

**Cresta Association
Board Meeting Minutes
Tuesday, November 30, 2021, at 10:00AM MT
Via Zoom.us**

BOARD MEMBERS PRESENT VIA VIDEO CONFERENCE CALL: Fred Fielder and Rick Bronstein

ALSO PRESENT VIA VIDEO CONFERENCE CALL: Dan McNeill, Managing Agent, Janaine Frew of Vail Financial Services and Sara Thurston McNeill, Secretary to the Meeting

- I. Roll Call. With both Board members present via Zoom, a quorum was established. Dan McNeill called the meeting to order shortly after 10:00AM MT.

- II. Financial Review and 2022 Budget Presentation. Vail Resorts prepared the October 31, 2021 financial reports and Janaine Frew presented them to the Board.

According to the Balance Sheet, the association currently has \$152,971.17 in total assets, liabilities and equity, including \$138,295.66 cash in the bank, \$10,891.34 in assessments receivable and \$3794.17 in prepaid insurance premiums. Janaine reported all funds have now been transferred into Alpine Bank. In terms of assessments receivable, there are five owners that owe for the current quarter. Janaine will work with Jen Counselman at McNeill Property Management to get reminders out.

The Operating Income Statement reveals that the association has total income of \$154,948.18 ten months through the year. This compares to budgeted income of \$154,735.50; the overage is due to late fees and interest. Operating expenses total \$179,557.18 based upon budgeted income of \$170,442.79. The largest overage is in Legal Fees line item for the dispute with the former painting contractor. The biggest savings have been achieved in Snow Removal.

The 2021 beginning balance in the Capital Reserve Fund was \$2675.06. Current year-to-date funding totals \$72,186.10 (from regular dues). 2021 capital expenses total \$12,685.02 and the ending balance in the Capital Reserve Fund is \$62,191.55. Another \$14,447 is slated to be contributed to reserves this year. In addition, there is \$67,845.84 in working capital reserves.

Janaine then presented the proposed 2022 Budget to the Board. Increases are expected in the line items of Insurance, Flowers, Lawn Care and Holiday Lighting. In addition, Janaine anticipates that the association will end the year with a \$10,000 deficit.

The Board and management reviewed the proposed 2022 budget line item by line item, making some adjustments where warranted. There was consensus to increase dues to cover the expected operating costs, plus the 2021 year-end deficit. The reserve contribution will be kept steady at \$86,623.

There was a MOTION: TO APPROVE THE 2022 BUDGET AS DISCUSSED WITH TOTAL INCOME TO BE \$279,384; DUES WILL INCREASE TO \$2952 PER UNIT PER QUARTER. The motion was duly seconded and carried unanimously. The 2022 Budget and dues schedule is attached hereto and incorporated into these minutes.

- V. Manager's Report. Dan McNeill presented and reviewed an "in house" capital spending plan with the Board. He extrapolated the common elements from the professional Bourne Engineering Reserve Study completed in 2020. Capital projects under consideration for 2022 include some exterior painting, wildfire mitigation work, landscaping work that was originally scheduled to occur in 2021 (including drainage and mulch replacement), stone veneer work on the pillars and the installation of a backflow prevention valve on the irrigation system. In all, about \$127,000 in capital expenses are targeted; however, management hopes to achieve savings in the painting project. Dan is meeting with Excel Capital Projects on site later this week to get an estimate for the work that needs to be done.

Dan compiled a Maintenance Responsibilities Chart that identifies the elements that the association is responsible to maintain and replace and those that individual owners are responsible for. The document is based upon the Declarations. He asked the Board to review it and get back to him with any comments, questions or changes. The Board thought it would be beneficial to have Kerry Wallace, the association's legal counsel to review it as well. Dan intends to present this document to the membership at the upcoming Annual Meeting.

Management has distributed cinder buckets throughout the complex and has plowed one time so far this winter season. With the warmer and drier than usual weather, the Board asked Dan to reach out to Brush Creek Landscaping to see if

they can complete the drainage project between Phase I and Phase II that was scheduled to occur this fall. The contractor failed to complete the work due to staffing issues.

