of Directors have done some repairs where it is clearly evident that water from the roofs has been routed via downspouts next to the patio slabs and that water has infiltrated underneath the patio slab causing it to alternate between heaving and settling during freeze / thaw cycles. In some of these cases, because the sliding glass doors have a flange that extends underneath the doors, the heaving and settling has sometimes caused the sliding glass doors to fail and become non-usable. In those cases, the Board has authorized management to remove the sliding glass doors, remove the flange, reinstall the doors and fill the gap between the concrete slab and the building with a filler to keep water from entering the gap. They have also, in those cases, authorized management to extend and/or move downspouts to better locations to keep the roof water from going under those concrete slabs. Vincent Vigliotti said that the Association has also, in some cases where the fences have pulled away from the building, authorized management to have a contractor reattach the fences to the building with lag bolts instead of the nails and screws that were originally used.

An owner asked what the plans were for maintenance of the parking lots. Steve Stafford said that the Association is already on schedule for pothole repair, crackfilling, sealcoating and restriping of all the parking lots in the spring. Double M Asphalt will be doing this work. The Board of Directors considered restriping last summer, but it didn't make sense to restripe then if the Association was going to sealcoat the following spring or summer. The only question that hasn't yet been decided is what type of sealcoating to use. The usual type of sealcoating has coal tar in it. There's another type of sealcoating that doesn't have coal tar in it, which means that it's more environmentally friendly. The usual type lasts a little longer and it's a little less expensive.

An owner asked when exterior painting was going to be done. Steve Stafford said that management has tried to make the exterior paint last as long as possible, in order to save money

for the Association, but it's now time to do exterior painting. The Association has done spot painting of certain areas over the past years, but it's now time to do the entire exterior. Management will be getting updated bids over the winter in preparation for complete exterior painting in the spring or early summer. The Association is planning on doing complete exterior painting in 2018.

An owner asked what the current status was with the lighting project that Mourghan Ridenour had talked about at the previous annual meeting. Steve Stafford said that she had never approached management again regarding that project. He said that he thought that she was basically looking for input at that meeting to see if owners generally supported the project. He said that he thought from the comments at that meeting that there were more owners that supported that project than owners who were against it. He said that he did remember some comments about the need for keeping the skies dark so that people could see the stars rather than have too much lighting. However, it seemed like the consensus was more on the side of more lighting for more safety. That was not actually an Association project. Mourghan was just looking for support for the project.

An owner asked if the Association was going to wash windows this year. Steve Stafford said that the Board had not yet made a decision about that. Window washing had previously been taken out of the budget in order to save money, but the Association ended up last year with a net income, so it's possible that the Board might put window washing back into the budget.

An owner asked about replacement of windows with a better quality window. Steve Stafford said that Mark Hoblitzell had gone through an extensive approval process to get upgraded windows approved and owners can now go with those type of windows when they need to replace. It's very difficult, if not impossible, to get the original windows now. An owner asked who is responsible for windows and Steve said windows are an owner responsibility. The only exception is when the caulking breaks down above a window, which then can allow water leaks. Replacing the caulking on the exterior of the building is an Association responsibility.

An owner said that Dan Griffith, an HVAC contractor that Steve Stafford had recommended, had done a very good job for her.

The Minutes were then approved.

FINANCIAL STATEMENTS

Steve Stafford had previously emailed or hand delivered the December 31, 2017 balance sheet and income and expense report to all members of the Association. At the Annual Meeting, Heidi Hanson went over the financial statements with those present. A brief discussion followed. Heidi said that the Association had net ordinary income of \$14,699. The Association was under budget for the tax return, electricity, fire alarm / sprinkler maintenance, repairs and maintenance, snow shoveling, snow plowing and water and sewer. The reserve at the end of 2016 was approximately \$360,000. The Association will be adding this year's contributions to that amount and that will bring the reserve balance to approximately \$410,000 by the end of 2018, excluding any replacement reserve expenditures in 2018. If the Association votes to roll the 2017 net income into the replacement reserve, that will bring the replacement reserve up to approximately

