

WestWall Lodge Board Meeting
October 24, 2024

Board President Jeff Sacra called the meeting to order at 12:00 pm MST and the attendees were announced. The following board members were present: Jeff Sacra, Ed Heinrich, Bert Johnson, Ashley Woody and Jonny Jost. Owners Adam and Katie Brown, Bill and Carolyn Caplan, Lorie Massey and Cynthia Schwartz were also present together with Linda Engelhard, Doug Bittle and Joan West.

Jeff noted the first item of business on the agenda is the approval of the September, 2024 minutes. On motion made by Ed and seconded by Jonny, the board unanimously voted to approve the September, 2024 minutes.

Property Update

Doug presented an update on the facilities and ongoing projects. Doug reported that the roof project is in its final stages. He recently did a walk around with the construction manager. The contractor, White Castle, is currently finishing up installing the metal sections of roof on the elevator cupolas and heat tape in the gutters. Seed will be put down on the areas damaged by the large pieces of equipment before the snow starts falling in the next couple of weeks. Doug reported that everything looks good and that he is pleased with the overall product.

Per Doug, the new gym floor was installed yesterday. The painters are scheduled to start next week and will start with the gym since the equipment has already been removed. Painting will be coordinated with carpeting with the goal to be finished by the end of November.

Laundry is now operational in C storage. WestWall staff will start washing items that used to be washed in individual units. They will also experiment with washing pool towels to determine capacity with the current equipment.

Stonemasonry issues are also being addressed including an area of concern over C garage which has been stabilized. A professional stone mason has been hired to repair this area and evaluate all of the stone siding around the buildings.

The remaining concrete work in rear of WestWall will be addressed this spring.

Bill Caplan inquired about snow drifts next to his unit and whether they will be improved by the new roof. Doug responded the issue is primarily caused by the town and their snow removal efforts. However, Doug will speak to the company that removes snow from our roof to see if they can divert snow from the area in question.

Adam Brown asked for pictures of the new carpet and paint. Linda responded that information will be included in a forthcoming newsletter to the owners.

Following Doug's presentation, Ashley presented an update on the refresh project for the Alpine Club bar. Per the Refresh Committee's recommendation, the board approved a new furniture configuration and color scheme for the bar area. The furniture has been ordered and will arrive in phases. Discounts up to 25% were captured for most furniture items. The carpet has also been ordered and the goal is to install the new carpet and paint next month at the same time the work is being performed on the residential corridors. Adam Brown asked questions about the furniture configuration and slides prepared by the Refresh Committee were displayed to answer his questions. Katie Brown asked about removal of the accordion doors which require first figuring out a way to lock up the alcohol. Katie also asked about stream of

traffic with the new furniture configuration. The board generally thought the new configuration will be less cluttered and will increase flow rather than decrease it.

Ashley raised questions about the furniture in the large hallway in C building. Linda reported the furniture was sold and the money was turned over to Joan for deposit into the reserve fund. Discussion ensued about the need to replace the furniture. The board generally agreed this should occur in conjunction with updating the great room. In the interim, the bar furniture will be placed in the hallway as a temporary measure.

Ashley reported that the original \$50,000 budget for the refresh of the bar area does not include a new television and installation of pendant lights over the bar. Jeff asked for a quote for the remaining items which Ashley will furnish.

Old Business

Linda reported that multiple quotes have been solicited for new insurance now that all of the wood shake shingles have been removed from the roof. WestWall is paying for its current coverage on a month to month basis and hopes to save money with a new policy in advance of the renewal of the current policy in the spring of next year.

Next, Linda presented the financials for the period ending September 30, 2024. HOA revenue totaled \$966,000 with net income of \$258,000 which was favorable to budget by \$136,000. Linda reported this was due in large part to better cost controls. Total PM revenue was \$1.34 million with net revenue of \$60,000 which was favorable to budget by \$43,000. Alpine Club revenue totaled \$57,000 with net revenue of \$23,00 which was favorable to budget by \$12,000. On a combined basis, the three entities had total revenue of \$2.35 million with net income of \$342,000 which was favorable to budget by \$191,000.

Jonny asked whether the financial performance of PM is an indicator of the general health of the rental program. Linda responded all of the PM revenue is derived from the rental program so it is a good indicator of the health of the rental pool.

Linda and Jonny discussed the ongoing project to implement dynamic pricing for short-term rental rates. Jonny reported that the challenge has been finding an application compatible with RDP. An application has now been identified and Jonny and Linda plan to meet with a representative from the company next week. The application provides local pricing insights and communicates with various rental platforms including VRBO.

New Business

Jeff reported on the draft audit report for the '22/'23 financial year. Per Jeff, this year's opinion was an unqualified opinion which is good news. By way of background, Jeff explained WestWall has received qualified opinions for the last two financial periods due primarily to reconciliation issues between the PM books and bank statements. After the first qualified opinion was received, the board engaged the audit firm to develop a set of protocols to be used by Joan to correct the deficiencies. The new standards are now in place and resulted in the unqualified opinion for the '22/'23 financial year.

The auditor was invited to attend today but could not due to a conflict. Jeff provided highlights of his opinion which include a recommendation that the Treasurer have unrestricted access to the online bank statements. Per Ed, he currently has this access so this comment needs to be corrected in the audit report. The auditor also expressed a concern regarding holding funds in the trust account in excess of the FDIC limit of \$250,000. Per Joan, these funds could be

included in the insured sweep program but there is a legal issue with ownership of the interest. Last, the auditor noted there were still numerous reconciliations and adjustments that were completed in conjunction with the audit. The board plans to hold an informal working session with the auditor in the next couple of weeks to discuss his findings and recommendations.

Ed reported that he spoke to the auditor after the draft report was received. His biggest takeaway from the discussion concerned the need to migrate from desktop Quickbooks to an online version of Quickbooks. Per the auditor, it would be better to use a platform that would allow WestWall financial data to be viewed and used on a collaborative basis by necessary parties including the WestWall board, its staff and the outside audit firm. Joan will research options and provide a recommendation to the board. Jeff will coordinate a call with the auditor and contact outside counsel about the trust account issue.

Owners Forum

No topics were raised for discussion during the Owners Forum.

Executive Session

The Board went into executive session to discuss employee related matters. Topics for discussion included the recent organizational development project completed by Jonny Jost.

On conclusion of the Executive Session, the Board discussed the election of officer positions. On motion made and duly seconded, the Board unanimously voted on the following officer appointments: Jeff Sacra, President; Jonny Jost, Vice-President; Ed Heinrich, Treasurer and Bert Johnson, Secretary.

The meeting was adjourned at approximately 1:45 pm