- VI. Other Business. The 2022 Annual Meeting is scheduled for Wednesday, December 29, 2021, at 2PM MT. The meeting will be held via Zoom. Management was directed to send out a request for volunteers to fill the vacancy on the Board when Mr. Weinberg passed away earlier this year. His three-year term is up for election at the Annual Meeting. The Bylaws permit between three and five Directors.
- VII. Adjournment. There being no further business to come before the Board, the meeting adjourned at approximately 10:55AM.

Respectfully submitted,

Secretary to the Meeting

CRESTA ASSOCIATION									
2021 PROJECTION AND 2022 BUDGET									
	2021	Actual	Projection	Projection	2021	APPROVED	2021	2021	
	Annual Budget	Jan - Sep 21	Oct - Dec 21	2021	Projection to Budget (unfavorable)	2022	Budget to Budget (unfavorable)	% Budget to Budget (unfavorable)	
Operating Income/Expense									
Income									
Interest Income	38	31	10	42	4	-	(38)	-100.00%	
Late Fees	-	212	-	212	212	-	-	0.00%	
2021 Operating Deficit						(10,000)	(10,000)	100.00%	
Operating Assessments	185,645	139,234	46,411	185,645	-	202,761	17,116	9.22%	
Reserve Assessments	86,623	64,967	21,656	86,623	-	86,623	-	0.00%	
Total Income	272,306	204,444	68,078	272,522	216	279,384	7,078	2.60%	
Expense									
Administrative Expenses									
Income Taxes	303	-	-	-	303	-	303	100.00%	
Insurance Expense	22,308	17,074	5,691	22,765	(457)	24,359	(2,051)	-9.19%	
Legal Fees	500	18,161	-	18,161	(17,661)	500	-	0.00%	
Management Fee	26,599	19,949	5,417	25,366	1,233	19,200	7,399	27.82%	
Accounting Fee	-	-	750	750	(750)	3,750	(3,750)	100.00%	
Office Supplies	120	144	48	192	(72)	120	-	0.00%	
Tax Prep	500	425	-	425	75	500	-	0.00%	
Total Administrative	50,330	55,753	11,906	67,659	(17,329)	48,429	1,901	3.78%	
Maintenance Expenses									
Building Exterior R&M	3,000	4,200	500	4,700	(1,700)	3,000	-	0.00%	
Building Interior R&M	-	621	-	621	(621)	-	-	0.00%	
Landscaping -Flowers	33,500	33,500	-	33,500	-	41,875	(8,375)	-25.00%	
Landscaping and Groundskee	52,926	43,050	8,815	51,865	1,061	54,355	(1,429)	-2.70%	
Roof R&M	500	-	-	-	500	500	-	0.00%	
Snow Removal	10,284	3,450	3,500	6,950	3,334	10,284	-	0.00%	
Window Cleaning	5,915	6,210	-	6,210	(295)	5,915	-	0.00%	
Total Maintenance	106,125	91,031	12,815	103,846	2,279	115,929	(9,804)	-9.24%	
Operating Expenses									
Decorations	1,600	-	1,600	1,600	-	1,600	-	0.00%	
Fire & Low Temp Monitoring	11,988	9,500	-	9,500	2,488	11,988	-	0.00%	
Pest Control	900	-	-	-	900	900	-	0.00%	
Total Operating	14,488	9,500	1,600	11,100	3,388	14,488	-	0.00%	
Utilities									
Electricity	1,843	1,515	295	1,810	33	1,843	-	0.00%	
Irrigation Water	12,897	14,310	(2,589)	11,722	1,175	12,073	824	6.39%	
Total Utilities	14,740	15,825	(2,293)	13,532	1,208	13,916	824	5.59%	
Total Expense	185,683	172,109	24,028	196,136	(10,453)	192,761	(7,078)	-3.81%	
Net Operating Income	86,623	32,336	44,050	76,386	(10,237)	86,623	-	0.00%	
Transfer to Reserve	86,623	64,967	21,656	86,623	-	86,623	-	0.00%	
Net Income	-	(32,631)	22,394	(10,237)	(10,237)	-	-	0.00%	

