

CHAMONIX-AT-WOODRUN CONDOMINIUM ASSOCIATION
BOARD OF MANAGERS MEETING MINUTES

November 2, 2017

I. Call to Order

Betty Lebovitz, President of the Board, called the meeting to order by conference phone call at 1:04 P.M. Colorado time on November 2, 2017. Board members present by conference phone call were Betty Lebovitz, Brian Moir, Dick Brown, William Powers, and Peter Van Giesen. Nonmembers present by phone were William Anderson, Joe Zuena and Lee Wilson of Snowmass Lodging Company by Wyndham Vacation Rentals.

II. Approval of Minutes – March 2, 2017

Mr. Moir made a motion to waive the reading and approve the minutes of the March 2, 2017, Board meeting. Dr. Van Giesen seconded, and the motion passed.

III. Old Business

A. State of the Property

The following repairs and replacements were completed since the October 27, 2016, Board meeting:

- Domestic hot water system pin hole leaks were repaired
- Fire Extinguishers were checked and replaced or recharged as needed
- Chimneys were inspected/cleaned
- Laundry ducts were cleaned
- Condominium door lock reprogram – unit doors changed to a default locked position
- Garage pipe leak was repaired
- Auto-fill valve added to the spa
- Spa pump was repaired
- Pool leak was stopped
- Heat boilers controls repaired/adjusted
- Heat circulation pump main seal was replaced
- Driveway heat pump control was adjusted
- Domestic hot water boiler was repaired
- Comcast replaced cabling between buildings
- Comcast installed new HD program boxes in all condos needing the upgrade
- Comcast performed signal testing and connector upgrades in most condos
- TV cable was replaced to one condo and the fitness room
- Driveway heat/domestic hot water control diagnostic computer was purchased –

the computer allows control of the existing system without replacing the entire boiler control

- Accent benches were added in the courtyard
- Additional holiday lights were added to the drive entry and circle
- Lower Parking Garage Painting was completed
- SGM Engineering investigated C Building entry waterproofing, structure
- Fascia was painted across all buildings, where not protected by gutters
- All exterior window trim was painted to match new Pella color
- Gutter, downspout and heat tape repairs were completed

Window replacements

One window was replaced this fall. All other owners considering window replacements have deferred replacement.

IV. Accounting and Budget

a. Current Financial Position

While there were other delinquencies during quarter 3 of the HOA fiscal year, we are pleased to report that all but one outstanding owner balance has been paid in full, with the exception of the owners of Unit 27, and three other units with interest, or trivial (less than \$1) balances. Unit 27 is presently delinquent on assessment payments in the amount of \$2,855.22. Mr. Wilson has contacted the owner to request payment of the outstanding balance.

The Association has a \$37,030 surplus, as compared to the plan, after 10 months, excluding any carry-forward surplus from prior years. Management projects that the Association will finish this fiscal year with a \$27,066 surplus.

General & Administrative costs are forecasted to be under budget by \$4,348, primarily for savings relative to budget for Insurance. Utility costs are expected to be under budget by \$12,486, or about 6%, due to lower than expected Electric, Telephone Service, and Water and Trash Collection costs. Repairs & Maintenance expenses are forecasted to be under budget by \$6,775 or 2%, with lower than expected R&M SLC costs for general repairs. Management projects a small cost increase over budget for Pool Repairs to allow for epoxy resurfacing of the pool deck this fall. Window Cleaning costs are also expected to be over budget, allowing for the normal twice yearly services. The variance to plan for this line item is due to the timing of services and within which month the costs of services are recognized, versus any change in frequency or cost of service, and other line item variances in this category are offsetting.

b. Reserve Fund Status

The Association has a projected Reserve Fund balance of \$341,542, at 2016-2017 fiscal year-end, excluding charges to this Fund made after the budget preparation documents were completed.

Mr. Wilson noted that the external auditors recommend that any miscellaneous line item credit in the Reserve Fund be allocated to a specific cost line item. Management recommends transfer of the year end miscellaneous credit to the Pool Furniture Line Item of the reserve line. The amount at present is \$116.66, with other fiscal 2016-2017 entries yet to post.

Mrs. Lebovitz made a motion to approve the transfer. Dr. Van Giesen seconded, and the motion passed.

