

[Click Here to Close The Window](#)

---

THE KEYSTONE NEIGHBOURHOOD COMPANY  
ANNUAL MEMBERS MEETING  
November 21, 2003

I. Call the Meeting to Order

The Keystone Neighbourhood Company Annual Members' Meeting was called to order by Mr. Roger McCarthy on Friday, November 21, 2003 at 3:10 p.m. at the Keystone Conference Center.

Board Members Present Were:

Roger McCarthy, President, Resort Director  
Alex Iskenderian, Vice President, At Large Director  
Bill Pell, Secretary/Treasurer, At Large Residential Director  
Thomas Davidson, At Large Director  
Doug Sims, Ski Tip Residential Director  
John Boyd, River Run Residential Director  
Jim Crocker, Lodge Director  
Don McCoy, River Run Commercial Director

Representing the Keystone Neighbourhood Company Were:

Connie Gruber, Executive Director  
Heidi Stenhammer, Office Manager  
Molly Speer, Operations Manager  
Amy Kemp, PLP Business Manager

Contact the Neighbourhood Company for a list of Homeowners Present at the meeting

Others Present Were:

Luke Slottow, Director of Property Management  
Jeff Steele, River Run Property Management  
Craig Abramson, Property Manager  
Jeff Pennette, Property Manager

II. President's Address

Mission Statement

It is the Neighbourhood Company's mission to make the Neighbourhoods at Keystone a premiere mountain community by maintaining a high quality environment and investing in facilities and events that will attract visitors and create a vibrant four-season community.

KNC Territory

The Neighbourhood Company currently has 841 Members and 967 total units. Approximately 70% of Neighbourhood Company owners rent their property. Neighbourhood Company territory comprises 9.3 acres, 4.3 miles of roads and 6 million dollars in assets.

#### Election and Voting Update

The current voting analysis reflects a total of 2,986.97 votes of which 30% are held by Homeowners, 34% are held by Vail Resorts and 36% are held by the Declarant. As build-out of the master plan progresses, the percentage of votes held by Declarant will decrease and the percentage of votes held by the Homeowners will increase.

Mr. McCarthy noted that there are three Homeowners on the Executive Board, one Merchant, two representatives for the Developer and three representatives for the Resort.

An election will take place for the At Large Residential Director and the River Run Residential Director. Those positions are currently held by Bill Pell and John Boyd. Mr. Pell is running unopposed today for the At Large Residential Director position and John Boyd is challenged by three other individuals whose bios are listed in section IV below.

### III. Approve Previous Meeting Minutes

A motion was made to approve the previous meeting minutes dated July 3, 2003, as presented. The motion was seconded and carried unanimously.

### IV. 2003 Year in Review

Ms. Gruber reported that surveys from last summer's event season reflected increased attendance by Front Range residents. Event revenue was up 25% over 2002 for the major festivals and Park Lane Pavilion revenue increased by 20% thanks to increased sponsorship dollars.

Operational activities have included Ida Belle drive road repair relating to drainage issues, pool maintenance issues including lighting, spa covers and the purchase of new pool furniture and the continued investigation of Buffalo Lodge courtyard leakage into the parking garage. New winter banners have been purchased and 2004 landscaping improvement plans are underway for Red Hawk Lodge and the entrance to Settlers Creek single family lots. A strong emphasis is being placed on reviewing all assets and planning for spring 2004 projects.

### V. Finance Committee Report

#### 2003 Year-End Projections

Revenue is projected to end the year at \$2,347,786 or 98% of budget and expenses at \$1,981,365 or 99% of budget. Allocations to reserve funds will total \$360,488 or 91% of budget. A surplus is projected for the end of the year.

#### AREA Billing Update

There are currently 66 delinquent members for a total A/R of \$86,134. Third notices will be sent to all delinquent owners in December and if payment is not received by January late fees in the amount of \$100 per year and 1.5% per month from the due date of the invoice will be assessed. In addition a lien will be placed against the delinquent property through the

Summit County Clerk and Recorder.

## 2004 Budgets

The 2004 operating budget reflects \$2,330,025 in both revenue and expenses for a zero based budget. Expense categories include 22% for expenses 20% for administration and 58% for operations. Overall, revenue for 2004 is down 5% and expenses are down 1% from 2003.

The Board recommends approval of the 2004 operating budget with no mill levy increase while maintaining the same level of service and a goal of funding festivals with revenue and sponsorships.

## Budget Vote

The budget vote commenced and Mr. Pell reported that 2,251.97 votes were in favor of the 2004 operating budget and 9 were opposed.

