

**CHATEAUX CONDOMINIUMS ASSOCIATION**  
**ANNUAL OWNER'S MEETING**  
**AUGUST 5th, 2016**  
**THE CHATEAUX CONDOMINIUMS CLUBHOUSE**  
**MT. CRESTED BUTTE, COLORADO**  
www.chateauxcb.org

**Call to Order**

The meeting was called to order by the Board President, Rory Baruth, at 4:07 PM.

**Roll Call/Establish Quorum: Members Present in Person**

<b>Name</b>	<b>Unit #</b>
Allen Brady	103
Roy & Glenda Boenig	110
Skye	112
Theresa and John Brooks	203
Philip McRay	207
Steve Hibbard	208
Tom & Mary Aton	209
Shay Wycoff	304
Paul Roggenbuck	305
Jennie Nevin	308
Nigel Jones	312
Torin Power	405
Rory & Mary Baruth	407
Dennis Morris	408
Christine Hawk	411
David & Kelly Sudderth	501
Chuck & LeAnn Spinks	502
Jason Love	504
Bill Hoitink	508
Angie	509
Alan Adams	511
Matthew Hayes	512

**Members Represented by Proxy**

**Theresa Brooks proxy for:**

Davis	201
Robinson	202
Wenstrup	206

**Rory Baruth proxy for:**

Durling	205
Brister	301
Laurich	303
Brough	210
Young	307
McLarney	401
Burke	402
Gross	409

**Allen Brady proxy for:**

Darab 101

Labato 105

**Shay Wycoff proxy for:**

Cameron 102

**Bill Hoytink proxy for:**

Hoagland 302

**David Sudderth proxy for:**

Beckum 503

Schultheis 505

Troy 506

A quorum was established with 67% of the membership represented in person or via proxy.

**Board Members Present:**

Rory Baruth  
Bill Hoytink  
Theresa Brooks  
Alan Adams  
Chuck Spinks  
Danny Myers

**Management Company Present:**

**Reading and Approval of Past Minutes – August 15, 2015**

**Motion:** By LeAnn Spinks to waive formal reading and accept minutes as submitted.

**Seconded:** Christine Hawk

**Vote:** Unanimous Approval

**REPORTS**

**President's Report**

Rory assumed the HOA Board Presidency after former President Jack Patton resigned earlier this summer, having sold his condo. Rory had all the owners introduce themselves and thanked them for attending our annual HOA meeting. He then read a letter from Jack Patton, wherein Jack thanked the current Board, as well as past Board members, for the wonderful work they have done these many years; and expressed good wishes to all the current owners moving forward.

Rory expressed his desire for the Board to continue Jack's mission of steady improvement and upkeep of the owners' investments, while also exercising on-going fiscal responsibility. Rory also shared that the Board is focused on ensuring the Association has a strong financial standing to address some of the larger future capital projects like the roof, the driveway and parking lot, the pool, and building appearance and maintenance.

**Financial Report**

Alan reviewed the un-audited year-end 2015-16 income and expense report distributed to those present. The Association ended the year with a positive net margin, with income (primarily our \$475 per unit monthly dues) exceeding operating expenses by \$28,000. A \$21,000 savings was seen in our snow removal budget this year due to a lower than average snow year, at about 200 inches. The average snow fall for a season is typically closer to 250 inches, and years of 300 or 400 inches are not uncommon. We

also did not have to spend any of our \$18,000 annual operating contingency budget, which we have in place in the event of unexpected expenses. Because the Association did not have to spend the operating carryover funds from FY 2014-15 (\$20,247), the Board was able to allocate those monies to the Capital Reserve Fund. The Board will ask the owners to approve carrying over the \$28,000 surplus from FY 2015-16 in order to bridge the deficit gap of \$29,000 presented to the owners in the FY 2016-17 Budget.

Alan next shared the highlights of our Balance Sheet at year-end June 30, 2016. The Balance Sheet shows cash on hand of \$274,000, with a Reserve Fund Balance of approximately \$200,000. This past year, the Association again budgeted \$50,000 to be transferred to our Capital Fund to cover our non-annually recurring, large, present and future capital expenses. The Board was able to complete this budgeted transfer at their Board meeting.

The Board asked the owners to affirm an Owners' Resolution to apply \$28,106 of our 2015-16 operating surplus to our 2016-17 Association budget.

**Motion:** By LeAnn Spinks to apply \$28,106 from 2015-16 operating surplus to 2016-17 Operating Budget.  
**Seconded:** Shay Wycoff  
**Vote:** Unanimous Approval

Alan next reviewed our Capital Reserve Fund expenses for the year, which totaled \$24,631. This included replacing four washing machines on the second floor of Buildings A, B, C, and E (D was replaced a couple of years ago); seal-coating all of our asphalt driveway and parking lot; painting the roof drip edge trim boards; and buying new couches for the Clubhouse. As is regularly the case, several budgeted capital projects did not need to be completed this year; those projects and funds (\$16,800) were deferred for future years. We had no un-planned-for capital projects that needed to be funded, allowing us to roll over our \$20,000 annual Capital Contingency budget.

Capital projects slated for this current fiscal year include painting the siding on all six buildings (though this may be deferred a year or two), completing the boulder wall below the E building, replacing the carpet in the clubhouse with a wood-look vinyl product, painting of the pool fence, replacing the swimming pool cover, and replacing the carpet on the buildings' stairs with rubber tread.