Mr. Wilson also advised that the audit report from fiscal 2015-2016 year end noted an inter-fund loan from the reserve to the operating fund of \$28,605. Mr. Wilson explained that the Insured Cash Sweep, or ICS, system currently in place results in automatic sweeps between the operating and reserve cash accounts, whenever the operating account exceeds \$250,000, so that the HOA cash is always under the FDIC insurance limit. At times, this sweep process will create inter-fund loans, while keeping HOA cash invested in accounts that are within the FDIC insured limits. Dr. Van Giesen made a motion to approve this inter-fund loan. Mr. Powers seconded, and the motion passed.

c. 2017-2018 Budget Review

SLC, for the overall budget, proposes that assessments for 2017-2018 remain equal to those of the prior fiscal year. The budget is presented to the Board with the assumption that the cumulative carryforward surplus will discount next year's assessment.

Cost adjustments between the forecasted year-end totals for 2016-2017 and those proposed in the 2017-2018 operating budget are listed below:

Insurance – With the 2016-2017 insurance Building limit at \$25,120,555, the Association has average replacement coverage of roughly \$297 per sq. foot, based upon 84,468 square feet. The insurance agent recommends that the association consider increasing replacement coverage valuation by an additional 3%, which will bring the Building Limit for Chamonix to \$25,874,173, (approximately \$306 per sq. ft.) He has quoted a 1% premium increase. While management proposed increasing the budget for an estimated premium cost increase of 5%, the Board must ultimately decide on whether or not to increase replacement limits and/or premium funding. The combined property limit for Enclave, Woodrun Place, and Chamonix will be \$94,932,052 with the 3% increase. By continuing with a master policy program for insurance to Woodrun Place, Chamonix, and The Enclave, Chamonix secures access to higher combined maximum replacement cost coverage, while paying less in premiums. The properties are rated individually for risk exposure, based upon individual claims history and the unique characteristics of each physical plant, but the combined premiums will be less than what they would otherwise be individually. Under the master policy limit, the replacement cost per square foot can be as high as \$1,123.88 (\$94,932,052/84,468), in the event that Chamonix suffers damages resulting in a full replacement claim, while at the same time, no claims are paid from damages occurring from the same cause at The Enclave and/or Woodrun Place. After discussion the

Board decided to approve the insurance budget as shown in the draft budget, \$52,267.95.

If a unit owner has renovated kitchen or bath areas, performed other interior modifications, or purchased a unit that had interior modifications performed subsequent to initial construction, the Board strongly recommends that those unit owners have their units appraised on a replacement cost basis. The Board strongly encourages the affected owner to purchase coverage to supplement the policy obtained by the Association. The Board advises each and every owner to have his insurance agent review existing association policies and that owner's policies to make sure that each and every owner has appropriate coverage for his personal property and unit improvements. The Board has decided to maintain liability insurance coverage on a blanket basis for \$1 million per occurrence and \$2 million aggregate, with a \$25 million umbrella. Increased costs of construction are separate from the property limits at \$2,000,000 under the building and ordinance section of the Package coverage. Demolition has a limit of \$500,000, separate also from the property limits. For each fiscal year, the Association purchases a minimum worker's compensation policy, primarily to protect against potentially uninsured subcontractors working on site who might become injured. Each Unit owner is strongly encouraged to review his insurance policies and coverages with both John Wilkinson, the Chamonix HOA agent, at (970) 925-7285, and his individual private carrier.

The Board requested Mr. Wilson send all Condominium owners the preceding insurance paragraph as a reminder of condominium owner responsibility.

Volatility in the costs of Utilities continues to make these expenses difficult to predict. Management has made provisions for the possibility of inflation to each of these line item categories, as noted below:

- Electric – budgeted for a 5% increase.
- Telephone – budgeted for a 3% increase.
- Gas – budgeted for a 5% increase.
- Water & Sewer – budgeted for a 10% increase.
- Cable Services – budgeted for a 5% increase.
- Trash – budgeted for a 10% increase.

R&M SLC – budgeted for a 4% increase to allow for the need for more general hours, as few problems were encountered and addressed in fiscal 2016/2017. R&M Contractors is budgeted for a 5.5% increase to allow for nonspecific, possible future repairs. Equipment Service Contracts are budgeted for a 3% increase for anticipated inflation.

