

**CHATEAUX CONDOMINIUM ASSOCIATION  
BOARD MEETING  
August 16, 2013  
MT. CRESTED BUTTE, COLORADO**

**Call to Order**

The meeting was called to order by the Board President, Jack Patton, at 9:00 A.M.

**Quorum Established**

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

**Board Members Present:**

Jack Patton  
Rory Baruth  
Theresa Brooks  
Alan Adams  
Bill Hoitink

**Management Company Present:**

Danny Myers

The purpose of this year-end meeting is to review business items and financials for the 2012-13 fiscal year, which ended June 30, 2013 and review plans and budgets for FY2013-14.

**Financial Report**

Danny provided the Board an un-audited Income and Expense report for the fiscal year July 1, 2012 to June 30, 2013. Due to lower-than-budgeted expenses this year, the Association will be able to carry over \$42,000 into the coming fiscal year. Savings of \$15,000 were realized due to another lower-than-average snow year; our \$12,000 annual Operating Contingency was not tapped into this year; and all monthly dues payments from owners were virtually up to date, leaving our \$5,000 Bad Debt budget un-tapped.

Each year, the Board budgets a \$50,000 annual allocation from monthly dues to our Capital Reserve Account. Having reviewed the capital expenditures for this past year, and capital plan needs for the future, the Board discussed allocating the Operating Carryover from fiscal year 2011/12 (\$44,372) to our Capital Fund.

Rory made the following:

Motion: Allocate \$44,372 Operating Carryover from FY 11/12 to the Capital Fund, effective May 30, 2013.  
2<sup>nd</sup>: Alan  
Vote: Unanimous approval

With the \$42,000 Operating Carryover for FY 12/13, the Board discussed allocating an additional \$20,000 to the Capital Fund, leaving \$22,000 as an Operating Carryover for FY 13/14, which will provide monthly operating cash for the year, as well as provide an operating reserve

in case of any shortfall due to higher-than-budgeted expenses this coming year. The Carryover funds are helpful for the operation of the Association, as monthly dues are collected to cover current month expenses, not a month in advance.

Bill made the following:

Motion: Allocate our budgeted \$50,000 Capital Fund Assessment for the year, as well as an additional \$20,000 of Operating Carryover from FY 12/13 to the Capital Fund, effective June 30, 2013.

2<sup>nd</sup>: Rory

Vote: Unanimous approval

Reviewing the Balance Sheet as of June 30, 2013, The Chateaux had cash on hand of \$124,714, with Accounts Receivable of \$22,000. Our Accounts Payable stood at \$27,000.

In reviewing the Accounts Receivable, with timely dues payments coming in during July 2013, our A/R as of July 31, 2013, has been reduced to just \$3,300, with no owners in arrears in excess of 90 days.

We next reviewed our Capital Fund Account incomes and expenses. Our largest capital expense for the year was the \$62,000 insulation project approved in January following the presentation by the Office for Resource Efficiency (ORE) at last year's annual meeting in August 2012. With monies the HOA had saved last year and this year, we were able to add insulation to the crawl space of each of the 5 buildings, as well as install crawl space ventilation and add additional insulation to the attic spaces. This investment should reduce the heating bills for both the HOA and for individual units. The project was initially estimated to cost \$54,000, though \$8,000 in additional insulation upgrades were added to the project. ORE managed the project for us, ensuring the project was completed to specifications, even asking the contractors to return several times to improve their work.

Additional Capital expenses for the year included completing the fire escapes this past Fall, sealing the asphalt driveway and parking lot, replacing the heater for the hot tub, and replacing 10 of the 20 chimney caps to eliminate leaking from rain and snow.

Looking at Capital Fund income, our beginning capital balance for the year was \$77,000. Adding in our annual dues contribution to Capital of \$50,000, plus our two Operating Carryover contributions totaling \$64,372, and subtracting expenses, our ending capital balance on June 30, 2013 was \$70,000. Capital projects that will like occur this fiscal year include painting the fire escapes to deter rust, and continuing upgrades on the pool bathrooms. There is an additional \$20,000 in potential capital expenses that will carry-over to next year if un-needed this year; these expenses include a new pool cover, replacing some of the common-use washers, dryers and hot water heaters, upgrading the clubhouse furniture, and replacing the sauna room heaters.

Reviewing the operating budget for the 2013/14 fiscal year, we will continue to collect \$475 per month per unit, netting the Association \$342,000, \$50,000 of which is anticipated to be available to transfer to our capital fund at year end. Remaining conservative on our anticipated expenses, we are budgeting a shortfall of \$7,200 for the year, which will be more than covered by the \$22,000 in operating surplus from the year just ended June 30, 2013.

## **OLD BUSINESS**

### **Fire Escape Painting**

A fresh coat of paint was added to the already-primed new fire escapes. We will monitor for rust annually to ensure the steel fire escapes have minimal rust from the elements.

### **Energy Audit and Insulation Project**

The insulation project is complete, with insulation added to the crawl spaces and attics of each building. We should see savings in heating bills this winter, both for the HOA common areas and individual units. A new ventilation system in the crawl space below each building was also installed, where fans now out-vent the crawl space air, allowing for better circulation.

### **Spring Projects**

Our Bike Wash Station has been installed on the north side of the clubhouse, allowing bikers to hose off the mud from their trail rides.

The showers in the pool bathrooms have been re-tiled, and new vanities, sinks and toilets have been installed. Danny will do some painting in the bathrooms this Fall.

Danny and Rory have seeded some bare ground along the front driveway and Gothic hill this summer. We will continue to add native grass seed to bare areas on the steep front hill to improve appearance and soil retention. In addition, we are continuing to battle the ditch daisies and dandelions to try to limit their presence on the property and allowing the native grasses and flowers to thrive.