\$424,000, excluding any replacement reserve expenditures in 2018. Steve Stafford said that according to the replacement reserve study, the replacement reserve should be at approximately \$254,000 at the end of 2017. He said that even though the Association is ahead of schedule with the amount in the replacement reserve study, he thinks that should be maintained. He warned that when the roofs need to be replaced sometime in the future, it will be a huge expense. That being the case, he thinks that the Association should continue to build the replacement reserve fund, even if the current amount is higher than called for in the replacement reserve study for the current date. Vincent Vigliotti said that the replacement reserve study has an estimate of 2025 or 2026 for roof replacement. Steve Stafford said that roofs often last longer than expected, but not always. An owner asked if management was ever able to determine why electric cost was higher than normal in 2016. Steve Stafford said that they had never been able to make any definite determinations, but to make sure that electric costs are minimized, management has been manually turning heat tapes on and off throughout the winter months. He said that this winter it's been warmer and dryer than normal, so that's resulted in some electric savings. They manually turned heat tapes on and off during the last part of the 2016 / 2017 winter also. An owner asked what had happened quite a few years ago when dues were increased quite a bit and Steve Stafford said that was right after the replacement reserve study was done. The replacement reserve dues were increased quite a bit at that time to comply with the recommendations in the study. The study, which was done in 2010, said that the budget, and especially the replacement reserve dues, were too low right from the start of the Association. The study said that if the Association didn't increase the replacement reserve dues quite a bit to build up the replacement reserve fund, the Association would probably be looking at a special assessment when the roofs needed to be replaced. He said that the study included a pretty sizable replacement reserve dues increase every year, but by trying to defer expenditures as much as possible, the Association has been able to avoid dues increases in some years and keep dues increases pretty small in other years. A replacement reserve study was done for each of the three Miller Ranch homeowner associations. Right after the studies were completed, there were some homeowner meetings to explain the studies and the dues increases. An owner commented that trash service had gone up quite a bit. Steve Stafford said that he'd spent quite a bit of time negotiating with Vail Honeywagon. There used to be three trash removal companies, which created more competition. MRI and Vail Honeywagon have now combined, which lessens competition. Mark Hoblitzell said that China is no longer accepting recycle products, so the price of recycling will most likely go up. The only other company is Waste Management. Steve Stafford said that he did contact them. All of the trash service contracts are five year contracts. He has the current expiration date on his calendar so that when the term expires, he will contact both companies and try to drive the price down as much as possible. The Association was in the middle of a contract term when the rate change occurred. Vail Honeywagon increased their rates by approximately 17% across the board after their merger with MRI. Steve was able to get them to lower the increase but it's still higher than it was prior to the merger. An owner asked about the charges for pick up of furniture, construction materials, etc. that sometimes get left in the dumpsters or the dumpster enclosures. Steve wasn't sure what the rates are. He said that sometimes, depending on what kind of items and how many items, it's cheaper to hire someone to haul these kinds of things to the landfill on a trailer than paying Vail Honeywagon to haul them away, since Vail Honeywagon usually charges per item. Steve said that if people put these types of things in the dumpsters and management finds out who put them in the dumpsters, the extra costs are billed back to them. Steve said that information from other owners regarding these types of things are helpful in

determining which owners should be billed for the extra trash costs. An owner suggested signs telling people to break down their boxes to save room in the dumpsters. He also asked if the recycle bins had to be kept outside the enclosures. Steve said that sometimes there's not enough room to have them inside, but in cases where there was enough room, management would put them inside. Steve said that the reason that the Association allows the snow removal company to keep their ATV with a plow onsite, is because it saves the Association money. If the company had to bring it back and forth every time they use it, the extra cost would be passed on to the Association. An owner asked what the telephone expense was for. Vincent Vigliotti said that each building has a fire alarm panel and each panel utilizes two phone lines. The fire alarm panels are monitored by a central monitoring company (Commercial Specialists of Western Colorado). An owner asked if the alarm panels / system has been tested and inspected recently. Steve Stafford said that it will be done when the Fire Department requires it. Another owner asked if the sprinkler system has been inspected recently and Steve said that it's done annually. Vincent said that it's a glycol system. Vincent said that if an owner ever notices a leak from one of the sprinkler heads in their unit to call management immediately. Unless the owner has done something to cause the leak, the Association will pay for the repairs, since the fire sprinkler system is a common system.

