

**CHATEAUX CONDOMINIUM ASSOCIATION  
BOARD MEETING  
January 22, 2011  
MT. CRESTED BUTTE, COLORADO**

**Call to Order**

The meeting was called to order by the Board President, Jack Patton, at 10:10 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.

**Reading and Approval of Past Minutes**

Bill made the following -

**Motion:** To waive formal reading, and accept the August 10, 2010 minutes as submitted.

**Seconded:** Theresa

**Vote:** Unanimous Approval

**Financial Report**

Earlier in the month, 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 \$14,000 better than expected thus far compared to budget. The Board has made a point to create an accurate budget for the year, and while some line items are above budget and others below, as a whole the expenses came to 99% of budget. The Net Income better than budget is due to additional un-budgeted revenue.

Looking at the Balance Sheet as of December 31, 2010, The Chateaux had cash on hand of \$148,157, with Accounts Receivable of \$28,571, and prepaid insurance at \$760. Our Accounts

Payable stood at \$30,072.81. Our beginning-of-the-year (July 1, 2010) Operating Fund Balance was \$31,656, and our beginning of the year Capital Reserve Fund Balance was \$9,829, with \$62,359 in Retained Earnings from this past fiscal year still to be allocated into these two equity accounts. Our Net Income through these first 6 months is \$44,075, instead of the budgeted surplus of \$30,031. At year end (June 30, 2011), the surplus is budgeted to be \$0, as \$43,800 is allocated to be transferred to the Capital Reserve Fund for the budgeted future capital projects.

In reviewing the Accounts Receivable, currently 5 owners are in arrears on their dues payments, though only one is substantially delinquent. With this one unit currently going through foreclosure, the Association will recoup some of this debt once the unit is foreclosed upon. The remaining debt will either be written off or a judgment will be sought against the owner. For next year's budget, the Board will consider including a Bad Debt expense line for cases where an owner does not pay their dues and a foreclosure sale does not gain the Association the full amount owed in delinquent dues.

The Board asked Danny to investigate whether any vendor we currently use would be willing to offer a discount if expenses were prepaid for a period of time. This would effectively increase our return on the money the HOA has accrued for future operating expenses and capital projects.

## **OLD BUSINESS**

### **Storage Closets**

There is a storage closet available to rent in the B building. The current cost is \$25 per month. Danny will ask if any owners are interested in storage closet rentals so the Board can evaluate the need for additional closets.

### **Internet**

The stronger signal has created a noticeably faster wi-fi internet. Danny suggested adding a third signal antenna to each building to improve coverage. Danny will research getting an extra internet cable line to increase the speed further.

### **Chamber of Commerce**

The Chateaux Association has recently joined the Crested Butte/Mt. Crested Butte Chamber of Commerce and can be found at [cbchamber.com](http://cbchamber.com).

### **Proof of Insurance**

Danny will continue to audit all units' proof of insurance forms and contact non-compliant owners to ensure the files are kept up to date. The Board recommended all owners again review their policies to ensure that sufficient water damage coverage is in place.

### **Electrical Grounding Issue**

Crested Butte Electric has completed the grounding of each unit to the main shutoff panels in the mechanical rooms of each building and then to the ground. An additional supplemental ground will be completed in the spring.

### **Marcellina**

The complex is still on the foreclosure list for sale by the lender with an original principal amount listed at \$3.4 million. There are occupants in the building this winter, and they have been relatively good neighbors with minimal pool and trash poaching.

### **Pool and Hot Tub Usage**

While the number of poachers seems to be down this year, Chateaux residents along with their guests do fill up the hot tub at times. While no new policy was enacted, the Board did discuss the feasibility of limiting guest usage to owners and residents only or limiting the number of guests people can invite to join them.

