

**CHATEAUX CONDOMINIUMS ASSOCIATION**  
**ANNUAL OWNER'S MEETING**  
**AUGUST 16th, 2013**  
**THE CHATEAUX CONDOMINIUMS CLUBHOUSE**  
**MT. CRESTED BUTTE, COLORADO**  
www.chateauxcb.org

**Call to Order**

The meeting was called to order by the Board President, Jack Patton, at 4:02 PM.

**Roll Call/Establish Quorum:**

**Members Present in Person**

<b>Name</b>	<b>Unit #</b>
Alan Brady	103
Theresa and John Brooks	203
Larry and Delores Barzune	204 & 311
Jay and Luci Doyle	208
Tom & Mary Aton	209
Jack & Caryn Patton	303
Ashton Wycoff	304
Nigel Jones	312
Rory & Mary Baruth	407
Alan Adams	504 & 511
Mickey Murphy	506
Bob Hollywood	507
Bill Hoitink	508

**Members Represented by Proxy**

**Jack Patton proxy for:**

McTaggart	212
Calhoon	509

**Bob Hollywood proxy for:**

Matt Hayes	512
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**Theresa Brooks proxy for:**

Wenstup	206
Bader	503

**Rory Baruth proxy for:**

Federico	104
Sanders	107
Snow	108
Boenig	110
Robinson	202
Tremont	207
Dobson	305
Young	307
Raven	401
Burke	402
Louis	502

A quorum was established with 52% of the membership represented in person or via proxy.

**Board Members Present:** Jack Patton  
Bill Hoytink  
Alan Adams  
Theresa Brooks  
Rory Baruth

**Management Company Present:** Danny Myers

### **Reading and Approval of Past Minutes – August 17, 2012**

**Motion:** By Jay Doyle to waive formal reading, and accept past minutes as submitted.  
**Seconded:** Larry Barzune  
**Vote:** Unanimous Approval

## **REPORTS**

### **President's Report**

Jack shared that the Chateaux's efforts to upgrade the property through our recent capital projects (past 5 years) continue to garner favorable reviews from owners, new buyers, and the community. Jack also shared that Danny will be beginning his 5<sup>th</sup> year as the Chateaux association manager, where he remains solely dedicated to the Chateaux, not splitting his time by managing additional condo associations. This arrangement allows Danny to be at The Chateaux 5-7 days per week for most weeks of the year.

Jack reported that a lower-than-the-average snow-year provided good skiing conditions, but not epic skiing conditions that 300"-400" years bring. The lower snow totals for the season saved the Association \$15,000 in lower snow shoveling and plowing expenses. Jack yielded the floor to our Treasurer to provide additional details on our financial activities for the year.

### **Financial Report**

Alan Adams, Treasurer, reviewed the un-audited year-end 2012-13 income and expense report distributed to those present. A majority of the Association's income comes from the \$475 per unit per month HOA Dues; additional income is generated from sources such as Clubhouse Rental, Vending Income (washers and dryers), and monthly Dues Late Fees. The Association income for the year was \$342,000 from Dues and \$363,000 from all sources (including Dues).

On the expense side, the Association saw a total of \$40,000 in savings when compared to our budget, due to the snow-removal savings of \$15,000, Operating Contingency and Bad Debt Allowance being untapped (\$17,000 savings), and additional savings in Utilities, Pool/Hot Tub Repair, and from deferred Chimney Cleaning.

The Association budgets to transfer \$50,000 of Income to the Capital Reserve Fund each year. With Operating Expenses coming in \$40,000 under budget (separate from the \$50,000 budgeted Capital transfer), the Board was able to transfer an additional \$20,000 to the Capital Reserve fund. The Board left approximately \$20,000 in surplus Operating Funds in our Operating Account as a buffer in case additional operating expenses arise in 2013-2014.