Steve Stafford then said that those present needed to decide what the Association should do with the 2017 year-end net income. He said that most Associations roll the net income into their replacement reserve funds. However, other options are to return it to the owners or put it into the next year's budget to reduce dues. He said that the prudent course of action is to put it into the replacement reserve fund in order to continue building it. Mark Hoblitzell said that the exterior painting and the asphalt work will come out of the replacement reserve fund and Steve agreed with that statement. Steve said that some painting is done every year and that comes out of the operating budget. However, a complete exterior painting is only done occasionally so it's appropriate for that to come out of the replacement reserve fund. Things that are paid out of the replacement reserve fund are not done annually. One owner suggested that when the Association restripes the parking lots that the parking spaces get narrowed to create more spaces. Steve said that the current plan was to restripe the same as current, but if the Board of Directors wants to, the spaces could be narrowed. He said there are pluses and minuses about doing that. If you narrow the spaces, management will get complaints from people with larger vehicles. The owner commented about the extra spaces that were created when the old "cinder pit" was removed and paved over. One owner said that there are lots of full size trucks that park in the parking lots and if the spaces are too narrow, there will be problems with parking. One owner said that if the parking spaces behind Buildings A and B get any smaller, he will have problems opening the doors of his vehicle. One owner said that some units have more than the allowed three cars. He said that townhome owners are also parking in the diagonal parking spaces in front of the condominiums. Vincent Vigliotti said that those parking spaces do not belong to the Condominium Association. They belong to the Property Owners' Association and any owner (condominium, townhome, duplex or single family) can park in them. Steve Stafford said that if any owner knows of any units with more than three vehicles to please let him know as that information is very helpful for enforcement. Steve said that most of the parking problems occur at night, when management is not onsite except during an emergency. Management does not do night time parking patrols and unfortunately, none of the Miller Ranch homeowner associations have the funds for a night time parking patrol. That being the case, management depends on

owner input about units or owners who have vehicles that are in violation of the parking rules. In the winter months, it's easier to find the cars that aren't moving because they end up with piles of snow on top. Management encourages owner input on vehicle violations, especially if the input is specific (i.e. description of vehicle, unit, etc.). One owner asked if it would be helpful if the Condominium Association used a different color or type of sticker than the rest of Miller Ranch. Steve said that one of the problems for parking enforcement is that originally when the parking policy was created, it was created with the understanding that if management found a car without a Miller Ranch parking sticker anywhere in the neighborhood, management could ticket, tow or boot that vehicle. Management would have still put a warning on the vehicle before taking any of those actions. Unfortunately, the first several times that management followed those procedures with vehicles parked on the streets, Eagle County informed management that because all of the streets and alleys are public and owned by Eagle County, management cannot ticket, tow or boot vehicles for not having a Miller Ranch sticker. That took all of the teeth out of the parking policy as it relates to parking on streets and alleys. The policy can still be enforced in the condominium parking lots and in the diagonal parking spaces along the streets because those parking areas are all privately owned (i.e. by the Condominium Association and the Property Owners' Association). When management finds a vehicle parked in those parking areas, a warning is placed on the vehicle and the owner usually contacts management and gets a valid permit. Steve pointed out that when the neighborhood was originally designed and constructed, the governing documents were written to allow up to three vehicles per home (condominium, townhome, duplex or single family) but there physically aren't enough parking spaces to accommodate that many vehicles. Steve said that as families have grown and their kids have grown up, the parking demand has grown. One owner said that some people with garages don't use them for the parking of their vehicles. Steve Stafford said that unfortunately, unless a garage owner leaves their garage door open, there's no way for management to determine whether they're using the garage for parking or for storage. Some of the garages have windows, but then management would be placed in a position where they'd have to go onto private property to peer through garage windows. A long time ago, the Board of Directors of the Property Owners' Association made the decision not to attempt to enforce that rule because of the difficulty of doing so. One owner asked about home based businesses. Steve Stafford said that the Board of Directors of the Property Owners' Association decided a long time ago that they would be allowed as long as they didn't produce a lot of extra traffic with customers or clients coming and going through the neighborhood. One owner noted that water and sewer costs are a large part of the Association's budget and he asked if there was anything that could be done to cut down on those costs. Vincent Vigliotti said that all the irrigation water comes from Freedom Park and it is not a part of the Condominium Association's budget. The water and sewer costs in the Condominium Association's budget are for domestic water (i.e. water used for showers, baths, washing dishes, etc.). One owner asked why some of the irrigation is done during the daytime hours. Steve Stafford said that there are so many zones in the neighborhood that they can't all be operated at night.

