

CHAMONIX-AT-WOODRUN ASSOCIATION  
BOARD OF MANAGERS MEETING MINUTES  
October 22, 2013

I. Call to Order

Betty Lebovitz, President of the Board, called the meeting to order by conference phone call at 2:03 P.M. Colorado time on October 22, 2013. Board members present by conference phone call were Betty Lebovitz, Peter Van Giesen, Don Anthony, and Brian Moir. Nonmembers present in Snowmass were Mike George and Lee Wilson of Snowmass Lodging Company.

II. Approval of Minutes

Mr. Anthony made a motion to waive the reading and to approve the minutes of the March 7, 2013, Board meeting. Dr. Van Giesen seconded, and the motion was approved.

III. Old Business

A. State of the Property

The following repairs and replacements were completed since the last board meeting:

- Chimneys were inspected/cleaned
- Commercial Dryer vents cleaned including laundry heater element
- Unit Dryer vents cleaned
- Domestic hot water boiler pump repaired, and pump circuit protection replaced
- Driveway heat main pump seal replaced
- Main heat line leak was repaired in the boiler room
- Drain leak damage repaired in C Building
- Garage older gutter heat tape replaced over shop area
- Garage fire sprinkler leak repaired
- Commercial dryer repaired
- Domestic hot water boiler control repaired

B. Energy Assessment and programs

Management continues to monitor the heat system gas use and performance. Heat system settings were reduced in the spring, and will be readjusted in late fall. Electric usage is also monitored. Low wattage Light Emitting Diode (5 watt) bulbs were installed in B Building fire escapes to see if electricity consumption would decrease. No significant decrease was observable. The previous fire escape lights were 7 watt Compact Fluorescent bulbs. Fireplace dampers have been closed in each off-season, and foam gaskets were installed at all exterior electrical outlets.

C. Pool lift requirements

Government regulations about handicap lifts went into effect January 31, 2013. Each device is estimated to cost approximately \$5,000, plus installation, deck repairs, and possibly repairs to snowmelt piping that could be damaged by the installation. Management allocated \$13,500 to a new line for Pool Lifts as the Board directed October 23, 2012.

D. Window replacements

Nine windows have been identified for replacement, based on either inadequate window operation or condition of the frame components. The list includes two in 33, two in 40, one in 44, one in 46, one in 50, one in 54, and one office window. One additional window in condominium 44 has been identified since last year. A common area window was replaced previously to see if the existing stucco could be matched and to gauge the overall costs of replacement. The stucco work matched well. Each

window, when replaced on a case by case basis, will cost approximately \$6,000. The relatively high average cost per window includes demolition and trash removal; lift rental; material costs for a new window, new flashing, trim and stucco; and labor costs for all work.

An estimate for replacement of the worst 5 windows was obtained late this summer, with an average cost of approximately \$5,620 per window. The project was postponed until spring 2014 because of expected Ski Company access restrictions in the late fall.

The issue of responsibility for window replacement costs was discussed. After discussion the Board directed management to contact owners when windows with mechanical problems or those in need of replacement are identified. The Association will be responsible for exterior stucco repairs associated with window replacements. Mr. Anthony commented that window replacements will likely need to occur annually, and Mr. Wilson will send a note to the members about how best to proceed.

#### E. Rentals, Rates, and Unit Upgrades

Snowmass Lodging Company Rental Operations – Summer 2013 gross rental pace is down from that of the prior summer by \$6,746, or 3.6%. In comparison, last October there was a small vendor group that stayed at our properties in October, while working at the Viceroy. That October stay in 2012 inflated our revenue for the period. Winter pace is up from that of prior year by 6.7%. After an early surge in winter bookings, bookings in recent weeks have slowed, but we are still ahead of our prior year pace.

In response to repeated guest requests for hair dryers, space heaters, and MP3 (ipod style) player, Snowmass Lodging Company will be adding these amenities to rental condominium required equipment this fall. These amenities have become standard in most hotels and are necessary to maintain the service level our rental guests expect. A quantity purchase and installation of these items will be performed this fall.

