

**CHATEAUX CONDOMINIUM ASSOCIATION
BOARD MEETING
February 6, 2015
MT. CRESTED BUTTE, COLORADO**

Call to Order

The meeting was called to order by the Board President, Jack Patton, at 9:04 A.M.

Quorum Established

A quorum was established with 5 of 5 Board members present.

Board Members Present:

Jack Patton
Rory Baruth
Theresa Brooks
Bill Hoitink
Alan Adams

Management Company Present:

Danny Myers

The purpose of this mid-fiscal year meeting is to review both business items and financial reports for the first 6 months of the 2014-15 fiscal year, which began July 1, 2014.

Reading and Approval of Past Minutes – August 15, 2014

Danny and the Board reviewed the minutes from the August Board meeting.

Motion: By Rory to accept the minutes as submitted.

Seconded: Bill

Vote: Unanimous Approval

Financial Report

Reviewing our Income and Expense report for the first six months of our current fiscal year, which runs July 1, 2014 to June 30, 2015, we found that our Income was virtually on budget, exceeding our expected \$178,420 Income by just \$2,800 (1.5%). We raised the cost of our laundry machines in September to better match the cost of operating and maintaining the machines. This price-increase accounted for \$1,600 of the increased Income year-to-date. Our receipt of resort fee income (\$7 per night for short term rentals and \$20 per month for long term rentals) provided \$3,200 in Income for the Association during the first six months of the fiscal year. These payments to the Association remain on the honor system and most owners who rent comply with the policy of collecting from their renters and submitting the proceeds to the Association. This fee offsets the increased financial burden on all owners incurred by having renters in-house. The fees pay for items including increased firewood usage, increased common

area heating bills, our upgraded wireless internet capabilities, and increased use of the pool facilities.

On the Expense side of our Income and Expense report for July 1, 2014 through December 31, 2014, our expenses are approximately \$14,000 under budget. The Association budgets \$1,000 per month in Operating Contingency, to cover un-expected expenses, most commonly occurring in the form of possible excess snow removal costs during the winter months. The \$6,000 budgeted year to date has not been needed so far this year (and accounts for almost half of our surplus). There is additional savings seen in general maintenance and pool repair expenses, though many maintenance projects often occur in the off-season and summer months. If we continue to experience a budget surplus, those funds can be transferred by the Board to our Capital Fund or be earmarked as Operating Carryover into the next fiscal year. The Board asked Danny to continue to examine opportunities to reduce expenses or possibly receive discounts by pre-paying any regularly-occurring expenses.

Our Accounts Receivable report shows that most owners are up to date on their monthly Homeowners Association dues payments, and no owners are over 60 days in arrears.

Our Treasurer, Alan Adams, has received a copy of your annual audit conducted by our CPA, McNurlin and Associates. Alan will review the audit and report any issues to the Board if necessary.

The Board reviewed upcoming Capital projects in our current capital budget. We plan to have the deck fascia wood stained again this summer. In addition, we will Seal Coat the driveway and parking areas black, as well as “tarring” cracks in the asphalt.

An additional project that we will also begin this summer, which is not in our capital plan, is to replace some deteriorating deck boards on individual unit decks. Some boards began to show deterioration over the past several years, and now we have come to a point of action, as the deterioration has continued. The manufacturing company will confirm the boards are still under warranty, upon which time they will supply new boards, and we will replace them. The cost for labor will be determined following a sample replacement deck.

OLD BUSINESS

Unit Water Heaters

Everyone should confirm that their water heaters are not older than the warranty, that they are inspected regularly, and that the insurance each owner carries on their unit will cover any damage caused by a hot water heater leak, both to their unit and adjoining units. Some policies do not cover damage to another unit if your unit is rented. We have found that for only a few dollars each month, the policy can be extended to cover damage when renting. All owners will be reminded that they need to supply their Proof of Insurance to the Association annually.

Driveway/Parking Lot Repair and Sealing

We will have Sealco again fill cracks in the asphalt with tar and then “paint” the asphalt black in the parking lot and driveway this summer. This is a project budgeted every 3 years into our capital plan. We will also determine if the chip-seal patches that Sealco installed on test areas of

the driveway last fall held up well during the winter. We will determine if chip-seal, cold-patch, or hot-patch is the best option to repair pot hole areas of the driveway.

Deck Fascia Staining

A local painting contractor is scheduled to re-stain the wood skirt boards of the decking, just as was done several years ago. This will help preserve the wood, as well as improve the appearance of the new decking on each unit.

Stairs to Three Seasons

We have continued to clear the snow throughout the winter from the stairs to the Three Seasons building. This summer, we will evaluate the condition of the timbers to see if any repair is in order. We will also add gravel to the flat areas to ensure a safe thoroughfare. The Board began a discussion as to whether that walkway between the two properties is even necessary.

Painting of Trim Wood in Pool Area and on Buildings

Much of the trim in the pool area was re-painted this past fall. We will continue to paint trim in the pool area, as well as inspecting trim on the unit decks.

Pool and Hot Tub Maintenance

The pool and hot tub were re-sided five years ago in 2009; our capital plan schedule is set for re-siding every ten years. In the meantime, small maintenance projects will continue. We recently removed the chipping tile from the ledge between the pool and hot tub and re-tiled it. We will also re-caulk the space on the pool decking between the stone edge and the concrete. This will occur in the spring as temperatures increase toward 70 degrees.

Seedling Trees

Rory shared that the Colorado State Forest Service offers seedling trees and small shrubs for sale in lots of 10-50 at reasonable prices. The hill along Gothic Rd in front of the C-E buildings supports some grass and small plants, but not much else. We will consult the landscape plan and then plant and water some trees and/or shrubs to see if we can get some established. Irrigation is not currently available on the front hill, except near the stairs by the pool to Gothic Rd, currently making this a challenging location for landscaping.

Safety and Emergency Preparedness Plan

Danny and Jack will continue to review and upgrade our Safety and Emergency Preparedness Plan, adding photographs where appropriate. This plan will facilitate corrective actions in the case that Danny is not available to triage and remedy emergency situations.

NEW BUSINESS

Hallway Carpeting and Stairs

The Association has \$65,000 earmarked in the Capital Budget to replace the carpeting in all the buildings in 2018. With twice-per-year carpet cleaning, the appearance of the carpet remains good, possibly allowing us to delay replacement. The stairways, though, are burdened with more traffic and wear and tear. In December 2014, the B building stair-carpet was replaced with rubber tiling and treads. If this holds up well through the season, the Board will consider this option for all the buildings. The Board asked Danny to take notice as to whether the sound difference appears to be substantially louder for rubber stairs versus the current carpet.

By-Law Revisions

Danny will review the By-Laws to see what areas may need to be considered for revision or clarity. Danny will present suggestions to the Board and initiate dialogue with our Association lawyer by the summer meeting.

Real Estate Report

During 2014, five units at The Chateaux sold, ranging from \$156,500 to \$245,000. There are currently six units on the market, ranging from \$227,000 to \$399,900.

Establish Date of Next Meeting

The next Board Meeting was tentatively scheduled for Friday, August 14, 2015.

Adjournment

There being no further business at this time, Association President, Jack Patton, adjourned the meeting at 11:45 AM.

Approval:

Theresa Brooks

Chateaux Association Secretary

Date