

22 STATION OWNERS ASSOCIATION MINUTES OF DIRECTORS MEETING

Tuesday, July 25, 2023 @ 9:00am

Name	Title/Affiliation	Present or Dialed-in
Arthur Chiang	Board President	Dialed in
Jon Grant	Board Treasurer	Dialed in
Mike DeGroff	Board Commercial Director	Dialed in
Michelle Smith	PTH, General Manager	Dialed in
Stacia Lange	PTH, Property Manager	Dialed in
Ronnie Whitelaw	PTH, Maintenance	Dialed in
Mike Martin	PTH, Building Services	
Shay Steffanich	PTH, Owner Experience	
Celine Sanie	Homeowner	Dialed in
Caroline Vertongen	Homeowner	Dialed in
Calvin Wheeler	Homeowner	Dialed in
Monty Waugh	Homeowner	Dialed in
Maddie Hill	PTH, Maintenance Coordinator	Dialed in

- I. Quorum present, Arthur calls meeting to order, recording initiated.
- II. Jon: Motion to adopt the agenda with the modification to adjust the order of topics, Mike seconds, Board approves with a vote of 3-0.
- III. Jon: Motion to approve the June 13, 2023 Regular and Executive session minutes, Mike seconds, Board approves with a vote of 3-0.
- IV. Executive Session Summary – Discussed contracts.
- V. General Reports
 - a. Property Management Presentation
 - Stacia introduced a new format for management presentations that includes a summary document that is included in the Board packet.
 - Michelle Smith comments:
 1. Occupancy strong for July, down trend in Aug and Sept.
 2. Reggae festival with past weekend went well without issues.
 3. World Cup is returning for 2024.
 4. Front desk staffing is looking good.
 5. Internet
 - Working on an upgrade to the internet login process, to eliminate splash page that limits the type of devices that can access the network.

- The new process will eliminate need for owners to have their own personal routers when the purpose was for the use of these devices like Amazon Fire Stick and Apple TV's.
- Stacia informs the Board of a new property inspection program which increases the breadth, frequency and tracking of property inspections.
- Commercial Board election is in process, Commercial Board seat is up for election.

b. Commercial Presentation – Mike DeGroff

- The summer to date has been a little soft in the commercial corridor.
- Past weekend with reggae fest brought business to the Village.
- Freedom Fest at Alpine. The reason it was at Alpine was a cable replacement on the Funitel that was scheduled at Palisades was in June. Alpine just barely made it with the snowpack but it was a great event.
- In discussion with DLP about a more managed approach to snow removal for this winter.

c. Finance Presentation

- Jon: Motion to acknowledge receipt and review of the May Financials. Mike seconds, Board approves with a vote of 3-0.
- Energy trends
 1. Electricity and propane usage and expense are within seasonal averages.
- Delinquent accounts
 1. 7 accounts 1 quarter delinquent
 2. 1 account 2 quarters delinquent
 3. 9 accounts delinquent on their Special Assessment
 4. 1 account in collections

d. Maintenance Presentation

- PT introduced a new format for the Maintenance presentation that includes a summary page in the Board packet.
- One of the spas is Bld 5 down, waiting on pump.
- Kone has been working on the scheduled and approved capital elevator improvements.
- Working with Overhead Fire for a proposal for the sprinkler design calculations.
- Had a leak on a hot water supply line in 5201, into 5107, leak repairs and all wall patched up.
- Door for 5424 should be here tomorrow to be replaced.

VI. Pending Matters

a. Insurance

- Historically 22 Sta in April/May renews P&C (Property & Casualty) insurance.
- Farmers was the insurer for many years, in 22-23 Starr insurance was the P&C carrier after Farmers withdrew from the market.
- The annual premium was \$59K with Farmers and went up to \$174K with Starr.

- In late May, Starr declined to renew the P&C policy. In June, Starr officially communicated its decision to not offer any P&C policy for this fiscal year and extended the current policy in force until July 31.
 - The insurance broker has been looking for an alternative carrier for the Association.
 1. Many carriers declined to offer a policy.
 2. Only one carrier has provided a proposal for P&C insurance.
 - Vicko insurance has offered \$82MM in coverage, \$50K deductible (\$100K for water damage), premium is \$1.41MM for the rest of the fiscal year.
 - This is the only policy available to the Association.
 - This is the same company that is insuring First Ascent.
 1. Last year First Ascent had a less than full value policy for \$900K.
 2. This year First Ascent was able to get full coverage with Vicko after working with a consultant for \$20K.
 - Why are companies declining to insure 22 Station's risk profile?
 1. State Farm and All State have withdrawn from the market in CA.
 2. Our understanding is that insurance companies are declining due to the risk profile associated with the Association, factors include wildfire risk, the size/value of our property, short term rentals, etc.
 - The Vicko P&C policy conforms to the CC&R's.
 - Jon: Motion to approve accepting the Vicko P&C policy proposal with full value coverage of \$82.5 million, with a \$50,000 deductible (\$100,000 for water damage) and a premium of \$1,412,000 for coverage through 7/1/24, Mike seconds, Board approves with a vote of 3-0.
 - Jon: Motion to approve renewal of the Burlington General Liability policy with \$1.0 million of coverage, deductible of \$5,000, and annual premium of \$10,965. Mike seconds, Board approves with a vote of 3-0.
- b. Increasing the budget to account for the unforeseen extraordinary insurance expense
- Last year a special assessment and an increase to the regular assessments were necessary due to unforeseen and unanticipated snow removal and insurance expenses.
 - P&C Insurance expense was \$58K in 21-22, \$178K in 22-23, and will be \$1.4MM in 23-24
 - An annual P&C insurance premium of \$1.41 million is extraordinary and was not known in May 2023 when the FY 2023-24 budget was established.
 - The current budget cannot cover an expense of this size. The result of the decision to accept Vicko, exceeds the estimated budget by \$1MM.
 - Jon: Motion to approve a Board Resolution to meet the unforeseen and unanticipated higher levels of insurance expense obligations in FY 2023-2024, the Board levies an Emergency Regular Assessment increase of \$1,000,000. Mike seconds, Board approves with a vote of 3-0.
 1. The assessment amounts for each Homeowner are being calculated by McClintock Accountancy.
 2. Board will send out notice to owners with additional info and details including the amount per unit.
- c. Payment of the Vicko premium amount of \$1.4MM

- Payment is due in August. The amount exceeds the operating cash fund balance.
- Borrowing from a third-party lender or the reserve funds will be necessary to pay for this policy. The amount will be based on the Vicko payment terms and further analysis of the available operating funds. It is believed the borrowing requirement will be +\$1MM. This will be determined at an upcoming Board meeting.

d. Capital and Maintenance projects

- Paint, masonry, precast
 1. The budget anticipates some maintenance projects. Have had discussions with a number of contractors. Will defer to future meeting.
- Hallway refresh
 1. Contemplating enhancements to the interior of the buildings. Will defer to future.

VII. New Business

a. Authorization to record a lien on APN 096-693-008

- Jon: Motion to record a lien on APN 096-693-008. Mike seconds, Board approves with a vote of 3-0.

VIII. Open Forum

Adjourn Meeting to Executive Session