

**CHATEAUX CONDOMINIUM ASSOCIATION
BOARD MEETING
August 17, 2012
MT. CRESTED BUTTE, COLORADO**

Call to Order

The meeting was called to order by the Board President, Jack Patton, at 9:10 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 year-end meeting is to review business items and financials for the 2011-12 fiscal year, which ended June 30, 2012 and review plans and budgets for FY2012-13.

Financial Report

Danny provided the Board an un-audited Income and Expense report for the fiscal year July 1, 2011 to June 30, 2012. The bottom line shows a Net Operating Surplus of \$50,780 better than expected compared to budget. The expected Net Operating Surplus is \$0, meaning we expect to spend the same amount as we collect for the Association's basic daily, monthly, and annual operating needs.

The \$50,780 surplus comes primarily from the following sources: \$7,582 in billed income above what was budgeted, \$5,000 savings from not having written off budgeted Bad Debt, \$5,099 in savings from lower than budgeted Utility expenses, \$1,416 in savings from lower than budgeted Clubhouse and Pool expenses, \$19,333 in savings from lower than budgeted Snow Removal expenses, and \$12,000 in savings from not having to tap into our yearly Operating Contingency budget. Some of this surplus will be carried over to next year's operating budget; some will be transferred to our Capital Reserve account.

Reviewing the Capital Expenses of \$255,974, \$181,224 was allocated toward the fire escape project; \$25,230 was spent for the hallway and clubhouse painting; \$14,413 was allocated for the clubhouse kitchen and bathroom upgrades; \$5,900 was spent on powder coating the fire escape railings; \$3,200 was needed to replace the heater for the swimming pool; \$2,750 was allocated to re-seal the parking lot asphalt this coming fall; and \$23,276 was spent to seal the faux stone on the chimney chases and repair stones that had come loose.

Danny will discuss with our auditor how best to separate our Operating Budget from our Capital Budget in our financial reports in order to better account for these two funds.

Looking at the Balance Sheet as of June 30, 2012, The Chateaux had cash on hand of \$146,875, with Accounts Receivable of \$22,939. Our Accounts Payable stood at \$60,614, \$35,000 of which is being held until the fire escapes are complete.

In reviewing the Accounts Receivable, two owners are in arrears on their dues payments in excess of 90 days; one being substantially delinquent. The Board will convene an executive session to discuss what actions should be taken in our continued effort to remedy this delinquency.

Jack will set up a new information-sharing portal for the Board and Danny to more easily share financial information in the new fiscal year.

OLD BUSINESS

Storage Closets

Several owners rent storage closets on the second floor of each building for \$20 per month. We have the ability to construct several additional closets, and can make those available to owners also. Danny will draft storage closet rules to specify usage issues, lease terms and waiting-list procedures. It was felt that if a current owner is renting a storage closet and sells his condo, other current unit owners should be offered the closet before the new owner is allowed to rent it.

Unit Sales

The Board was provided with a current sales report for Chateaux condos. Twelve units are on the market ranging from \$135,000 to \$260,000. In the past 12 months, six units have sold ranging from \$81,000 to \$215,000.

Fire Escape Replacement Project

Last Fall, 5 of the 10 fire escapes (one per building) were completed. The remaining 5 are currently being completed, with two 100% installed and the remaining three installed but awaiting the completion on their railings. Cowboy Steel plans to be finished by the end of September, allowing us time to paint the primed steel that wasn't powder coated.

Landscaping

With the completion of the fire escapes drawing near, the areas between the buildings will be monitored for proper drainage and re-seeded with wild grasses.

Several of the top layer ties of the railroad tie retaining walls on the exit road below (east side) of building E will be removed to lessen the wall's visual impact. Other discarded railroad ties placed below building A will also be addressed.

We will allocate additional resources for landscape maintenance as we continue to control the ditch daisies and dandelions, and maintain the appearance of our property. We will also research

adding fill dirt close to the buildings where the exterior stonework was not extended all the way to the ground.