### **Emergency Preparedness Plan**

The finishing touches will be put on the Chateaux Emergency Plan, which the Board has asked to be prepared in case of certain emergencies that might occur when Danny is not on property to remedy them. The plan will consist of descriptive outlines and drawings of what actions should be taken if certain extreme occurrences take place (for example, frozen pipes).

## **NEW BUSINESS**

### **Recycling**

Due to increased recycling by residents/guests at the Chateaux, we will increase our recycling budget to include additional recycling containers or more frequent emptying.

### **Firewood Usage**

Several owners have expressed a concern of excessive use of firewood by units that are occupied full time. Danny confirmed disproportionate use by a few units. Our budget purchases approximately 20 cords of wood each year, or about 1/3 of a cord per unit. Some units use 2 or more cords of wood each season. The Board asked Danny to inform tenants that their allocation is only 1/3 of a cord of wood, and additional usage would have to be paid for on an individual unit basis.

## **Hallway Cleaning**

The hallways have taken more wear and tear this summer than previous summers. The culprits seem to be a combination of two factors: a very rainy summer leading to tracking in more dirt and mud, and more bicycle riders coming to the Chateaux and taking bikes to the units. First, the hallways will need to be cleaned more often. And secondly, the issue of bikes being stored inside the building needs to be addressed. The building hallway carpet is shampooed each year; in addition, we will also have a professional carpet cleaning crew come in this Fall to clean the stair carpet in each building. The Chateaux will also purchase a pressure washer to wash the entry decks boards, which have become stained and dirty over the years.

## **Deck Boards**

Danny will continue to consult with the balcony deck board manufacturers to get replacement boards for some that have shown deterioration.

## **E Building Entry Walkway**

For the past several years, it has been a challenge to keep the melting snow from flowing down from the parking lot toward the E Building front doors, where it then freezes and has to be graveled to keep it safe and less slippery. The walkway slopes down from the parking lot to the front door entry ramp. The Board approved re-constructing the concrete walkway to make it level instead of sloping down. This should discourage the flow of water, ponding, and freezing and make the walkway safer than in past years. The work will be done in September/October, when occupancy is lower, but before the cold temperatures arrive to stay. The cost is \$3,600.

## **Dog Policy**

The current dog policy allows Chateaux condos owners (not renters or friends) to bring a dog from June 1 through November 30, but not December 1 through May 31. After much discussion, the Board voted to allow owners to bring their dog this Winter on a trial basis. It will be the responsibility of the dog owner to have their dog use a potty area at the far south or far north of the Chateaux property. Any poop must be cleaned up and deposited in the large dumpsters. If no yellow snow is found at the entryways, the Board may consider allowing owners to bring their dogs during the winter months in the future. Covering yellow snow with white snow at the entryways is not acceptable. The Board will re-evaluate the dog policy at the February and/or August Board meetings.

Theresa made the following:

Motion: To allow owners to bring up to 2 dogs to their condo during the Winter Season, December 1, 2013 to April 6, 2014.  
2<sup>nd</sup>: Rory  
Vote: Motion passed 4-1

## **Bike Storage**

Due to the dirt and damage caused by bringing bicycles into the building hallways, stairways, units, and decks, bicycles will no longer be allowed in the buildings, in the condos, or on the balconies. Alternatively, The Chateaux will provide bicycle storage options for owners and guests. Hooks will be installed in the wood closets for bikes to be hung up and locked. For over-flow bike storage, we will construct a bike storage area on the north side of the clubhouse, in an un-used storage corridor of the clubhouse building. This bike storage area will be completed for next summer. Guests will be informed of these storage options and fined for non-

compliance. We will also install signs to inform guests and residents of the bike rules and storage options.

Rory made the following:

Motion: Allocate up to \$6,000 of our capital budget to construct bicycle storage areas in the clubhouse and in the firewood closets of each building. Draft an amendment to the Chateaux Rules and Regulations (for the Board to review) stating that bicycles are not allowed in the building hallways, in the units, or on the unit decks. All bicycles must be stored in a storage closet. Violators will be fined \$50 per bike per occurrence for violating the policy.

2<sup>nd</sup>: Theresa

Vote: Unanimous approval

### **Unit Sales**

The Board was provided with recent sales for Chateaux condos. Five of the eight units that are on the market are currently under contract, with listed prices ranging from \$181,000 to \$239,000. The three units not under contract range in price from \$135,000 to \$199,000. In the past 7 months, three units have sold ranging from \$109,360 to \$160,000.

### **Marcellina Property Division**

The owners of the Marcellina apartments plan to ask the Town of Mount Crested Butte to allow them to divide their property into two halves, the half with the apartments, and a relatively equal sized half to the north of the apartments. It is our understanding that the current land is zoned high-density, multi-family and that the divided portion will retain that designation. We will continue to monitor the progress of this proposed division.

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

The next Board Meeting was tentatively scheduled for Saturday, February 8, 2014.

### **Recess and Reconvene**

The Board recessed at 12:35 and reconvened at 6:30.

### **Election on Officers**

Motion: Rory made a motion to keep the officers the same for the next year: Jack as President of the Chateaux Board, Bill as Vice President, Alan as Treasurer, and Theresa as Secretary.

2<sup>nd</sup>: Theresa

Vote: Unanimous Approval

### **Adjournment**

There being no further business at this time, Association President, Jack Patton, adjourned the meeting at 6:35 PM.

### **Approval:**

\_\_\_\_\_  
Theresa Brooks  
Chateaux Association Secretary

\_\_\_\_\_  
Date