

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

November 5, 2020

I. Call to Order

Brian Moir, President of the Board, called the meeting to order by conference phone call at 1:00 P.M. Colorado time on November 05, 2020. Board members present by conference phone call were **Betty Lebovitz, Brian Moir, Peter Van Giesen, and William Powers**. Nonmembers present by phone were Scott Hale, Mike George, Scott Hale, and Ryan Greer [Vacasa VP Colorado & New Mexico]. Ben Sloman [Vacasa Regional Asset Manager] joined later in the meeting.

II. Approval of Minutes – March 11, 2020

Mrs. Lebovitz made a motion to waive the reading and approve the minutes of the March 11, 2020, Board meeting. Mr. Powers seconded, and the motion passed.

III. Old Business

A. State of the Property

The following repairs and replacements were completed since the September 23, 2019 Board meeting:

- B Bldg. Elevator Pit cleaned, static load seal tested as ok, new packing installed
- New Holiday lights were installed around property
- Pool valve repaired and new pool cover installed
- New digital spa control was installed
- Common Area Painting was performed
- Domestic hot water system pinhole leaks were repaired
- Fire Extinguishers were checked and replaced or recharged as needed
- Laundry ducts were cleaned
- Heat boiler system was repaired
- Heat pump was rebuilt and glycol added to system, replaced relay
- Various failed smoke detectors were replaced
- Laundry equipment was serviced and repaired
- Laundry drain was jetted, video'd
- Installed LED fixtures to replace failed original garage lights
- Maintenance performed on exercise equipment
- Elevators were repaired
- Some unit doors were gel coated and stained
- Interior and exterior windows washed
- Chimneys cleaning was performed where needed
- Garage and courtyard pressure washed
- Inspection, tests, and repairs on elevators performed

- DORA and Secretary of State HOA renewals were processed

Major Projects that are in process/finished

#### C Building Entry Restoration -

The C- Building Construction project has been completed and the new Sikilastic surface was installed. Management will have maintenance staff use only plastic edged shovels to clear snow, and maintenance will not salt these areas.

#### Resort Internet Fiber Installation

The new fiber optic line has been installed. Century Link has pulled its line to the pedestal, and Resort Internet has completed its work between the pedestal and the Chamonix mechanical room. No work should be needed within units. According to Scott Proctor with Resort Internet, Chamonix can expect to be live on the new higher speed system by the end of November 2020.

New HOA accounting software to replace FRS was put into use mid-year, as of June 1, 2020.

Vacasa migrated the rental program and unit management software onto its proprietary software in August 2020.

The Board asked management to purchase and install a sign at the ski locker room entrance requesting that locker room users clear the snow from their clothing and gear before entering the ski locker room.

Management is in the process investigating options to address a failed laundry waste water line. Management has identified an alternate black water line near the failed line, and management has engaged an experienced plumber to help design and install plumbing to re-route the laundry waste water into this separate line. Management hopes to have this work completed prior to the onset of winter season 2020-2021.

#### Accounting and Budget

##### a. Current Financial Position

One member, unit 27 owner, presently has an outstanding delinquent assessment owner balance \$6,931. Mr. Hale has contacted the owner to request payment of the outstanding balance.

The Association has a \$30,024 surplus, or 13.30%, as compared to the plan, after 9 months, excluding any carry-forward surplus from prior years. Including the carryforward, management projects that the Association will finish this fiscal year with a \$61,021 surplus to budget.

General & Administrative costs are forecasted in the aggregate to be on budget, with offsetting line item variances in Insurance, Legal, and Telephone Systems.

Utility costs are expected to be under budget \$14,780, or about 6%.

Repairs & Maintenance expenses are forecasted to be under budget by \$44,692, or about 11%. Management attributes the savings to budget to be primarily for COVID related savings in R&M - Mgmt Co Labor and Custodial costs, with otherwise offsetting line item variances in R&M Contractor costs, Pool Maintenance, Firewood, Chimney Sweeping, Painting, Snow Removal Costs and Equipment Service Contracts.

b. Reserve Fund Status

The Association has a projected Reserve Fund balance of \$393,499 at 2019-2020 fiscal year-end, excluding entries to this Fund made after the budget preparation documents were completed.

Mr. Hale 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 fiscal 2019-2020 year end miscellaneous credit to the Building Restoration line item of the reserve line. The amount at present is \$165, with other fiscal 2019-2020 year-end entries yet to post.

Mr. Moir made a motion to approve the transfer. Dr. Van Giesen seconded, and the motion passed.

c. 2020-2021 Budget Review

SLC, for the overall budget, proposes that assessments for 2020-2021 be reduced by \$18,480 to reflect the reduced management fee negotiated via the Co-Op of Chamonix, Woodrun Place, and The Enclave with Vacasa. The budget is presented to the Board with the assumption that \$20,649 (to be adjusted to actual 2019-2020 results, so that fiscal 2020-2021 assessments will be reduced by \$18,480) of the projected cumulative carryforward surplus will discount next year's assessment, and the Board will vote to transfer the remaining actual operating fund surplus currently forecast to be \$40,371 to the reserve fund to be added to the Stucco Repairs - Exterior Surfaces Line item.