Asphalt Repairs

The small asphalt patches on the parking lot road that were done last fall with cold patch held up very well through the winter. With sliding and gapping of the top layer of asphalt continuing, the patches will be re-done this fall, and then the entire driveway and parking area will be crack sealed and coated prior to winter. We will continue to monitor the longevity of the sealing to determine if every 2 years or every 3 years is most appropriate to re-seal.

Clubhouse Kitchen and Bathroom Remodel and Clubhouse Flooring

The new cabinets, countertops, and appliances have been installed in the kitchen, and new vanities and toilets have been installed in the bathrooms. Tile was installed in the entry foyer, as well as in the kitchen, hallway and bathrooms. The wood wainscoting was removed from the entry foyer, and the entire clubhouse interior was repainted. New trim was installed in the entry, hallways and bathrooms. The project came in under budget. The Board asked Danny to continue the baseboard trim into the main clubhouse area and to formulate an estimate to improve the appearance of the fireplace area, including installing a new mantel, hearth, fireplace, and rock work.

Pool/Sauna Bathrooms

The Board approved replacing the vanities and sinks in each pool bathroom, as well as formulating an estimate to replace the tile showers with one-piece shower inserts. In addition, the wood walls and benches will be freshened up with new stain or paint.

Emergency Preparedness Plan

The Board reviewed the Emergency Preparedness Plan. Danny will add building maps and property maps to the plan indicating the location of access points and utilities. A lockbox will be purchased to store the plan and keys in case Danny is unavailable during an emergency situation. In addition, doors will be labeled for easier identification. We will also research the cost of purchasing a natural gas generator to have on site in case of electricity loss for an extended period of time. Danny will also schedule a plumber to install valves to drain the water pipes in each building in case draining becomes a necessity. The cost for the drain project should be approximately \$3,000.

Hallway Painting

The painting of the hallways was completed this spring. A lighter beige color was chosen to lighten the hallways. The work has been well received.

2012 USA Pro Cycling Challenge Race

The Chateaux will again serve as the VIP viewing area and stage finish line for this year's USA Pro Cycling Challenge Race on Tuesday, August 21, 2012. After having hosted the event last year, it is exciting to again be called upon to participate this year.

NEW BUSINESS

Bike Wash Station

With the intent of preserving the appearance of our lawn areas, we will research installing a hose and drainage area for rinsing bikes.

Retaining Walls

We will research “facing” options for the existing railroad tie retaining walls. One of our owners saw attractive options implemented at a resort town in Montana that might serve us well here. Boulder walls are still an option, but with no imminent work on the horizon, alternatives will be researched.

The meeting was recessed at 12:20 PM, to be reconvened following the annual meeting. The meeting reconvened at 6:10 PM.

Election on Officers

Motion: Rory made a motion to keep the officers the same for the next year: Jack as President of the Chateaux Board, Bill as Vice President, Alan as Treasurer, and Theresa as Secretary.

Seconded: Theresa

Vote: Unanimous Approval

Rental Guest Resort Fee

Short-term rental guests currently pay a \$10 per night per unit Resort Fee to offset the additional costs to the owners created by rental guests. These costs include increased firewood use, pool use, internet use, common area housekeeping needs, and increased common area heating bills. The Board revisited the fee amount and considered adding a fee for long-term tenants, as they too increase the cost of materials, usage, and upkeep to the ownership. After some discussion, the Board agreed to reduce the nightly Resort fee to short-term rental guests to \$7, and implement a \$20 per month Resort Fee to all monthly rental guests. These fees will become effective October 1 for short term guests and upon long-term tenants signing a new lease.

Establish Date of Next Meeting

The next Board Meeting was tentatively scheduled for Saturday, January 19, 2013.

Adjournment

There being no further business, Association President, Jack Patton, adjourned the meeting at 6:25 PM.

Approval:

Theresa Brooks
Chateaux Association Secretary

Date