

HIGHLAND GREENS LODGE

BOARD MEETING MINUTES

Tuesday, February 28, 2023, at 3:00 PM MST

HGL Board of Directors

- Chris Neugebauer – President
- Steve Piper – Treasurer
- Walt Lemanski - Secretary
- Zephyr Wazallann – Member At Large

Alpine Edge Representatives

- Steven Frumess – General Manager
- Erik Keefe – HOA Assistant Manager
- Jessica Martin – HOA Director Of Communications
- Lindsay Wood – Accounting Manager

1. Roll Call; Establish Quorum

The Board Members and Alpine Edge Management team listed above attended the meeting.

There was a motion to call the meeting to order at 3:04 PM.

2. Approve Meeting Minutes – Annual Meeting 9.17.22 & 11.29.22 BOD Meeting

The Board approved three sets of minutes, including the Annual Meeting from 9/17, the Board meeting from 9/28, and the Board meeting from 11/28.

The meeting minutes from the 8/11 Board meeting will be reviewed by Steve Piper and approved over email.

3. Financial Review

a. Financial Packet Review

Lindsay Wood has been reconciling the financials sent to AE from Wilderrest last March. She cleaned up the P&L and pointed out that the insurance claims from last year would no longer show on the document, which is located on the balance sheet. There was a discussion on the special assessment for the mechanical room project. Chris asked about the money for the hot tub project but was reminded that these funds were reallocated during a special meeting last summer. Walt asked if all homeowners were caught up on their special assessments, and Lindsay confirmed there were still outstanding payments to be made. The Board asked how much of the special assessment remains unpaid, and Lindsay confirmed there were 14 unpaid assessments.

b. A/R

Lindsay informed the Board that she would meet with the rest of the accounting team later to address the AR list. Lindsay hesitates to send out late notices to homeowners because some are not overdue and may have sent payment to Wilderrest.

The Board would like weekly status updates on the financial reconciliation. Walt asked if Lindsay believed she could fix the financials and whether she had all the data she needed to complete it. Wilderrest had two accounts, Smart Street Operating and Smart Street Reserve, and Lindsay duplicated all their reconciliation to match their financials. The final financial package from Wilderrest in March of 2022 was not complete. She wants to see the closing statement from when they switched bank accounts in November 2021 and can contact Wilderrest for this information.

c. Insurance Claim Statements and Balance

There are two insurance claims: one for the units/lobby and one for the locker rooms. Lindsay removed the insurance claims from the income statement and moved them to the balance sheet due to income received from insurance to net out with whatever was spent for repairs against the claim. The accounting team will contact Farmers about the large claim and discuss how to ensure both parties are on the same page about how much has been paid out and how much more is expected to be paid to contractors to ensure we've collected enough from these claims.

Lindsay informed the Board that the contractor hired to make repairs had not been paid out due to walking off the job and not completing the work. The Alpine Edge team will contact Farmers and PSI to ensure nothing is outstanding.

The Board expects that operating costs will increase due to the claims increasing the Association's insurance and the natural gas contract coming to an end and possibly increasing in the next cycle. The Board would like to review copies of all the contracts currently held by the Association.

Lindsay is confident in the P&L, the income statement, and the budget at this point and time. She will begin loading financials into QuickBooks monthly to stay on top of the operating expenses as they occur. The Board would like the leftover money from the special assessments to go to the reserve fund.

4. New Business

a. Snow Removal

AE is looking into scraping the Association parking lot and received a bid for \$800 from the snow removal contractor. The parking lot will need to be cleared of all vehicles for the parking lot to be efficiently scraped.

Steve mentioned that the sidewalks on the north side of the Lodge need to be scraped, and Erik will reach out to the shovelers to take care of this.

b. Insurance Renewal & Discussion

Erik has been working with Kinser Insurance out of Steamboat Springs, CO, regarding the insurance renewal. Farmers Insurance is looking to renew its policy with the Lodge and is offering a Habitational Premium of \$21,671.00, which is a 62% increase year over year. They are also offering an Umbrella policy of \$3,374. This will bring the total insurance premium to about 25,000, and the budgeted amount is about \$17,500. Erik shopped around for other carriers, but this was the best offer. Farmers addressed the big increase and said they were seeing many increases across the board due to the fire risk in the state. The Board wants the insurance company to appraise the property to ensure it is adequately covered.

Erik clarified that the Umbrella policy usually covers additional costs in liability, general structure, etc. Erik believes Director's and Officer's (D&O) insurance coverage might be through Travelers, not Farmers, but he will double-check.

5. Old Business

a. Lobby & Ski Locker Reconstruction

Kimberlyn addressed the Board and informed them that the air handlers for the lobby had been installed. The lobby is running hot right now because they are waiting for heat exchangers, projected to arrive on Tuesday or Wednesday next week. There is no way to control the heat in the lobby, but the heat will prevent the fire suppression system from freezing again. The Board was informed of the function of the air handler. She also informed the Board that a new thermostat needs to be installed in the ski locker rooms. AE is waiting for all the work to be completed before a contractor replaces the drywall.

The boiler cover replacement delivery is projected to arrive between 2-4 weeks (that's the update I got from the vendor, and it's being shipped from Canada. Once we get the parts in, we will start scheduling for our techs to come out.

b. Fire Suppression Proposals

Walt was under the impression that the fire suppression lines had been drained, and Kim verified that a portion had to have water in the lines to remain compliant with Red, White, and Blue. AE would like to wait until summer to repair the fire suppression system due to the risk of putting the lobby back together and having another incident.

AE has been trying to find a vendor to work with due to the insurance company's lawsuit with Cintas. Kimberlyn has been speaking with Western States, a good potential option.

The Board debated whether to proceed with the repairs or wait until summer. They would like the lobby to at least look presentable now. The Board will deliberate on this and get back to AE with a direction.

6. General Board Comments

Chris put together a project list to be more proactive in getting stuff done and closing out some of the things the Board has been discussing for months. The Board will meet biweekly, with Alpine Edge agreeing to meet monthly. The next meeting will be determined over email.

7. Adjournment

There was a motion to adjourn the meeting at 5:26 PM.