## VI. Election of At Large & River Run Residential Directors

### River Run and At Large Residential Directors

Each candidate spoke on their interests and qualifications followed by a question and answer session. Bill Pell is running unopposed as the At Large Residential Director.

### Voting Results

The audited voting tabulation is as follows;

Bill Pell 237 in favor  
John Boyd 101 in favor  
Dennis Highlander 37 in favor  
Ron Huxtable 23 in favor  
Guenther Kerkoff 23 in favor

Bill Pell was reelected as the At Large Residential Director and John Boyd was reelected as the River Run Residential Director.

## VII. New Business/General Discussion

### Reserve Funds Update

The Capital Reserve and Replacement fund is projected to have a year-end balance of \$524,448. Budgeted revenue for 2004 is \$250,000 and expenses are \$126,809 for a year-end balance of \$650,639.

Expenditures from the Capital Repair and Replacement fund are done in conjunction with the recently updated Reserve Fund study. This study projected a total of \$723,200 in expenditures from 2002 – 2004 however, each proposed repair/replacement item is carefully reviewed to determine if that work is necessary. The Neighbourhood Company projects spending \$290,809 from that fund for the same time period.

The Improvements Reserve Fund is projected to have a \$551,900 year-end balance with zero dollars in budgeted revenue and \$30,000 in expenses for 2004. Expenditures include \$21,000

for Park Lane Pavilion upgrades, \$3,000 in event improvements and \$6,000 in landscaping upgrades. The 2004 projected year-end balance is \$521,900.

The projected year-end balance for the Facilities reserve fund is \$344,900 with \$122,543 in budgeted revenue and zero dollars in expenses for 2004 for an ending balance of \$467,443.

The total of all funds through year-end 2003 is \$1,639,982.

#### Dundee Realty Project

The Dundee Realty project consists of 15 duplexes on 2.6 acres east of Alders single family lots. This area is in the Ski Tip Planned Unit Development but not part of Neighbourhood Company territory. Discussions are underway to annex the area to the Neighbourhood Company which would require a special member vote of at least 67% approval. Neighbourhood Company members should expect a mailing regarding this in the next few months.

#### MD & A Three-Year Forecast

The three year forecast reflects deficits for 2005 and 2006 which the Board feels are manageable through the reduction of reserve fund contributions and/or a reduction in services. You may contact the Neighbourhood Company office at 800-919-0038 for a complete copy of the latest MD&A.

#### Winter Events Update

Winter events include a six week festival from November 14 – December 21st with holiday events occurring December 22 – 24 and 26 – 30. New Year's festivities will occur in River Run with fireworks at 8:30 p.m. and other activities at Keystone Village. Mardi Gras street parade will take place on February 24th, the St. Patrick's Day celebration will occur on March 13th and Blues & BBQ is set for April 10th. The mountain is tentatively scheduled to close on April 18th.

#### General Questions

Mr. Dowejko noted that he prepared a letter regarding his concerns about the significant amount of money that the Neighbourhood Company pays to Vail Resorts for certain services. This letter was distributed to the Executive Board prior to the meeting and is on file in the Neighbourhood Company office. Mr. McCarthy responded that the letter outlines several issues mostly resort related and he will have the appropriate managers respond to Mr. Dowejko.

It was noted that a delivery truck was unloading in River Run at 5:30 a.m. in the recent past and Ms. Speer commented that drivers are told to make deliveries from River Run Road or Ida Belle Drive. She believes that this issue relates to new delivery staff and will make sure that the restaurants inform their drivers of delivery regulations.

A concern over potential noise problems from the Green Light was raised. Ms. Gruber stated that there is a 10:00 p.m. noise ordinance in River Run. The operators will use a decibel meter outside of the bar to manage noise and will attempt to guide pedestrian traffic from the bar around the perimeter of the village to the parking lots.

Mr. Highlander requested that attention be paid to exterior music to ensure that merchant music is not competing with the Neighbourhood Company sound system. Ms. Speer stated that she would remind merchants of the hours that Neighbourhood Company sound system is used.

Mr. Sims stated that the Board will have a strategic planning meeting next March and Homeowner input is key to keeping River Run a vibrant community. He encouraged all Homeowners to feel free to contact Board members with any concerns, questions or ideas.

VIII. Set Next Meeting Date

The next meeting date was set for Friday, July 2, 2004 from 3:00 – 5:00 p.m.

IX. Adjournment

The meeting was adjourned at 4:41 p.m.

---

[Click Here to Close The Window](#)