

**CHATEAUX CONDOMINIUMS ASSOCIATION
ANNUAL OWNER'S MEETING
AUGUST 15th, 2014
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 4:10 PM.

Roll Call/Establish Quorum:

Members Present in Person

Name	Unit #
Allen Brady	103
David Griffith	106
John Erickson	109
Theresa and John Brooks	203
Tom & Mary Aton	209
Steph Timothy	210
Jack Patton	303
Sharon Dobson	305
Nigel Jones	312
Rory & Mary Baruth	407
Chuck & LeAnn Spinks	502
Kevin Troy	506
Bob Hollywood	507
Bill Hoitink	508
Matt Hayes	512

Members Represented by Proxy

Jack Patton proxy for:

Cameron	102
Taylor	111
Nevin	306
Gross	409
Adams	504 & 511

Theresa Brooks proxy for:

Doyle	208
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Rory Baruth proxy for:

Federico	104
Boenig	110
Robinson	202
Barzune	204
Tremont	207
Young	307
Barzune	311
McLarney	401
Burke	402
Sudderth	501
McKenzie	505

A quorum was established with 55% of the membership represented in person or via proxy.

Board Members Present: Jack Patton
Bill Hoitink
Theresa Brooks
Rory Baruth
Management Company Present: Danny Myers

Reading and Approval of Past Minutes – August 16, 2013

Motion: By Bob Hollywood to waive formal reading and accept minutes as submitted.
Seconded: Mary Baruth
Vote: Unanimous Approval

REPORTS

President's Report

Jack shared that the Chateaux continues to have a strong balance sheet, with adequate funds in our capital reserve account for future projects that are budgeted to maintain the improvements and appearance of the property. He stated that each year we are able to allocate money to the capital reserve fund and that the monthly dues have remained at \$475/unit for the past 7 years and will remain so in the coming year.

Financial Report

Jack reviewed the un-audited year-end 2013-14 income and expense report distributed to those present. Ninety-four percent of the Association's income came from the \$475 per unit per month HOA Dues; additional income is generated from sources such as unit-rental resort fee income, renting of the Clubhouse, washer and dryer income, and monthly Dues late fees. An owner commented that the washing machines and dryers in each building seemed to be priced low, possibly not covering the cost of electricity and wear and tear. The Board discussed this same issue at their morning meeting. It was felt a small increase would be a wise decision so that the HOA would increase the likelihood of the machines providing a bit of profit for the Chateaux.

The Association ended the year with a positive net margin, with income exceeding expenses by \$23,000. While our snow-removal expenses were high (but still within budget) due to the big snow year, we saw savings in our utility expenses, administrative expenses, general maintenance, and pool & hot tub maintenance, as well as not having to tap into our \$12,000 annual operating contingency, which we budget for primarily to offset expenses that would likely come during a very cold or very snowy winter. Even with the big snows this winter, the roofs shed nicely, saving us the expense of roof shoveling. It was noted that less ice formed at the drip edges of the roofs, likely due to the added insulation in the attics, insulation which was put in place to reduce the transfer of heat from the units into the attics.

The Association budgets to allocate \$50,000 of our monthly Dues to our Capital Reserve Fund each year, which was able to be transferred on June 30th, the end of the fiscal year. The Board also transferred an additional \$22,000 (2012-13 operating carryover) to the Capital Reserve Fund. The positive net margin from 2013-14 of \$23,000 will serve as the operating carryover for 2014-15, pending a recommendation of our auditor. While the Board has budgeted normal, expected inflation in our upcoming fiscal year budget (which has created a budget deficit again this year), the conservative nature of our budgeting has equated to budget surpluses in recent years. Until these year-end surpluses become year-end deficits, the Board plans to keep the Dues un-changed.

Danny reviewed our Capital Reserve Fund income and expenses for the year. As mentioned earlier, the fund was bolstered by the addition of \$50,000 from our monthly Dues capital allocation and \$22,000 from the 2012-13 operating carryover. Our capital expenses for the year totaled \$41,000, which included painting the fire escapes, tiling the pool showers, creating the additional bike storage areas, repaving the E Building entry walkway, and landscaping the area on the east side of the D Building. Several budgeted capital projects did not need completing this year, so those projects and funds (\$29,000) were deferred for use in future years.

