

# Final

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS  
ANTLERS AT VAIL ASSOCIATION  
WEDNESDAY, MARCH 7, 2018**

Catherine Michela, President of the Board, called the meeting to order at 8:06 am. Other Board members present were Rich Buckley, Susan Hagy Humphrey, Lori Radcliffe, Jim Taylor, Joe Forish, and Jeff Brundage. Staff members Magdalena King, Kim Rediker, and Consultant Rob LeVine were also present. Owners present were Ann Kennedy (108), Steve Hersee (411), Kathy Caloia (602), Cindy Mable (408), Cheryl Moskal (305, 320), Dawn & Ron Bobuk (607), Dessa Bokides (601), Gerta Joseph (503), Steve Umlor (107), Kathleen Flynn (212)

**Minutes** – The minutes of the Tuesday, January 30, 2018 meeting of the Board of Directors were approved as presented.

**2017-2018 Amended Budget** The purpose of this meeting is for the BOD to consider and approve an amended budget as proposed by Management. The proposed amendment to the budget is the addition of a special assessment in the amount of \$4,000,000 for the construction of a new elevator and remodel of the existing lobby/office building. The total cost of the project is estimated at \$5,000,000 and the Board has made a commitment to offset the overall project cost by \$1,000,000 via construction and sale of a residential dwelling unit in the North Tower (renovating the space that is currently the Board Room and Sales Office). The Board also is committed to scaling down the project if needed to prevent costs over \$4,000,000.

Catherine Michela made a brief statement providing an outline of the historical process to date for planning and budgeting of the elevator/lobby project in order to fully inform the owners with the steps that have been taken. (That historical process statement is attached to this Minutes document.)

Jeff Brundage moved to approve the amended budget as presented, in support of the majority recommendation by the BOD in Feb 2018, with a \$4,000,000 special assessment and no sale of unit 101 or unit 102. Lori Radcliffe seconded the motion. Rich Buckley moved to amend the motion on the floor to strike the amount of \$4,000,000 for the special assessment and replace that amount with \$3,250,000, and the sale of either unit 101 or unit 102 to make up the difference in the amount needed for the Elevator/Lobby project. Jim Taylor seconded the amendment to the motion.

Catherine Michela opened the floor to BOD members and then to owners on the call for comment and questions. Owner comment included the following:

Ann Kennedy (108) – did not realize that we owned 9 Employee Housing Units, supports the idea of selling one or two to offset the cost of this project.

Kathy Caloia (602) – Supports the idea of selling one of the suggested units.

Cindy Mable (408) – Is concerned that the cost of the project will be more than budgeted.

Cheryl Moskal (305, 320) – Disagrees with the idea of selling an asset, thinks we should hold them and can always borrow against them if needed. She is in favor of the budget amendment as presented (\$4,000,000 special assessment).

Dawn Bobuk (607) – Strongly believes that we should not sell the units, they are vital to the culture of the Antlers and help us to hire and retain great employees.

Dessa Bokides (601) - Would like to see a thoughtful process and worries that this project is being rushed along. She would support selling one or both of the employee housing units.

Gerta Joseph (503) – Asked if the amendment to the motion allows the Board to consider selling one of the units (101 or 102) only if the project cost exceeds the expected budget.

Steve Umlor (107) - Is opposed to selling either 101 or 102, as he believes they allow for the Antlers to house senior management and there is a qualitative benefit to being able to do so.

Kathleen Flynn (212) – Is concerned that the project cost will exceed the budgeted amount. Asks that the Board consider modifying the project to a one-story lobby/office building, which will have a lower financial impact and won't impede owner views. Is concerned about the effect to the reserve fund if we sell the two units, suggests that we could build the reserve fund by renting one of those units rather than selling.

The amended motion, to approve a special assessment of \$3,250,000 and to sell either unit 101 or 102 to help fund the elevator/lobby development project **Failed** by a vote of 2 – 5 (Rich Buckley and Jim Taylor in favor; Catherine Michela, Jeff Brundage, Joe Forish, Susan Hagy Humphrey, Lori Radcliffe opposed).

The original motion on the floor, to approve a special assessment of \$4,000,000 to fund the elevator/lobby development project was **Approved** by a vote of 5 – 2 (Catherine Michela, Jeff Brundage, Joe Forish, Susan Hagy Humphrey, Lori Radcliffe in favor; Rich Buckley and Jim Taylor opposed).

In order to clarify some confusion and possible misunderstandings regarding the project, resulting from multiple communications to the owners, Catherine Michela asked the Management Project Team of Magda and Rob to draft an informal survey/straw poll regarding the funding of the project to be provided to owners by the end of March. The Project Team will also draft a summary table of pros/cons regarding the funding of the project to be reviewed by the BOD to accompany the survey.

**Next Meeting Date** - According to the milestone schedule, by March 30<sup>th</sup> the Management Project Team advised that the Board will announce the date of the Special Meeting of Members for ratification of the amended budget by the owners. The special meeting will be held prior to May 1<sup>st</sup>. Further details regarding the specific time and date of the Special Meeting will be communicated to owners in a timely manner.

There being no other business, the meeting was adjourned at 9:27 am.

## ATTACHMENT TO THE MINUTES OF THE ANTLERS BOD MEETING, DATED 7 MAR 2018

### Antlers Elevator Project Process to Date:

In June of 2017 it was determined that due to maintenance and safety issues the existing south elevator should be replaced.

A proposal and high-level concept design was presented to the ownership at the September 2017 annual meeting, and the Board and Management have been working diligently since then to finalize a detailed plan based on this proposal.

Management and the Board provided the ownership with not only the recommended project solution but also with information regarding financial alternatives that have been considered for mitigating the cost of the project to the owners. One idea for offsetting the cost of the project was the possibility of selling one or both Antlers' valuable assets of Units 101 & 102. This was a very serious consideration. Difficult and lengthy discussions occurred including consideration of such factors as the impact on housing for senior management and depletion of long-held Capital assets which have helped to keep our audited financial status in good standing and have kept quarterly assessments at a reasonable level for maintaining and improving our capital plant. Despite some communications from individuals to the contrary, it is important for the ownership to know that owners will have an opportunity to ratify the amended budget, that no additional assessments are expected even if 101 & 102 are not sold to offset the project cost, and that there were multiple qualitative and quantitative considerations that were discussed during this process, in addition to basic financial data.

The Board members expressed the thoughts and procedures that they have used during this process. Catherine Michela noted that feedback was received prior to the meeting from 36 owners, with 17 in favor of keeping 101 & 102 as assets, 10 in favor of selling one or both of 101 & 102, and 9 neutral about whether to sell or keep the assets.