There are several large future Capital projects that we anticipate undertaking in the next few years, including repaving the asphalt driveway from the north entrance down to the dumpsters and replacing the carpet on each floor of each building. Funds have already been allocated for these projects in our Capital Plan.

For the past several years, the Board and the owners have discussed the need to bolster the Capital Reserve Fund in order to have monies available for our largest future capital project, replacing the aluminum roofs. They were installed over several years between 1997 and 2000. We do not anticipate needing to replace them prior to 2026, allowing us at least 10 years to fund that project. Today's cost would run approximately \$250,000. If we factor in a 5% cost increase per year over the next 10 years, the cost would be around \$400,000. By increasing our dues \$50 per month to \$525, the necessary funds can be collected to keep our Capital Budget in the black, instead of our currently projected \$392,000 fund deficit in the year 2026. This monthly dues increase is slated to take effect in July of 2017. The Board will investigate investing these roof funds to maximize return without any risk to principal.

## **OLD BUSINESS**

## **Retaining Wall Replacement**

The continuation of our granite boulder wall below the E Building, slated for this summer, has been postponed until May/June 2017. The contractor who installed the first phase of the wall below the D Building anticipates being available then, allowing the project to commence as soon as the snow melts. We also plan on placing intermittent landscape boulders from the Gothic exit stop sign, toward the south 100 to 150 feet along Gothic Rd and adding some plants to that area to improve its visual appeal. There are also landscape improvements planned for the area around the stairs to Gothic (lower half), though that area will not be addressed for several years down the road.

## **Bike Racks**

Ten new bike racks were just delivered and will be placed in the parking lot in front of each building. Bikes are not to be taken into the hallways or units, and we do not want bikes stored by the entry doors. The combination of these new bike racks, along with the bike storage at the clubhouse should improve our bike-clutter situation.

## **Internet Upgrade**

We increased our wireless internet speeds a year ago. I received very few complaints regarding internet challenges this past winter. The system was a bit more taxed this summer; consequently, we will again look to increase the speed and possibly upgrade the infrastructure. Several owners have chosen to purchase their own private internet service through our cable TV provider, Time Warner Cable. They were able to choose a \$15 per month option by providing their own modem/router, with good results reported.

## **NEW BUSINESS**

### **Smoke Odor in the Hallways**

Several owners have expressed increased concern recently regarding both cigarette and marijuana odor in the hallways and in their units. We do not have airtight barriers between the units or into the hallways, so smoke is able to permeate beyond a unit. While smoking by guests is typically prohibited by most owners and/or rental management companies, we have no current rules against smoking in the units by owners or guests. We have also been informed that smoking on the balconies has caused nuisances to guests and owners in other units. With the additional support expressed today at our meeting with respect to health concerns and nuisance concerns, the Board will investigate the possibility of prohibiting all smoking on the Chateaux grounds and units.

### **Parking Lot Capacity**

On many evenings this summer, we experienced our parking lot being almost full. There were occasions where owners or guests were not able to park in front of their buildings. While this may be an inconvenience, we do not currently “line” our parking lot nor designate individual spots. We have room for about 90 vehicles. We will investigate adding a few more spots on the south end of the property by the A building, as well as contacting the Town and CBMR to inquire regarding any overflow options we can access on their properties.

## **OWNERS’ OPEN FORUM**

### **Hallway Floor Coverings**

An owner suggested extending the tile that was installed several years ago near the laundry machines on the second floor of each building out to the stairs to reduce the wear and tear on that area. This area is the most traveled area of each building and would benefit from an upgrade of this type. This possibility has been discussed in the past, and if we can overcome some leveling issues in this area, this is a project worth considering.

**Solar Panels**

An owner asked if we have ever pursued installing solar panels on our roofs to help reduce our electric bills. Placing solar panels on the Clubhouse roof may be the most feasible area to consider as an initial phase. We will research the cost and benefits of solar panels and determine if they could provide benefit to the Chateaux. It may be best to consider panels on the buildings when the roofs are replaced in 10+ years. The height and snow amounts on the building roofs may be restrictive. Continuing on the topic of sustainability, an owner asked if we had ever considered composting. While not entirely out of the question, issues such as bear intrusion would have to be considered.

**Election of Officers**

Two 3-year Board seats, currently held by Bill Hoitink and Chuck Spinks (completing Jack Patton’s term), are up for election. Barbara Cameron, Bill and Chuck were nominated to fill these two seats. There being no additional nominations, nominations were closed. Following a paper-ballot vote of owners present and held proxies, two owners (Kelly Sudderth and Nigel Jones) were asked to collect and count the ballots. Bill Hoitink and Chuck Spinks were elected to the Board. Rory expressed thanks to Barbara, Bill, and Chuck for their interest in the Board.

**Establish Date of Next Annual Meeting**

The next annual meeting was tentatively scheduled for Friday, August 4, 2017.

**Adjournment**

With a motion for adjournment by Nigel Jones, a second by Tom Aton, and unanimous approval, Association President, Rory Baruth, adjourned the meeting at 5:36 PM. A BBQ for homeowners followed the meeting.

Approval:

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

\_\_\_\_\_  
Date