

Silverado II Homeowners Association  
Annual Meeting  
Minutes – September 13, 2008

The 2008 annual meeting was called to order at 11:00 am.

**Board Members in Attendance**

Matt Scurry, chair  
Greg Byrd  
Diana Catanzarite  
Hank Heurman

Tom Duke (excused due to employment reason)

**Approval of Meeting Minutes**

Hank motioned to approve the minutes from September 15, 2007, a draft of which has been posted on the website for several weeks. Greg seconded the motion, and the board unanimously approved the motion.

**Restaurant Introduction and Lunch Options**

The restaurant has been open for about six weeks. The menu is excellent at reasonable prices. Dave Murphy and Karen were introduced. They are catering lunch this afternoon, and everyone was asked to place an order.

**Introductions**

The board introduced themselves and Brad McClain, the building manager. The whole and interval owners also introduced themselves.

**Report of Local Issues/New Development (Brad McClain, building manager)**

A new recreation center bond and the center is under construction in town, also a new school bond was passed last year. Both bonds will come in on the property taxes. It will not be a big hit, but owners may notice it.

Silverado I was aggressive in removing their dead trees, and there was discrepancy on the property line between Silverado I and II. The two complexes worked this out, and management removed all the trees at \$60 per tree. As a result, Silverado II has no dead trees on their property. Brad's personal opinion is that the progression of the beetle may be slowing down.

There have been significant upgrades to the park across from McDonalds. It is a great place for families. Wolf Park down the road has also been upgraded; it is a great place for kids as well.

There are two developments scheduled for building nearby. However, things seem to have slowed down. The property across the street is now for sale. There were an anticipated 100 or so units, but now that is all under question.

This year, instead of buses from Vintage to the ski area, there will be a gondola people mover. Other than that, the ski area mostly removed dead trees this year. The bus from Silverado II will still pick up at the property.

**Management Transition (Brad McClain, building manager)**

Matt summarized the history of the Silverado II management, including the problems with onsite management that happened years ago. Wirsing, Incorporated was brought in to straighten everything out, and they did a great job. After some time, Wirsing, Incorporated merged with another company and grew

to become Allegiant Management. There were then some issues, so the board decided to go back to an onsite management arrangement. The board has hired Brad McClain as the building manager.

Brad has brought several people on board, including Mike Dieter as front desk manager. He is very organized and will help with whatever owners need. Fran Bowman has been hired in the last week as the Silverado II bookkeeper. She is proving to be a perfect fit. These are our only employees. Our maintenance and cleaning services (Amazing Clean – Laura and German) are contractors, and they are doing a great job. After the meeting, people can take a tour of the projects that have been completed and are underway.

#### *Services to be Offered*

All owners are welcome to use the front desk. Owners can use cleaning and maintenance services (may be hourly or set fee - TBD) as well. Whatever an owner is billed, a portion of that will go back into the HOA to be used for upgrades and improvements. If you are using an outside cleaning service, please consider using the management service.

#### *Assessments*

At this point in time, no special assessments will be presented for discussion or vote.

#### *Board*

The board has been working extremely hard to make these positive changes happen. They have put in an incredible amount of hours.

#### *Rentals*

Please talk to Brad if you want to learn more about being on the Silverado II rental program.

#### **Project Updates (Brad McClain, building manager)**

##### *Interior Painting/Carpeting*

Management has painted all common areas except for halls going into each building, which will be started next week. The interiors of all six buildings will be painted.

##### *Carpeting*

Management tried to replace the carpeting in front of the elevators, but complications arose, so it will be delayed. Management will replace the carpeting between the ballroom the double doors and going into the buildings.

##### *Flat Roof Project*

The siding was pulled off the front side of the building, and it did not appear that the HOA would be able to replace it for two years. Instead, a stucco contractor replaced it at a great price. It was not projected to be done until 2010, and the HOA saved a substantial amount of money by going this route.

##### *Garage Entrance*

Management has installed stucco at the garage entrance doors, painted, cleaned the carpet, and painted the stairs. They are looking at getting rid of cinder block walls in favor of stucco. Lights were also placed to highlight the entrance.

##### *Garage Handicap Parking*

Management upgraded the handicapped parking. There will be two spaces on each side.

##### *Bike Racks*

Bike racks will be available in the spring and will hold up to 18 bikes depending on the placement of the rack.

##### *Vending*

The current company is located in Avon and far away. Management will own and operate Silverado washers and dryers, so any money coming in will go to the HOA. The same thing will likely happen with the candy/soda machines.

### *Roof Project*

The roofs have been a constant problem. The company that did the repairs last year did a great job; they have been responsive to the leaks, and the project has been completed.

### *Timeshare Upgrades*

Timeshares will receive upgraded kitchens, including floors and appliances. Full owners will have an option to upgrade their kitchens along with the timeshares. The countertops under consideration are granite. The price for the granite in the kitchens would be \$1,878. Brad will send out notices whenever upgrades are pending to give owners an option to join the deal.