CRESTA ASSOCIATION										
Dues per Unit for Budget Year 2022										
Unit	2022 Annual Assessments			2021 Total	Annual Variance 2020-2021			2022 Quarterly Assessments		
	Operating	Reserve	Total		Dollars	%	Operating	Reserve	Total	
Unit 1 -	8,110.46	3,464.92	11,575.38	10,890.72	684.66	6.29%	2,027.61	866.23	2,893.84	
Unit 2 -	8,110.46	3,464.92	11,575.38	10,890.72	684.66	6.29%	2,027.61	866.23	2,893.84	
Unit 3 -	8,110.46	3,464.92	11,575.38	10,890.72	684.66	6.29%	2,027.61	866.23	2,893.84	
Unit 4 -	8,110.46	3,464.92	11,575.38	10,890.72	684.66	6.29%	2,027.61	866.23	2,893.84	
Unit 5 -	8,110.46	3,464.92	11,575.38	10,890.72	684.66	6.29%	2,027.61	866.23	2,893.84	
Unit 6 -	8,110.46	3,464.92	11,575.38	10,890.72	684.66	6.29%	2,027.61	866.23	2,893.84	
Unit 7 -	8,110.46	3,464.92	11,575.38	10,890.72	684.66	6.29%	2,027.61	866.23	2,893.84	
Unit 8 -	8,110.46	3,464.92	11,575.38	10,890.72	684.66	6.29%	2,027.61	866.23	2,893.84	
Unit 9 -	8,110.46	3,464.92	11,575.38	10,890.72	684.66	6.29%	2,027.61	866.23	2,893.84	
Unit 10 -	8,110.46	3,464.92	11,575.38	10,890.72	684.66	6.29%	2,027.61	866.23	2,893.84	
Unit 11 -	8,110.46	3,464.92	11,575.38	10,890.72	684.66	6.29%	2,027.61	866.23	2,893.84	
Unit 12 -	8,110.46	3,464.92	11,575.38	10,890.72	684.66	6.29%	2,027.61	866.23	2,893.84	
Unit 13 -	8,110.46	3,464.92	11,575.38	10,890.72	684.66	6.29%	2,027.61	866.23	2,893.84	
Unit 14 -	8,110.46	3,464.92	11,575.38	10,890.72	684.66	6.29%	2,027.61	866.23	2,893.84	
Unit 15 -	8,110.46	3,464.92	11,575.38	10,890.72	684.66	6.29%	2,027.61	866.23	2,893.84	
Unit 16 -	8,110.46	3,464.92	11,575.38	10,890.72	684.66	6.29%	2,027.61	866.23	2,893.84	
Unit 17 -	8,110.46	3,464.92	11,575.38	10,890.72	684.66	6.29%	2,027.61	866.23	2,893.84	
Unit 18 -	8,110.46	3,464.92	11,575.38	10,890.72	684.66	6.29%	2,027.61	866.23	2,893.84	
Unit 19 -	8,110.46	3,464.92	11,575.38	10,890.72	684.66	6.29%	2,027.61	866.23	2,893.84	
Unit 20 -	8,110.46	3,464.92	11,575.38	10,890.72	684.66	6.29%	2,027.61	866.23	2,893.84	
Unit 21 -	8,110.46	3,464.92	11,575.38	10,890.72	684.66	6.29%	2,027.61	866.23	2,893.84	
Unit 22 -	8,110.46	3,464.92	11,575.38	10,890.72	684.66	6.29%	2,027.61	866.23	2,893.84	
Unit 23 -	8,110.46	3,464.92	11,575.38	10,890.72	684.66	6.29%	2,027.61	866.23	2,893.84	
Unit 24 -	8,110.46	3,464.92	11,575.38	10,890.72	684.66	6.29%	2,027.61	866.23	2,893.84	
Unit 25 -	8,110.46	3,464.92	11,575.38	10,890.72	684.66	6.29%	2,027.61	866.23	2,893.84	
Totals	\$202,761.49	\$ 86,623.00	\$289,384.49	\$272,268.00	\$ 17,116.49	157.17%	\$ 50,690.37	\$21,655.75	\$ 72,346.12	
										QUARTERLY ASSESSMENT