

**CHATEAUX CONDOMINIUM ASSOCIATION  
BOARD MEETING  
January 21, 2012  
MT. CRESTED BUTTE, COLORADO**

**Call to Order**

The meeting was called to order by the Board President, Jack Patton, at 9:05 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 mid-year meeting is to review business items and financials at the half-way point of the current fiscal year.

**Financial Report**

Danny provided to the Board a year-to-date Income and Expense report for the first 6 months of the fiscal year. The bottom line shows a Net Income of \$24,600 better than expected thus far compared to budget. Almost \$10,000 of that savings was realized due to the lower than anticipated snow removal costs from lower than average snowfall for the months of November and December. While heavy snow in January through April could reverse this savings, the snow removal budget for the year looks healthy at this point. Additional savings of \$3,000 were seen in Utilities, as the Cable TV service expenses and contract are still being negotiated. In addition, the Association has not had to tap into their \$1,000 per month Operating Contingency budget, which accounts for \$6,000 more in savings so far this year. Approximately \$5,000 in Income surplus has also been realized this year, mainly from stronger than expected Clubhouse rentals and strong Daily Resort Fee income from vacation guests. All short term guests, whether booked through a management company like Crested Butte Lodging or from owners directly renting their condos, pay a \$10 per night Resort Fee to The Chateaux.

Looking at the Balance Sheet as of December 31, 2011, The Chateaux had cash on hand of \$175,292, with Accounts Receivable of \$19,955. Our Accounts Payable stood at \$11,345. Our beginning-of-the-year (July 1, 2011) Operating Fund Balance was \$43,858, and our beginning of

the year Capital Reserve Fund Balance was \$52,025, with \$80,849 in Retained Earnings from this past fiscal year still to be allocated into these two equity accounts.

Some large expenses that we have been realized this year include 2 pump motors for the pools (one jet pump for the hot tub and one circulation pump for the swimming pool), as well as a new heater for the swimming pool, which was paid for out of our budgeted capital funds.

In reviewing the Accounts Receivable, currently 2 owners are in arrears on their dues payments in excess of 90 days, though only one is substantially delinquent. Danny will research if any judgments are pending for not paying their mortgage (if one exists) and discuss the owner's payment plans to become current. If payments are not forthcoming in the next several months, steps will be taken to consider foreclosing on the delinquent dues lien.

## **OLD BUSINESS**

### **Unit Sales**

Danny will provide the Board semi-annually a list of all units that have sold and all that are for sale. This will give awareness of sales activity to Board Members.

### **Fire Escape Replacement Project**

This Fall, 5 of the 10 fire escapes (one per building) were completed. The old escapes and footers were removed; new escapes and footers were installed. Two Helical piers and a concrete footer were installed under the far edge of the stairs to support the stairs and the roofs; two additional helical piers were found to be needed to support the landings at the base of the stairs. The piers extend from 10 to 20 feet deep to adequately support the stairs. Prior to this project, the foundations were concrete pads placed on the ground less than a foot below grade.

The remaining 5 fire escapes will be completed as soon as the snow melts and the ground is dry enough to support the heavy equipment. It is anticipated that the final 5 stairs will be completed in six weeks from the start date. The contractor will present his projected timeline to the Board for their mutual agreement. The Board is looking for a mid-June completion date if the weather conditions allow.

The railings are powder coated, and painting of the primed steel portions of the structures will be completed in the Spring. The steps are galvanized steel and are not painted. Capital budget money had been previously allocated for this painting. The project is on budget to date, and is not expected to exceed the \$180,000 budgeted and assessed for the project.

### **Fascia Painting**

In August, the Board approved painting the south facing fascia boards at the roof drip lines of the 5 buildings. That work was completed this Fall at a cost of \$4,500, including the replacement of several rotted fascia boards. We will continue to monitor the fascia boards and paint again when necessary. Money was available in our capital budget, and should be added as a regularly expected item in the capital budget in the future. The building exterior siding is scheduled to be

painted in 2015 or 2016. It was noted that several of the vent fan covers exiting the north and south sides of each building need touch-up paint this Spring.