Our Capital Budget for 2014-15 shows \$46,000 in potential projects, though \$20,000 of that is Capital Contingency and \$20,000 again may be deferred. Similar to last year, these potentially deferred items include several new washers and dryers and their hot water heaters, a new pool cover, new furniture for the clubhouse, and new heaters for the saunas. One Capital project likely to be completed this year is the painting of the parking lot again with sealcoat. This project occurs every 3 years. Danny reminded the owners that our Capital Plan annually includes \$20,000 for undetermined or emergency Capital Projects. If that \$20,000 is not spent, it bolsters our Capital Reserve Fund even further.

Large capital projects we expect to undertake over the next 5 years include re-staining the deck undersides and fascia, re-painting the siding on all the buildings, and re-carpeting the hallways. All these projects are anticipated to be fully funded by our Capital Reserves.

OLD BUSINESS

Landscaping

This spring, our landscaper was able to complete another portion of our landscape plan, an area on the east side of the D Building. The top rows of a section of the railroad tie wall were removed and large granite boulders were installed. A new tree and dozens of plants were also installed and irrigated, along with the addition of a dry-rock stream between Buildings C and D. While our landscape plan calls for more landscaping and boulder walls in the future, our current budget does not support that work.

Roadway Patches

There are several deteriorating patches in our asphalt roadway that we have filled with cold-patch asphalt in previous years. Our sealcoat company did experimental chip seal patches on 2 of the areas to see if this will be a good option for repair in the future. We will re-evaluate these patches at winter's end. We can also consider replacing the patches with concrete patches if the chip seal is not adequate.

Bicycles Storage

The Bike Barn on the north side of the Clubhouse was completed earlier this summer with the assistance of Chateaux owner Tom Aton. Nine bike hooks were installed in this space to allow guests and owners to lock their bikes in an enclosed area. Additional hooks were added to one of the two firewood closets in each building, increasing our new out-of-the-elements bike storage capacity by 23 spaces. This bike storage was well used during the summer. These new bike storage options made it easier to enforce our rules of no bikes in the hallways, in the units, nor on the decks. During the winter months, we will allow owners to use the bike barn at the Clubhouse to store their bikes.

Winter Dog Policy

Last winter, we implemented a trial policy allowing owners to bring their dogs with them on vacation during the ski season. This policy was implemented so as to not discourage dog-owning, potential second-home purchasers from buying at the Chateaux. Several owners took advantage of this privilege, and there were no reports of unruly dogs or unsightly messes. Because of this successful test run, the

Board passed (by a slight 3-2 margin) a revision to our dog policy. Now, in addition to owners being allowed to bring 1 or 2 dogs to their condo from May 1 to November 30, they will also be allowed to bring their dogs from December 1 to April 30 for a period of time not to exceed 2 weeks. The owners will be required to notify Danny of the presence of their pets, so that he can monitor any non-owner dogs on property, which are not allowed. In addition, a poo-poo bag station has been installed by the dumpsters to facilitate owners keeping the property tidy.

NEW BUSINESS

Fall Projects

Several small maintenance projects are on tap for this fall, including replacing the tile on the ledge between the hot tub and the swimming pool, painting some sun-faded trim in the pool area, and having the high fascia at the roof drip edges painted. The south and west fascia were painted several years ago; this year the north and east sides in need of paint will be addressed. Any fascia boards in need of replacing will be replaced. We will also do touch-up painting on the metal fire escape stairs to deter rust areas.

OWNERS' OPEN FORUM

Building Carpeting

The owners asked if we might be able to defer the carpeting of the hallways beyond our planned date of 4 years from now, but consider replacing sooner the carpeting on the stairways and landings with a product that doesn't show dirt and wear as much. We will research options, as the stairs are definitely in need of more attention and care throughout the year. It was expressed that putting tile on the stairs, while not showing dirt as readily as carpet, might be excessively noisy with ski boot traffic.

4th Annual USA Pro Challenge Bike Race

The Chateaux will again host the finish line for the Tuesday, August 19th race. It's great to see the Chateaux on national television and be highlighted as the center of activity for this big event.

Election of Officers

Two Board seats, currently held by Rory Baruth and Alan Adams, were up for election; both indicated their willingness to serve again. Rory and Alan were nominated from the floor. There being no additional nominations, nominations were closed.

- Motion:** By Mary Baruth to elect Alan and Rory to three-year Board terms.
- Seconded:** Bob Hollywood
- Vote:** Unanimous Approval

Establish Date of Next Annual Meeting

The next annual meeting was tentatively scheduled for Friday, August 14, 2015.

Adjournment

Association President, Jack Patton, adjourned the meeting at 5:15 PM. There was then a BBQ for homeowners.

Approval:

Theresa Brooks
Chateaux Secretary

Date