

**CHATEAUX CONDOMINIUM ASSOCIATION  
BOARD MEETING  
May 27, 2010  
Conference Call  
MT. CRESTED BUTTE, COLORADO**

**Call to Order**

The meeting was called to order by the Board President, Jack Patton, at 5:13 P.M.

**Quorum Established**

A quorum was established with 4 of 5 Board members present.

**Board Members Present:**

Jack Patton (phone)

Rory Baruth

Theresa Brooks (phone)

Alan Adams (phone)

**Management Company Present:**

Danny Myers

The purpose of this meeting was to review and approve the proposed 2010-2011 Chateaux operating and capital budgets.

**Proposed 2010-11 Budgets**

The proposed one-year operating budget prepared by Danny and Jack and the 20-year long-term capital budget were distributed to the Board members on May 4, 2010, for review and comment. After some preliminary e-mail discussion, today's meeting was set to approve the budgets. As stated with the e-mail presentation of the budgets on May 4, in order to adequately fund the 20-year long-term capital plan as written, a contribution of \$50,000 each year is necessary. The proposed 2010-11 operating budget contributes \$43,800 to the capital plan, short of the desired \$50,000, but almost double the current \$22,000. A \$50,000 annual contribution keeps the capital plan in good shape until 2026-27, the year the roof is tapped for replacement. Danny reminded the Board that if we don't spend all of the operating revenue, we can increase (at the end of the year) the \$43,800 currently proposed for the long-term side.

To gain this \$21,800 additional contribution to long-term capital (without raising dues), an Operating Budget was proposed that will mirror much of the savings that have been seen since Danny began his tenure in October. Danny and Jack chose to remain conservative on the operating side, so that moneys are available if costs rise. Danny provided to the Board his projected year-end expenses at June 30, 2010 and a line-by-line description of the proposed budget changes for the upcoming year compared to the current year budget.

Theresa reported having recently heard a news report projecting electricity expenses to increase 20% this summer. Danny felt his budget increase of 15% should be sufficient, as The Chateaux is part of a local electrical co-op, which he feels will be able to control the cost to its customers well. If expenses exceed our budget, we have a contingency of \$12,000 in place to cover those increases.

Following up on our January discussion of improving the internet service at The Chateaux, Jack asked if increasing the anticipated internet expense as budgeted would be sufficient. Danny reported having discussed upgrade options with Amerispot, the company that serves as our gateway to the internet, and they felt that changing the internet feed from the phone-based DSL to a cable-fed internet signal would provide substantial improvement to the system. The budget was set to accommodate this change. Amerispot felt that by having the more powerful cable-fed internet signal, even in areas of the buildings with fewer bars of signal strength, the effectiveness of the internet service will be vastly improved. Theresa asked if Danny will be able to assess the improvement in the system once the change is made. Danny shared that he will be able to notice the initial speed increases, but would have to wait for higher occupancy to see if the new system would experience slower periods of operation during higher use.

Theresa made the following:

Motion:	Approve the 2010-2011 budgets as presented.
2 <sup>nd</sup> :	Alan
Vote:	Unanimous approval

The Board will continue to monitor the 2009-10 budget monthly and allocate any anticipated surplus to the 20-year plan and/or as a carryover to the 2010-11 operating account as deemed necessary and appropriate.

## **OLD BUSINESS**

### **Spring Landscaping Plans**

The installation of the trees, along with their irrigation, on the Gothic Rd side of each building is still scheduled to be completed during the first weeks of June.

### **Asphalt Re-Sealing**

The re-sealing of the asphalt is scheduled for this summer as part of the 20-year long-term capital plan (to be done every five years). Seal-Co can complete the job for approximately \$8,300, which is under our estimate and budget of \$10,000.

### **Proof of Insurance**

As of January 2010, Danny had received proof of insurance from 41 of the 60 owners. We now have received 55 of the 60. We will continue to keep insurance information on file. Owners are asked to always forward to Danny their proof of insurance as their policies renew each year.

## **NEW BUSINESS**

### **Equipment Purchases**

Danny proposed to the Board that The Chateaux purchase both a lawn mower and commercial-grade carpet cleaners. Purchasing both a large, walk-behind carpet cleaner, as well as a hand-held spot remover, would cost approximately \$2,800. At a cost of \$2,000 per clean to have the hallways, stairs, and clubhouse professionally cleaned once or twice each year, buying our own machines appears to be a wise investment.

### **Lawn Mower**

With the landscape company who mowed the lawns last year being no longer in business, Danny offered to mow and maintain the landscapes. Chateaux can purchase a lawn mower for under \$250, money that would be recouped this summer with Danny doing the mowing at a lower rate than paid previously.

### **Tile in the Laundry Areas**

Following up on the discussion in January regarding tiling outside the firewood closets on the first floor of each building, Danny suggested that a more impactful project would be to replace the white linoleum on the second floor laundry areas with slate tile. Rory felt that the firewood closet hall carpet may be able to be salvaged with regular shampooing. Alan and Jack asked that we consult with our auditor as to the most appropriated way to expense all these items, either as operating or capital, depreciated or not. The Board members thought adding slate to the laundry areas would be a big visual improvement and would be well received by the owners.

Alan made the following:

- Motion: Approve the purchase of two commercial carpet cleaning machines for \$2,800, a lawn mower for \$250, and the installation of slate tiles for the five laundry areas for \$3,200.
- 2<sup>nd</sup>: Rory
- Vote: Unanimous approval

### **Wood Staining**

The staining of the wood of each of the sixty balconies (comprised of the 3<sup>rd</sup> floor ceilings, deck floor joists, and rough-sawn beam framing) is scheduled in the 20-year plan for this summer. Included in this project would be the staining of the entryways of each of the 5 buildings and the clubhouse entry. We have been able to contract to have this completed in June. Substantial discoloration from rain and sun has occurred on the joists and the facings of the decks. A semi-transparent stain will be used to mask water stains, while accenting the grain. For the entryways, a natural, transparent stain can be used. This will protect and beautify the wood entrances.

### **Electrical Grounding Issue**

Crested Butte Electric will complete the grounding of each building this summer, working around occupancy issues.

**Establish Date of Next Meeting**

With the Annual Chateaux HOA meeting set for Saturday, August 14<sup>th</sup> at 10:30AM, the Board will also meet that same week, at a time still to be determined. In addition, the Board asked Danny to provide the draft year-end financial statements around mid-July to review and discuss prior to the annual meeting packets being distributed in late July.

**Adjournment**

There being no further business, Association President, Jack Patton, adjourned the meeting at 6:18 pm.

**Approval:**

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