Cost adjustments between the forecasted year-end totals for 2019-2020 and those proposed in the 2020-2021 operating budget are listed below:

**General and Administrative Section –**

Insurance – With the 2020-2021 insurance Building limit at \$29,800,479, the Association has average replacement coverage of roughly \$352.80 per sq. foot, based upon 84,468 square feet. The budget was prepared with an estimated increase in replacement limit/premium inflation cost 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 is \$96,109,774, and both Woodrun Place and The Enclave decided against increasing their respective estimated replacement costs. 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 \$1,137.82 (\$96,109,774/84,468), 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 line item expense as shown in the draft budget.

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 of Mountain West Insurance, the Chamonix HOA agent, at (970) 945-9111, and his individual private carrier.

Insurance costs are budgeted to allow for a 5% increase in premium expense.

Legal costs are budgeted to reduce to those of the prior year budget.

Interest – costs are adjusted downward for a normal amortization schedule, and principal payments are accordingly adjusted upward. The HOA is in the process of reviewing the terms of the Employee Unit Loans and considering refinancing options.

#### **Utilities Section -**

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 to allow for a 3% increase.

Telephone – budgeted to allow for a 3% increase.

Gas – budgeted to allow for a 3% increase.

Water & Sewer – budgeted to allow for a 3% increase.

Cable Services – budgeted to allow for a 5% increase.

Trash – budgeted to allow for a 5% increase.

## Repairs and Maintenance Section -

The Repairs & Maintenance Category is proposed to generally match the prior year line budget item amounts, as operations in a COVID challenged world have somewhat stabilized. Noted proposed exceptions are an increase in Pool Maintenance of \$3,246 coupled with reductions in Painting of \$7,500 and Equipment Service Contracts of \$3,550. Management recommends increasing the Pool Maintenance budget line item due to the age of the operating equipment. Management recommends decreasing the operating fund line item for Painting and considering the institution of a large-scale, exterior painting plan on a 8-year revolving schedule, to be discussed paragraph. Management believes that the Equipment Services Contract line item budget has been higher actual expenses, and it proposes a corresponding downward budget adjustment.

Mr. Hale provided copies of capital plans for both the elevators and an exterior painting plan. The elevator plan is a two year program with an estimated cost of \$72,290, and the painting program ranges in annual cost from \$34-\$41,000 with detailed work schedules for each year. We have also received from Janckila Construction an estimate for (cut glass) entry door replacement of approximately \$7-9,000 for each set of doors (\$50-65,000 for all). After discussion the Board directed management to obtain cut sheets for both a clad and an oak wood door with tempered inset clear glass. The choices are to be in such a way as to avoid disturbance of surrounding stucco. The replacement door options are also to include an astragal and hardware in order to better retain heat in the common interior hallways. The Board will then approve one style or the other, and management will then be authorized to hire Janckila Construction to purchase and install the door. Members, management, and the Board will periodically inspect the door over the course of the 2020-2021 ski season, and if all goes well, the Board will then consider approving replacements of the other doors.

In regards to the exterior painting plan the Board instructed management to contact Schmueser Gordon Meyer (SGM) engineer, John Partch, and request that his company perform a site visit in order to be able to express an opinion as to whether or not the HOA should consider changing exterior surfaces at the base of any of the exterior walls to limit the possibility of surface damage and water infiltration prior to embarking upon a more formalized cyclical painting program. The results of this review will influence the decisions regarding how to address either painting of or replacement of the lower stucco wall sections with an alternate material.

Management staff presented a usage model for the shared maintenance staff. The abbreviated model includes actual results from November 1, 2019 through July 31, 2020. Staff per day for Chamonix for this time frame amounted to 1.90 per day under COVID restrictions for part of this year, versus the 2020/2021 budget at 2.11 shifts per day.

As with all other HOA costs, the HOA will only be billed for allocated expense items (Mgmt. Fees, Front Office, Vehicles, and Direct Office Expense), and actual time, materials, fees, and expenses, as noted in the services addendum.

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 future tasks and the proposed operating fund surplus transfer, is budgeted to amount to \$496,284.

Mrs. Lebovitz made a motion to accept the budget as presented. The assessments, therefore, are set at \$1,287,082.51. Mr. Moir seconded, and the motion passed.

IV. New Business

The annual member's meeting will be held during March 2021 at a date to be set at a later time by the Board.

V. Adjournment

Mr. Moir made a motion to adjourn. Dr. Van Giesen seconded, and the motion passed. The meeting was adjourned at 2:15 P.M.

Respectfully submitted,

Peter Van Giesen 11/5/2020

Dr. Peter Van Giesen, Secretary