Alan reviewed our Capital Reserve Fund income and expenses for the year. We began the year with \$77,000; with the addition of the annually allocated \$50,000 from Monthly Dues, a \$44,000 contribution from surplus 2011-12 Operating Funds, a \$20,000 contribution from surplus 2012-13 Operating Funds,

and an \$8,000 grant for our Insulation Project, the Capital Reserve Fund balance was \$200,000 before expenses. Our Capital expenses for the year included the Insulation Project (\$70,000), completion of the fire escapes back in October 2012 (\$44,000), and small Capital Budget projects like sealing the driveway and parking lot (\$2,750), replacing the hot tub heater (\$2,000), and replacing 10 chimney caps (\$7,000). This brought our year-end (June 30, 2013) Capital Reserve Fund balance to \$70,000, \$7,000 below our beginning balance for the year.

Our Capital Budget for 2013-14 shows \$43,000 in potential projects, though half of that is replacement of equipment, which will be deferred to a future year if replacement is not necessary. This includes items such as new washers and dryers and their hot water heaters, a new pool cover, new furniture for the clubhouse, and new heaters for the saunas. Depending on the actual expenses, we anticipate a year-end (June 30, 2014) Capital Reserve Fund balance of \$76,000 to \$96,000, though a higher balance is possible if we have a substantial Operating Surplus at year-end. With large projects projected over the next seven years, the owners were reminded that all of the Capital Reserve funds are already accounted for. Large projects to be funded out of expected capital revenue (no special assessment anticipated) include re-painting the building exteriors, re-carpeting the hallways, and re-plastering the pool when needed.

Each year's Capital Budget includes \$20,000 for un-anticipated capital projects. If that money is not spent in a given year, it bolsters the strength of the Capital Reserve Fund for un-anticipated or unfunded projects in future years. This \$20,000 yearly "Capital Contingency", as we call it, when combined with Operating savings over the past several years, allowed us to fund the recently completed Insulation Project. As un-spent Capital Contingency accumulates over many years, this money can help fund un-budgeted Capital items such as roof replacement or asphalt driveway/parking lot repair. This coming Fall, we will tap into this year's Capital Contingency to re-pave and re-grade the walkway to Building E (\$3,600), which is sloped from the parking lot to the building, causing water-ponding issues each spring on the walkway.

The 2013-14 Association Budget, which includes again allocating \$50,000 into our long-term Capital Reserve Fund, will be similar to this past year, as we anticipate similar expenses to 2012-13. Though we are again budgeting for a slight deficit (2%), the carryover of surplus income from this past year will cover this anticipated budget shortfall, allowing us to keep the monthly dues at \$475 per unit. Savings from a past year can be carried over to the operating budget of the following year, or allocated to the Capital Reserve Fund.

## **OLD BUSINESS**

### **Landscaping**

For those who had never seen the Landscape Master Plan, Jack and Theresa shared the landscape drawings for our on-going landscape improvements on the property. In 2008, \$72,000 was spent on landscaping the entry areas of each building, and an additional \$39,000 was spent in 2011 to add 40 trees on the Gothic Rd side of the buildings. \$60,000 remains for initially budgeted landscaping, as well as potential additional expenses if boulder retaining walls are added to replace or cover the existing railroad tie retaining walls. The owners asked if the reported balance in the Capital Reserve Fund could be spent on this landscaping, or if a supplemental assessment was needed. Danny clarified that all funds currently in the Capital Reserve Fund were already earmarked for projects, but that if Operating Savings continue to be realized, these additional, un-earmarked funds could become available for landscaping. An owner also asked if the landscape work was essential or desired; it was stated that while not essential, the improved appearance of the Chateaux has been a welcomed improvement to the property, and more improvements had been planned for as part of the landscaping project which began in 2008.

The owners expressed the importance of knowing the specific cost and extent of additional landscape improvements, so that an educated, collective decision could be made about future landscaping projects.

Kudos (and a rousing round of applause) were extended to Theresa for the plant and rock landscaping at the top of the Gothic stairs, which she completed this summer while in residence at The Chateaux.

### **Insulation Project**

Earlier this spring, insulation was added to the ceilings and crawl spaces of each of the 5 buildings. The Office for Resource Efficiency (ORE) provided us with a grant of \$8,000, and anticipated a full payback on our investment (\$62,000) in 8 years. This payback will come in the form of lower energy bills for both the HOA and for individual unit owners. The Board praised ORE for serving as general contractor on the work, ensuring that the job was completed to their specifications and expectations.

