

CHATEAUX CONDOMINIUMS ASSOCIATION
ANNUAL OWNER'S MEETING
October 24th, 2020
THE CHATEAUX CONDOMINIUMS CLUBHOUSE
MT. CRESTED BUTTE, COLORADO
www.chateauxcb.org

Call to Order

The meeting (on Zoom) was called to order by the Board Treasurer, Alan Adams, at 9:10 AM.

Roll Call/Establish Quorum: Members Present in Person

Name	Unit #
Barbara Cameron	102
Allen Brady	103
Federico	104
Fairvalley	106
Hibbard	111
Skye	112
Simmons	203
Teri	206
Hibbard	208
Tom Aton	209
Laurich	303
Wycoff	304
Armstrong	308
Peters	311
Ryan Sutton	404
Rory & Mary Baruth	407
Sudderth	501
Chuck & LeAnn Spinks	502
Michael Vaughn	504
Schultheis	505
Bill Hoitink	508
Schultheis	510
Adams	511

Members Represented by Proxy

Rory Baruth proxy for:

Haller	105
Boenig	110
Wheaton	211
McTaggart	212
Bauman	408
Gross	409

Barbara Cameron proxy for:

Shannon Darab	101
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Michael Vaughn proxy for:

Hayes	512
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Alan Adams proxy for:

Cyster 412
Deb Schultheis proxy for:
Schwartz 507

A quorum was established with 70% of the membership represented in person or via proxy.

Board Members Present: Rory Baruth
Bill Hoitink
Barbara Cameron
Alan Adams

Management Company Present: Danny Myers

Reading and Approval of Past Minutes – August 10, 2019

Motion: By Barbara Cameron to waive formal reading and accept minutes as submitted.
Seconded: Nigel
Vote: Unanimous Approval

REPORTS

Danny had provided the following narrative on Monthly Dues, as well a review of recent upgrades and future plans for the coming year:

Chateaux 2019-2020 Review and 2020-2021 Plans

Since our Annual Meeting in August 2019, we added several upgrades around the Chateaux including:

- *Extending the slate tile floors on the second floor from the laundry area over to the stairs*
- *Changing our pool-area entry lock from the code lock to a key card lock*
- *Added a flood light to each entry walkway*
- *Completed the deck-board replacement project*
- *Replaced our asphalt driveway from the entrance to the pool*

Our two big-project plans for this coming year are:

- *Replacing metal roofing on the north side of the D building (which should take place between now and late-November)*
- *Re-carpeting all the building hallways with a patterned carpet tile product. This is anticipated to be commenced and completed prior to Christmas.*

A quick review of our operating budget shows that our anticipated \$53,000 deficit was only a \$26,000 deficit....with primary credit going to saving \$13,000 in Snow Removal expenses from a lower than anticipated snow year; and \$18,000 additional savings from not having to spend our \$18,000 Operating Contingency budget (which is primarily in place in case of a huge snow year). Our laundry revenue and Resort Fee revenue were down due mainly to lower rental occupancy from COVID restrictions.

As you see on the Chateaux Monthly Dues hand-out, we were able to cover this deficit with our operating carryover money from recent prior years, but now must increase our monthly dues to balance our budget. I trust all owners understand that revenue must equal expenses.

This coming season, we are asking that renting owners be more diligent in charging your guests the \$7 per night Resort Fee and passing that along to the HOA. Some new owners may not be aware of that requirement, so thank you in advance for complying.

Another source of revenue for the HOA is renting out the few auxiliary closet spaces located in each building. If you would like to be put on the list as closets become available, contact Danny at manager@chateauxcb.org. All full size closets (approx. 4' x 6') offer convenient additional storage space for owners and will cost \$50 per month beginning January 1, 2021. This cost is in line with storage units in town...without having to go to town!!!

Chateaux Monthly Dues

When you pay your monthly dues of \$525, \$120 of that goes into our long-term capital fund to pay for future expenses like re-painting the exterior of the buildings, replacing the roofs, re-paving the driveway, re-staining the deck skirting, painting and re-carpeting the hallways, and many additional smaller capital projects that occur only every 3 to 20 years (3 years like seal-coating the parking lots; 20 years like replacing the clubhouse furnace). Some years we spend just \$10,000 on capital projects; other years we have spent \$100,00 to \$160,000.

The remaining \$405 of your dues each month goes to monthly, seasonal, or yearly operating expenses like paying our common utilities (e.g. hallway lights and heat, our monthly water and sewer bill, cable TV, Wi-Fi, garbage, etc), snow plowing and shoveling, pool up-keep, chimney cleaning, and administration of our HOA business, as examples.

This past year, these operating expenses were \$26,000 more than we collected. We did not have to do a special assessment to cover this overage because we had \$39,000 of operating carry-over money from previous years.

We cannot go another year though of spending more than we collect to cover our expenses. Please recall we have not increased our operating dues during the past 14 years, though we did increase our capital dues (and therefore total dues) by \$50 per month in 2017 (this was to start setting aside funds for future metal roof replacement, a previously un-funded capital need).