### **Short-term Rental Review**

Danny reported receiving several complaints and witnessed mischief regarding the behavior of a large high school group that was renting here in December. Upon reviewing the Association By-Laws, the Board felt it would be in the best interest of the Association to require that each renting unit has at least one occupant over the age of 25 if anyone in the unit is under the age of 19. Crested Butte Lodging will be notified of this requirement. It should be noted that during the December stay of this high school group, Crested Butte Lodging did attempt to control inappropriate behavior by providing extra security patrols throughout the night and the Sheriff was also on the property several times.

### **Trash and Recycle containers**

The extra 6-yard dumpster has been sold and removed. The small recycle trolleys are currently our only choice for recycle products. We have two for glass/aluminum/plastic and one of cardboard.

### **Pool Fence Screen**

This Spring, Danny plans to purchase a fence screen to shield dust and wind from the pool area.

## **NEW BUSINESS**

### **Crawlspace insulation**

Danny will inspect the crawlspace ceilings to make sure any voids in insulation, especially under the bathrooms, are filled in. Even with the crawlspace air vents sealed and covered with snow, there is the potential for airflow into the crawlspace and then up between the walls where the water pipes are located. The inspections are meant to mitigate cold air flow and lessen the potential for pipes freezing.

### **Insurance Risk Reduction Recommendations**

The Chateaux received five risk reduction recommendations following a property inspection by our insurance company in October 2010. The most pressing recommendation was that the ten fire escape stairways needed the railings altered to become code-compliant. Damage to multiple railings was also tapped for repair. Upon inspection of the stairways, taking into account the need to alter or replace the railings and the foundation upheaving of many of the staircases, the Board realized the most appropriate remedy would be to replace the existing stairways with new,

code-compliant stairways. A preliminary bid was supplied for \$180,000, which allows for a 20% cushion. A comprehensive bid request will go out in February to get a firmer quote and allow the Board to award a contract. Upon reviewing the bids, the Board will authorize an assessment to the owners to generate the needed funds. With \$50,000 already having been earmarked for the project from the 2010 assessment, the Board is anticipating the need for a \$2,000 per unit assessment in June 2011, with the possibility of a more economical alternative being presented during the bidding process thus reducing the assessment to each owner. This final determination will be made when the bids are analyzed in March. Possible multi-month payment options of this assessment will also be discussed. The Board anticipates the project being started in September 2011 and completed in October 2011.

Rory made the following -

**Motion:** Direct Danny to solidify the cost to replace the 10 fire escape stairways (2 per building) with new, code-compliant stairways, upon which time the Board will authorize an assessment due July 31, 2011 to fund this project for completion by October 2011.

**Seconded:** Theresa

**Vote:** Unanimous Approval

The Board also asked Danny to remind owners of the Carbon Monoxide detector requirements recently enacted in Colorado (July, 2009).

Danny will also clarify barbecue grill usage recommendations for our balconies. Our current rules state that “smokers, charcoal and other solid fuel burning grills are not permitted in any interior, balcony or common area. Gas grills are allowed but maintenance is the responsibility of each owner...”

In addition, Danny will confirm that an intermediate handrail on the stairs to the clubhouse is necessary and will complete this addition if deemed appropriate.

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

While not imminent, the time will come when the kitchen appliances, cabinets, and countertops will need to be replaced in the Clubhouse. In addition, the clubhouse entry slate will need to be addressed, as well as replacing the vinyl flooring in the kitchen and bathrooms, likely with tile. Danny will continue to shampoo the carpet in the clubhouse at least twice each year and will monitor it for replacement need also.

### **Emergency Preparedness Plan**

By May 31, Danny will draft a basic plan to address situations like electricity or gas outage for a period of time and issues such as roof shoveling in extreme winter storm cycles. The plan will also include basic operational procedures at the Chateaux complex.

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

The Annual Association meeting was set for 4:00 PM, Friday, August 19, 2011.

**Adjournment**

There being no further business, Association President, Jack Patton, adjourned the meeting at 3:45 PM.

**Approval:**

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Date

Theresa Brooks  
Chateaux Secretary