### **Chimney Caps**

Each of the 5 buildings has 4 chimney chases with 3 chimneys coming out of each. These 3 chimneys come through a metal cap which keeps snow and rain from entering the chases. Over time, these caps have deteriorated some, which will eventually allow water to drip down the chase. Ten of the 20 caps were determined to need replacing. This work was done earlier this summer. The remaining 10 caps will be monitored and replaced when necessary.

### **Pool Bathrooms**

The pool bathrooms now have newly tiled showers, new vanities, and new toilets. Some painting will be done this fall to continue the spruce-up. The pool remains an impressive amenity at The Chateaux, and a big draw for current owners, new owners, and vacationers.

## **NEW BUSINESS**

### **Bicycles Storage**

In order to reduce the wear and tear on the hallways, units, and balconies from bicycle traffic with the buildings, we will create a bicycle storage area in each building [in an empty (because it's summer) firewood closet], as well as an over-flow bicycle storage area inside the north storage wing of the clubhouse. These areas will allow owners and guests to store and lock their bikes in an inside space. The outside bike racks will continue to be available, as they are used extensively throughout the summer. Our Rules and Regulations will be amended to prohibit bicycles in the hallways, units, and balconies, with fines levied for non-compliance.

### **Hallway Cleaning**

The combination of bikes being brought through the hallways and into the units, a very rainy summer season, and lots of occupancy during the summer and winter months has led to the need for additional common-area housekeeping. The management company (Danny) will hire supplementary cleaning staff during the busier summer and winter months to improve the cleanliness and appearance of The Chateaux.

### **Firewood Usage**

The owners were reminded that firewood is purchased through their monthly dues, but that this is not an unlimited supply for each unit. The amount budgeted for firewood equates to approximately 1/3 of a cord per unit. Owners who live at the Chateaux year-around will be informed of this limit and required to pay for additional firewood usage. The Board had discussed possibly distributing wood only as requested, but the labor and oversight required with this option would be excessive.

### **Marcellina Lot Sub-Dividing**

All Chateaux owners likely received a certified letter in the mail this past month from a local attorney, informing them of the intention of the owner of the Marcellina apartments (currently a bank-owned foreclosure) to split the property in two, one parcel containing the present building (1.7 acres) and the second parcel (1.9 acres) being the northern half of the existing property. The new parcel is anticipated to retain its designation as allowing high-density, multi-family dwellings to be built, though no plans are currently being presented to build on the sub-divided parcel. The Board and Danny will monitor the progress and direction of this pursuit.

### **OWNERS' OPEN FORUM**

#### **Resort Fee**

An owner asked if the Board would eliminate the \$7 per night Resort Fee currently paid by vacation rental guests, after having reduced it from \$10 a year ago. This fee was implemented several years ago to offset additional costs to the owners created by rental guests, including increased pool use, internet use, common area housekeeping and maintenance needs, and common area heating bills. The Board felt it was appropriated to leave the Resort Fee unchanged.

#### **Owner Directory**

An owner asked if a directory of owners could be published and made available to all owners. It was suggested that this could be placed on a "private" side of our website. Once we research any privacy concerns with sharing this information, we can work on creating that website area.

#### **Election of Officers**

Two Board seats, currently held by Jack Patton and Bill Hoitink, were up for election; both indicated their willingness to serve again. Jack and Bill were nominated from the floor. There being no additional nominations, nominations were closed.

**Motion:** By Jay Doyle to elect Jack Patton and Bill Hoitink to three-year Board terms.  
**Seconded:** Mary Baruth  
**Vote:** Unanimous Approval

#### **Establish Date of Next Annual Meeting**

The next annual meeting was tentatively scheduled for Friday, August 15, 2014.

#### **Adjournment**

Association President, Jack Patton, adjourned the meeting at 5:45 PM. There was then a BBQ for all homeowners.

Approval:

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Theresa Brooks  
Chateaux Secretary

\_\_\_\_\_  
Date