### *Phones*

Silverado used to have PBX phone systems, and it was abandoned about seven years ago. The problem was that dial-up internet connections would interfere with shared use of the phone lines. Since no one uses dial-up anymore, the phones will be upgraded to PBX. The board approved this morning to spend about \$7,000-\$9,000 to install the system. Owners can pay about \$100-\$150 as a one-time fee and be converted, rather than paying \$35 per month for their private line.

### *Granite Countertops for Common Baths*

This morning, the board approved a motion to replace the common bath countertops with granite. There will be an apron to hide the plumbing, etc. This should not interfere with the handicapped requirements because there will be no major structural changes, but the contractor is going to raise the counters so chairs can fit. They also reversed the direction of the doors so chairs can maneuver in the bathrooms.

### *Sliding Screen Doors*

A question was raised from the floor about replacing the sliding screen doors in the units. The building is not square, so there might be a better option similar to a roller shade. Management will keep owners informed on any developments.

### **Financial Report (Diana Catanzarite, board member)**

It is difficult to compare Allegiant's numbers with the new management's. It is like comparing apples to oranges. The bottom line is simply not accurate. The numbers will be audited and will go through an accountant. These numbers are for the purposes of this meeting.

The board approved \$50,000 to be moved into the Silverado Interval Owner Reserve Account. This money will go toward upgrades and improvements, without an assessment. The main point of this discussion was that the HOA has saved money through the transition, and \$50,000 was moved into the reserve account.

The computer system has taken longer than anticipated, which has slowed the whole process down. The management software program will be online in a few weeks. Staff will need to be trained, but the program will take care of reporting. Right now, it has to be done manually, but the accountant will take care of taxes, reporting, etc. There is an extra layer of security. Everything will be transparent. The accountant will set up the books, not the board.

### *Loan*

There is about \$150,000 in the Silverado Owner Operating Account. The board has set aside from that account about \$35,000 to pay down the current loan (about \$139,000). The money generated from those owners paying the special assessment over time was never applied to the loan. Some people paid the loan off early. That also went into the account. So, the board will use \$35,000 to pay down the loan as quickly as possible.

Silverado II is in better shape than it would have been if we stayed with Allegiant. Next year, the board will be able to tell the owners much more.

### *Interval Owner Accounts*

Again, this is somewhat comparing apples to oranges because of the timing of the assessment

collections. Housekeeping came in lower so management was able to do deep cleaning with the excess money. The amounts came in about \$15,000 under budget.

### **Pool Deck**

The pool deck is stained with a white film. Management has talked to someone about recoating the decks to a non-slippery, epoxy deck at a cost of about \$10,000. Samples are at the front desk if anyone wants to look at them. The tops of the hot tubs and stairways will also be resurfaced. This is a project under consideration.

### **Website**

The website is located at [www.silverado2.org](http://www.silverado2.org) or [www.silverado2.com](http://www.silverado2.com).

### **Listserv**

The whole owners can subscribe to the Silverado II listserv. Please submit your email address to Demi Michelau at [dmichelau@gmail.com](mailto:dmichelau@gmail.com) to subscribe.

### **Delinquency for Timeshares**

A question was raised from the floor about timeshare delinquency. The management will handle all timeshare issues. The delinquency problem is not getting worse, but it is not great. Silverado II has 100-120 weeks that has come back to the interval ownership. There are some huge offenders that may never pay. The total amount due was \$180,000. Some people are responsible for up to \$27,000 and are 13 years behind. The question was raised whether there would be legal action. There is a debate. If you foreclose, it becomes Silverado II's. The board is investigating options. A timeshare owner encouraged the board to aggressively pursue the delinquencies. The board is aware of their responsibility, and they will be making some difficult decisions about this issue.

### **Other Questions from the Floor**

A comment was raised that perhaps the Board did not have professional financial guidance during the past five months. The HOA has had two bad experiences, and there is a concern about oversight as this transition moves forward. The board responded that it has not been the perfect situation, but the board has watched the financials very closely. The board will closely oversee all revenue and expenses as this new management structure moves forward. Brad responded that he understands what has happened and does not make any decisions without talking to the board. The process will be as transparent as possible. An owner suggested a quarterly review by Tim Day and a financial review at the end of each year. A financial review will pick up any violations. Perhaps a full audit every five years is in order as well. Another owner is concerned about the cost, so that should be taken into consideration.

Another question was raised about whose signatures are allowed for banking. Fran and Brad will make the deposits. The people who can sign on the account are Brad McClain, Hank Heuerman, and Matt Scurry.

Another question was raised about crime insurance. Diana believes that Silverado II does have crime insurance, but the policies are available for viewing.

There was some discussion about parking passes in the garage, but nothing has been decided. One owner expressed his opposition to such a plan.

### **Election of Board Member**

Hank was up for reelection to the Board of Directors. Bill King nominated Hank to be elected by unanimous vote, and Diana seconded it. Hank was approved unanimously!

Demi Michelau moved to adjourn the meeting at 1:35 pm, and Frank Catanzarite seconded the motion, It was unanimously approved.

The next meeting schedule is – TBD and will be announced on the web site.