Our expenses are estimated to again increase this current fiscal year. As an example, our water and sewage bill goes up an average of 4% each year; this alone will add \$4.00 per month to your future dues. Insurance goes up 8% each year on average; this will increase your dues by another \$3 each month. Cable and Internet increases another \$3 per month each year. Our most-heard complaint from both owners and guests is that our Wi-Fi capacity does not meet the needs required in our modern world; in order to remedy this, we plan to add a personal modem and router to each condo.

All told, we will need to increase our dues by \$70 per month starting January 1, 2021 to (mostly) cover our anticipated expenses for this fiscal year (July 1, 2020 to June 30, 2021). We will evaluate our financial position again on July 1, 2021. Please know that once we have balanced our budget, an annual increase will likely be needed to keep it balanced (as living expenses continue to rise each year). Please know that a 1% to 3% annual increase (and sometimes more) should be anticipated. (Note: Low snow years could keep dues from increasing for the following year; high snow years could increase dues more than that 3% the following year.)

After reviewing items on these handouts, Danny explained further the plan to improve the WiFi. Our cable company is offering us a bulk rate to have a modem in each condo. We understand that 20 condos

are currently paying up to \$70 per month for private service. The HOA would instead pay for each of 60 modems at a cost of approximately \$25 per month per condo. We will let owners know if we enter into this agreement and what the process will be to order your new modem or transfer your current account to the HOA. The owners asked that the Association ensure that we get adequate speeds (either 100 or 400 Mbps) and that there is “cure” language in the contract if the product does not meet expectations.

Discussing the issue of utility expenses, an owner asked if we are paying the appropriate rates for our water and sewer service. Danny will discuss this with the water company.

A good deal of input was shared on the issue of our \$7 per night Resort Fee that we are asking short-term renting owners to charge to their guests and forward to the HOA. This fee was put in place to compensate for the extra services used by the renters...so that all owners are not paying for the extra costs incurred. If all renting owners paid on the honor system, we will not have to monitor this. It was suggested that maybe we can confirm rental days through the Town sales tax program, though the Town may only have dollar amounts and not days rented. It was also brought up as to whether there should be a fee scale depending on the size of the condo rented. This issue was not incorporated as of now, with the fee remaining at \$7 per night per short term stay.

Looking at the budget breakdown for the coming year, owners expressed understanding of the need for revenue to equal expenses. The dues will be \$595 per month beginning July 1, 2021. As expenses increase year to year, a smaller dues increase (anticipated to be 1% to 3%) should be expected most years.

In order to better balance our budget for the coming year, we asked the owners to certify last year’s operating surplus to be carried over year to year.

Motion: By Bill Hoitink to apply our operating surplus carry-over (approximately \$13,000) to the 2020-21 Operating Budget.

Seconded: Nigel

Vote: Unanimous Approval

Our Capital Budget for 2020-21 shows \$180,000 in potential projects. The major projects this year include removing and replacing the asphalt driveway from the entrance sign to the pool (which was completed in September), replacing the metal roof on the north half of the D building, and installing new carpeting in all the hallways.

Election of Officers

Two 3-year Board seats were up for election. Three owners were nominated for those Board seats: Kate Bethurem, Rory Baruth, and Alan Adams. Following an email ballot vote of owners present and proxies held, the ballots were collected and tallied. Rory and Alan were elected to the Board.

Establish Date of Next Annual Meeting

The next Annual Meeting was tentatively scheduled for Saturday, August 14, 2021. A request was made that we try to include a ZOOM option next year like this year.

Adjournment

Following a motion by Otis Schultheis, a 2nd by Jon Snow, and unanimous approval, the formal portion of the meeting was adjourned at 10:10 AM.

The owners remained on the call to share input on additional or new items of discussion, as well as bring up items during our Open Discussion time. A summary of those items are included below.

PAST DISCUSSION ITEMS

Recycling/Trash – The Chateaux purchased a 7th recycling bin to better handle the increased usage. Danny monitors the trash and recycling daily to keep it in check. We plan to share recycling guidelines with all owners so that people break down their cardboard boxes more appropriately and stop recycling plastic bags (among other issues).

Additional Bike Storage – As in past years, we discussed the issue of bike storage and bikes in buildings (which is not allowed due to wear and tear in the stairways and hallways). The Board welcomes any ideas with this ongoing challenge.

Pool Furniture – Six new pool lounge chairs were purchased.

NEW DISCUSSION ITEMS

Winter Pool and Hot Tub Plan – Unless State or Local rules again prohibit the opening of HOA pools, we plan to open the pool and hot tub for the ski season. We plan to implement a reservation system for the hot tub, allowing a condo to reserve 20 minutes per day. This plan can be adjusted as deemed necessary.

OWNERS' OPEN FORUM

Teri will facilitate owners joining a Facebook group to stay connected.

There being no additional sharing of items or concerns, the ZOOM call was ended.

Approval:

Barbara Cameron
Chateaux Secretary

Date