Steve Stafford then asked once again what the owners wanted to do with the 2017 year-end net income. Those present then voted to roll the 2017 year-end net income into the replacement reserve fund. One owner asked if it might make sense to put some of the replacement reserve funds into a savings account or some other interest-bearing account. Heidi Hanson said that it would be up to the Board of Directors to make that decision. She said that there are some

restrictions about how those funds are to be held. For example, the stock market would not be suitable for those kinds of funds. She said there is no reason that the funds could not be placed in a high-yield certificate of deposit. Steve Stafford said that in the past, interest rates have been so low that the benefit is almost negligible, but now that interest rates have risen a little bit and the amount in the fund has grown, it might be the proper time to look at putting some of the funds in a higher-yield account.

One owner asked how inflation might affect the estimates in the replacement reserve study. Steve Stafford said that inflation was built into the study. Heidi Hanson said that since the study was done in 2010, it might be time to think about an update. Steve said that the Townhome Association had updated theirs fairly recently.

2018 PROPOSED BUDGET

Steve Stafford had previously emailed or hand delivered the proposed 2018 budget to all members of the Association. Heidi Hanson went over the proposed 2018 budget with those present at the meeting. In the proposed 2018 budget, the operating dues have been reduced slightly and the replacement reserve dues have been increased in a corresponding amount, so that the overall dues will remain the same. Most of the expense line items are based on the averages of the last three years. Some line items have a 3% increase. The water district is predicting increases in water rates. Holy Cross Electric has predicted a 2% increase in the cost of electricity. CenturyLink's rates are constantly going up. Steve Stafford said that he had talked to San Isabel Telecommunications awhile back. Their rates were only minimally lower than CenturyLink's rates and he got some fairly bad reviews of their service, so the Association had stayed with CenturyLink. The telephone lines serve the fire alarm panels for all of the condominium buildings. One owner asked how much the trash company could raise their rates. Steve said that the contracts for both Vail Honeywagon and Waste Management allow them to raise their rates at any time for any reason. The owner said that next time a contract was signed, it should include a cap on the increases. Steve said that he didn't believe either company would agree to that. The owner agreed that there is a definite lack of competition on trash removal. One owner suggested doing a limited scope on the window washing. One owner mentioned a pigeon problem. Steve said that several owners had been feeding the pigeons and they have since stopped doing that after being told not to. Those present voted to roll all but \$4,200 of the 2017 net income into the replacement reserve fund. That \$4,200 will be added to the 2018 proposed budget for window washing, to be done after the 2018 exterior painting project is completed. The 2018 proposed budget, with the addition of the \$4,200 amount, was then approved by those present.

ELECTION OF BOARD MEMBERS

Steve Stafford said that this Association has always operated with one year terms for all of the Board Members. He said the main reason is that in past years there hasn't been much interest from owners wanting to be Board Members. He asked if everyone had a ballot, one per unit. Steve said that all of the current Board Members were interested in continuing as Board Members. Steve asked if anyone else was interested in being a Board Member. An owner asked what was involved in being a Board Member. Steve said that most of the business was done by email these days. He said that it's not required but requested that Board Members respond to emails within 24 hours as that moves business along quicker. He said there is an occasional Board Meeting. An owner asked how many Board Members the Association can have and Steve

said that the Bylaws allow anywhere from 3 to 7 Board Members. He said that the Association currently has 6 Board Members because one of the past Board Members sold his condominium, which then made him ineligible to remain a Board Member. He said that when a Board Member resigns, the remaining Board Members can leave that position vacant until the next Annual Owners Meeting or they can appoint another owner to fill that position for the remainder of that position's term. Larry Benway said that he would be interested in being a Board Member. No other owners (other than the current Board Members) indicated an interest. Steve said that since the Bylaws allow up to 7 Board Members and there were 7 owners who were willing to serve as Board Members (the current 6 Board Members plus Larry Benway), there was no reason to go through the ballot process. Those present at the meeting then voted in favor of reelecting the 6 current Board Members and electing Larry Benway, which then filled the 7 Board Member positions.