#### IV. Accounting and Budget

##### A. Current Financial Position

Management is pleased to report all condominium owners are current with assessment payments.

The Association has a \$1,946 surplus, as compared to the plan, after 11 months, excluding any carry-forward surplus, primarily for the timing of when expenditures will occur and be recorded. We are projecting The Association to finish the fiscal 2012-2013 year approximately \$22,225 ahead of budget, when taking into account prior year surpluses.

General & Administrative costs are forecasted to be under budget by \$538 for savings relative to budget of Accounting, Directors Expense, and Telephone Equipment. Utility costs are expected to be under budget by \$15,863, or about 9%, due to savings in Gas, Electric and Telephone service costs. Repairs & Maintenance expenses are forecast to be over budget by \$24,417. R&M SLC, R&M Contractors, are over budget to a great extent because of the repairs needed following the fire sprinkler leak last fall. Mr. Moir asked if Comcast could provide phone service in a bundled package. Mr. Wilson will check with our systems manager regarding phone provider options.

##### B. Reserve Fund Status

The Association has a projected Reserve Fund balance of \$256,348, at 2012-2013 fiscal year-end.

Mr. George 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 Driveway Sealing reserve line. The amount at present is \$17.53, with October entries yet to post.

Mrs. Lebovitz made a motion to approve of the transfer. Mr. Anthony seconded, and the motion passed.

Mr. George also advised that the audit report from fiscal 2011-2012 year end noted an inter-fund loan of \$759 from the operating fund to the reserve fund. Mrs. Lebovitz made a motion to approve the inter-fund loan. Mr. Anthony seconded, and the motion passed.

### C. 2013-2014 Budget Review

SLC, for the overall budget, proposes to maintain the same assessment for 2013-2014 as for 2012-2013.

Major cost adjustments between the forecasted year-end totals for 2012-2013 and those proposed in the 2013-2014 operating budget are listed below:

Management fees, Front Desk Fees, and all other reimbursable line items of the budget that include SLC labor are budgeted to increase by 3%. As wages for almost all staff members have been frozen since 2006, management recommends a 3% cost increase to allow for a 2% cost of living adjustment for the staff, and a 1% related payroll taxes and benefits cost for the business. The Enclave and Woodrun Place have already held their budget meetings and approved of their budgets to accommodate this request.

Insurance – increased for an expected 5% premium inflation increase, with no anticipated replacement value changes.

Electric, Gas and Cable TV – budgeted for a 5% increase.

Telephone Service – budgeted for a 3% increase

Water & Sewer and Trash Service – budgeted for 10% increase.

Repairs & Maintenance Contractors – reduced by \$14,180, or 28%, as fiscal 2012/2013 had extraordinary fire sprinkler leak repair costs.

Pest Control – decreased to reflect actual annual cost.

Snow Removal - kept at previous year's budget amount, plus 3%.

Equipment Service Contracts are budgeted for a 3% increase.

Annual Reserve Fund review and adjustment:

Management proposes adjusting the Reserve Fund useful life estimates and funding levels, as shown on the reserve fund schedule, including the following Reserve Fund line balance adjustments:

Decrease ADA Pool lift funding by \$13,500, leaving funding balance at \$13,500

Decrease window replacement funding by \$10,000, anticipating only common window replacements

Increase Driveway sealing funding by \$2,500

Increase Snowmelt Pumps funding by \$2,500

Increase Carpet Replacement funding by \$8,500

Increase Stucco Repair funding by \$10,000

Mr. Moir made a motion to accept the budget as presented. Dr. Van Giesen seconded, and the motion passed.

V. New Business

A. Other items

VI. Adjournment

Mrs. Lebovitz made a motion to adjourn. Mr. Moir seconded, and the motion passed. The meeting was adjourned at 2:31 P.M.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "B Moir".

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Brian Moir, Secretary