### **Stone Work**

All the chimney chase stones were sealed this Fall, at a cost of \$7,440. In addition, all loose or fallen stones were re-placed on the 21 chases, at a cost of \$10,000. These expenses were paid for out of the Association's capital contingency account. In many instances, it appeared that the stones had not been adequately adhered onto the chimney chases. The Board will re-visit the stonework again this summer and determine if additional re-placing of stones is necessary.

### **Asphalt Repairs**

Danny squared off and filled several potholes in the driveway in front of Buildings C, D and E with cold patch asphalt this Fall, and will re-evaluate the need to replace areas next spring. We can also evaluate the need to re-seal the entire driveway and parking asphalt more frequently than the current 5 year frequency called for in the capital project plan.

### **Clubhouse Kitchen and Bathroom Remodel and Clubhouse Flooring**

After discussing over the past several years the need to replace the vinyl flooring in the kitchen and bathrooms in the clubhouse, it was decided that revenue from renting the clubhouse, along with a portion of resort fees paid by vacation-renters, was sufficient to begin this project without assessing the owners. Our capital budget has money in place to replace the cabinets and appliances. The bathroom vanities and toilets would also be replaced. A preliminary project estimate of \$21,000 was approved by the Board. A final budget will be presented and approved by the Board to complete the project in April, May and June.

### **Pool/Sauna Bathrooms**

The pool bathrooms are mopped daily to improve the cleanliness. In addition, the de-humidity fans have been adjusted to cycle regularly when the humidity from the sauna and showers reaches a certain level. Danny will research replacing the sauna seats with cedar boards, as well as looking to replace some tiles in the showers. We will also upgrade the lighting in the sauna bathrooms this spring.

### **Emergency Preparedness Plan**

Danny will distribute the Emergency Preparedness Plan to the Board members for their review and comments. The idea is to have a written plan in place, to follow in case drastic issues arise that will compromise the safety or well-being of the properties (for instance: steps to take in the case of prolonged power outages during the cold of winter).

## **NEW BUSINESS**

### **Hallway Painting**

The Association capital plan calls for painting the hallways (including the stairways and doors) this summer. Quotes came in on budget. The Board asked Danny to schedule the painting during April and May when occupancy is at a minimum. We will notify all the owners of the schedule so that they are aware. The unit doors will have to remain open for several hours while

the paint dries. Danny and the painting contractor will monitor the hallways for security purposes.

### **2012 USA Pro Cycling Challenge Race**

The first annual race was held last August throughout Colorado, with Crested Butte/Mount Crested Butte being awarded the finish line of one of the 7 legs of the race. Feeling the event was successful and provided a great deal of national exposure to the area, the towns applied again this year for a leg of the race, which they were awarded. A leg will again finish in Mt. Crested Butte (last year the finish line was at The Chateaux) on Tuesday, August 21, 2012.

### **Clubhouse Furniture and Tables**

Because the current couches are in relatively good shape (yet do take a beating from the groups who rent the clubhouse), it was decided to delay replacing them for at least a year or two longer. Danny did suggest that upgrading some of the conference tables would be worthwhile, as they are showing their age.

### **Three Seasons Retaining Wall**

This Spring, the Three Seasons Condos plans to replace their current railroad tie walls (just north of The Chateaux driveway exit onto Gothic Road) with a granite boulder wall. They may ask The Chateaux to share in the cost of a drainage area that exits onto our property. If we need to replace our walls one day, this wall will give us a good visual and cost guide for The Chateaux.

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

The Annual Association Meeting and the next Board Meeting was re-confirmed for Friday, August 17, 2012.

### **Adjournment**

There being no further business, Association President, Jack Patton, adjourned the meeting at 12:25 PM.

**Approval:** \_\_\_\_\_

Theresa Brooks  
Chateaux Secretary

\_\_\_\_\_ Date