ICE ON STAIRS AND WALKWAYS

There was a brief discussion about ice on some of the stairs and walkways. Steve Stafford and Vincent Vigliotti said that this is a yearly problem because of poor original design, settling and heaving in some areas and the fact that many downspouts were not originally installed so that they drain underground into proper drain pans. Instead they drain directly next to stair landings and walkways. In addition, when there's lots of snow and the Association goes through repeated freeze/thaw cycles, the melt water has nowhere to go except onto walkways and landings. It then freezes when the temperatures drop. The Association does spend extra for periodic ice chipping, ice melt and cinders, but it's impossible to stay within budget if too much of this work, that is outside of the normal shoveling contract, is done. One owner said that ice melt should generally not be applied to concrete that is less than 2 years old (i.e. concrete that has been replaced recently).

DRAIN PANS NEAR MAIN ENTRY

One owner mentioned that the concrete drain pans near the main entry are breaking down badly. Steve Stafford said that's the responsibility of Eagle County and he has several conversations with them every year about replacing those drain pans. Steve said that since the economy is now doing better, which translates to more funding for road and bridge projects, he's hopeful that Eagle County will replace the drain pans before too much more time passes. Steve said that Eagle County is also responsible for asphalt maintenance and repair on the streets and alleys in the neighborhood.

SNOWPLOWING OF PARKING SPACES

There was a brief discussion about snowplowing. One owner said that he doesn't see the snowplow company cleaning the parking spaces very often. This makes it difficult to get in and out of your car sometimes. Steve said that the amount in the budget for snowplowing is very small for a property the size of Miller Ranch. He said that the snowplow companies will not generally plow between cars because they're afraid of hitting them. He said that he would try to get the snowplow company to return more often to plow individual parking spaces that they weren't able to clear when they did their early morning pass throughs plowing the traffic patterns.

COMMON LIGHTS

One owner said that there are some common lights that are not working. Vincent Vigliotti said that he would check them out and get them working.

TREES AND BUSHES

There was a brief discussion about trimming of trees and bushes. The vegetation is getting more mature and needs to be trimmed more. Vincent Vigliotti said that the landscape maintenance contract is a Miller Ranch Property Owners' Association responsibility, but management would talk to the landscape maintenance company about this. Steve Stafford said that trimming of bushes is sometimes difficult because some owners want them to be fuller for more privacy and others want them trimmed back much more, so management gets hit from both directions on the trimming of bushes. The landscape maintenance company tries to arrive at a happy medium on how much to trim the bushes and trees. One owner said that at least on the sidewalks, the trees and bushes should be trimmed back so that people can easily walk on the sidewalks without walking into bushes and tree branches. Vincent said that he has talked to Eagle County Road and Bridge and they have taken responsibility for trimming tree branches where they block visibility of stop signs. Steve said that John Harris, the head of Eagle County Road and Bridge, has been very cooperative.

SOLAR ON ROOFS

There was a brief discussion about installing solar panels on the condominium roofs. Steve said that the best time to do that would probably be when the roofs are replaced. He said that he would recommend going with much better roofs than the original ones, when the time comes to replace them.


REPLACEMENT RESERVE FUND

There was a brief discussion about the replacement reserve fund and the replacement reserve study that the fund is based on. Steve Stafford and Vincent Vigliotti recommended that the Association have an update done on the replacement reserve study. The original study was done by Borne Consulting.

ADJOURNMENT

There being no additional business before the members, the meeting was adjourned.

Respectfully Submitted,



Steve Stafford, Community Association Manager