Annual Reserve Fund review and adjustment:

The Reserve Fund line items, as currently proposed, have updated entries for amounts and years of expected replacement, per the schedule. The Reserve Fund, prior to charges for the tasks, is budgeted to amount to \$439,623.

Dr. Van Giesen made a motion to accept the budget as presented. The assessments, therefore, are set at \$1,121,409.81. Mrs. Lebovitz seconded, and the motion passed.

V. New Business

Building Entry Study

The SGM “Structural Investigation and assessment” report was forwarded to the Board prior to the meeting. The SGM study indicates that it is likely the C Building entry structure is being compromised by water intrusion from the walkway surfaces. The study provides guidance for waterproofing the surfaces. The observed concrete column cracks may indicate interior rebar corrosion. The engineer noted that, while steps should be taken to remediate these problems, the structure at present, “appears to be still serviceable”. The report recommends, “A thorough condition survey should be conducted, including chloride testing, reinforcement mapping, corrosion potential mapping, and corrosion rate assessment.” After discussion, the Board decided to request a “detailed proposal for further investigation and design of the repair work”, as outlined in section “Repair Plans and Procedure:” in the SGM Report of October 19, 2017.

Possible Pool Deck Resurfacing

Resurfacing, which has been contemplated for a number of years because of bare-foot discomfort on the rough epoxy-rock surface, will be investigated during the budget year. Because the expected repair work to the C Building entry will also encompass resurfacing the hardscape, management wants to incorporate the information gained in that project, should it prove to also be useful for the pool deck.

After discussion, the Board directed that investigations of deck surface coating/treatment options separate from the C Building entry should proceed. Mr. Zuena noted the Wyndham resources available to address the Chamonix pool deck issues, and the similar needs of other local Wyndham managed properties, providing an opportunity for an advantageous solution.

Bicycle Storage

Mr. Wilson presented a message from Scott Miller (condo 27 owner) regarding bicycle storage. Mr. Wilson suggested the lower garage “tire storage room” would have room for long term bicycle storage, if stored materials were cleared out. The Board discussed the issue and directed Mr. Wilson to proceed with both the tire room and storage parking space clean-out. In addition, options for bicycle storage will be investigated and presented to the Board in the future.

Condominium 20 alcove space issue

The Board asked that a local attorney review condominium documents regarding the

issues that the condominium 20 owner has raised.

Proposed Reservations Fee

Management is very excited to propose the institution of a 6.5% of rental revenue Reservation Fee upon all rental reservations with occupancies scheduled to arrival on or after May 1, 2018. Such a fee would align SLC by Wyndham properties with those fees charged within both the local and overall domestic vacation rental market. Concurrently upon the institution of the program, SLC by Wyndham will offer a \$500/bedroom annual rebate to participating and qualifying rental unit owners. Owners may use these rebates of between \$500 and \$2,000 per property in any manner of the owner's choosing. For example, some owners may wish to use these proceeds to help defray the costs of wear and tear, replacement linens, replacement kitchen stock, carpet cleanings, etc. Others may simply want to enjoy the increased income. In order to earn these rebates, owners must participate in the rental program for the entire year, must limit winter and summer owner and/or owner guest seasonal use or blockage of rental bookings to no more than 42 days (6 weeks) within winter and summer seasons. Qualifying owners will receive these rebates in April of each year. Pro-rations of rebates will only occur for qualifying owners in the event of a unit sale and will be based upon days of ownership divided by number of days in the fiscal year beginning on May 1 and ending April 30 multiplied by \$500 per bedroom.

After discussion Dr. Van Giesen made a motion to approve of the proposed reservations fee concept, subject to its subsequent consideration and anticipated approval by the boards of both The Enclave and Woodrun Place. Mr. Moir seconded, and the motion passed.

The annual member's meeting will be on March 8, 2018, at 4:00 pm in the Chamonix meeting room.

VI. Adjournment

Mrs. Lebovitz made a motion to adjourn. Dr. Van Giesen seconded, and the motion passed. The meeting was adjourned at 2:40 P.M.

Respectfully submitted,

Brian Moir, Secretary