

CHAMONIX-AT-WOODRUN ASSOCIATION  
BOARD OF MANAGERS MEETING  
October 29, 2003

I      Call to Order

Betty Lebovitz, President of the Board, called the meeting to order by conference phone call at 2:05 P.M. Colorado time. Richard Brown was present at Chamonix. Other Board members present by conference phone call were Graciela de Quesada, and Peter Van Giesen. Nonmembers present at Chamonix were Mike George and Lee Wilson of Snowmass Lodging Company.

II      Approval of Minutes

Peter Van Giesen made a motion to waive the reading of the minutes of the February 11, 2003, Board meeting, and Dick Brown seconded. The motion was approved. Peter Van Giesen made a motion to approve the Board minutes of the February 11, 2003, Board meeting, and Dick Brown seconded. The motion was approved.

III      Old Business

A.      State of the Property

The following repairs and replacements were completed since the last board meeting: We repaired leaks in domestic hot water supply lines and fire sprinkler lines in the underground parking. The spa heat control system, port valve and pump were repaired. All dryer vents and chimneys were inspected and cleaned, as needed. An ignition control was replaced on the east domestic hot water heater, and a heat line leak was repaired. We replaced 3 double pane windows, as seal failures between panes occurred. Our fire alarm system required replacement of a number of heat and smoke detectors, and back-up batteries. We recoated the pool deck with epoxy to hold the deck pebbles, and installed new depth and warning signs. We repaired stucco and painted walls and rails around the courtyard, the back of C Building and a chimney on A Building. Entries to B and C Buildings have been painted with non-skid paint. The fascia was painted on all buildings. Netting to deter bird nesting was installed in nesting locations. We anticipate replacing the large, downstairs manager's apartment window with a sliding glass door this fall. There will be additional interior lobby touch up painting prior to the ski season.

Mr. Brown asked why management was installing a slider instead of a window in the employee unit apartment. Mr. Wilson noted that the slider would give access for residents during the courtyard project and to create a fire escape exit for the tenants' lower floor bedroom.

C      Rentals, Rates, and Unit Upgrades

Rental Program

SLC rental revenues from last winter and summer are down 18.8% and 13.4%, respectively. Booking Pace for next winter through last week is up by 2.8%. If this trend continues, it would amount to second lowest year of revenue production over a ten-year span, but it would

be an improvement over the prior year.

Work on units 26 and 17 continues, as discussed in the weekly minutes email.

#### IV Accounting and Budget

##### A Current Financial Position

The Association has a 33.7% surplus, or \$16,290, as compared to the plan, after 11 months. SLC forecasts that the association will finish the fiscal 2002-2003 year with an operating surplus of about \$15,500 against plan. General & Administrative costs are forecasted to be under budget by about \$1,500 for savings in Telephone Equipment and Interest. Utility costs for Gas and Telephone Service are expected to be under budget by \$3,000. Repairs & Maintenance expenses are forecast to be under budget by approximately \$11,000 on timing of work for Firewood and Window Cleaning, and lower Grounds and Custodial costs. Firewood and Window Cleaning costs will be expensed in November on next year's budget. Grounds and Custodial expenses are down this year because we reduced those activities in anticipation of the courtyard construction this summer.

##### B Reserve Fund Status

There were no expenses charged to the reserve fund this fiscal year. The entries to the Reserve Fund were for interest income on Reserve Fund bank accounts, to transfer \$81,328 to the Courtyard Project Fund, and to transfer \$3,250 to the Exterior Surfaces Fund. This leaves the Association with a projected Reserve Fund balance of \$304,750 at the end of the fiscal year.

##### C Courtyard remodel

An estimate for the revised courtyard plan as proposed by Robert Trown and Associates and Schmueser Gordon Meyer was recently produced. Mr. Wilson did a rough estimation for the cost of the rock wall at \$20,000 using a square foot price provided by the architect. Column work for waterproofing and to receive the timber supports would be another \$10,000. Plan revisions under consideration are \$51,000 for C building entry, \$38,000 for B building entry, and \$30,000 for the stone work noted above, plus a contingency fund should increase the project costs by approximately \$150,000. Mr. Van Giesen asked if the scope of the work had been finalized, so a firm budget number could be reviewed. Mr. Wilson noted that, since we are still receiving data from the architects and engineers, we are not yet ready to set a final budget number. Mr. Brown commented that, until we have more firm numbers, the Board should defer on any decisions.

Mr. Van Giesen asked about the status of a timeline for the project. Mr. Wilson replied that the delays to date are primarily caused by the architect. Mr. Van Giesen asked if a firm phone meeting date could be set on the budget. Mr. Wilson will summarize the most current data and distribute it to the Board, so that a phone meeting date can be set.

The Board decided that the ADA compliant wheel chair access ramp would not be considered as part of the courtyard project.

##### D 2003-2004 Budget Review

Management proposes that the general assessments increase by 6.7% to \$633,382 for the

2003-2004 budget year. A comprehensive review of budget rationale was presented to the Board in September.

The major cost increases proposed in the 2003-2004 operating budget are listed below:

- Management Fees – SLC proposals & response status for Enclave and Woodrun Place noted below
- Insurance – substantial anticipated premium increase
- Gas – substantial anticipated unit price increase
- Cable TV – transfers basic cable service and additional outlet costs to Association
- Repairs & Maintenance line items w/SLC labor – proposed hourly price increase to \$30
- Window Washing – 2002/2003 timing of work issue

The major cost decreases proposed in the 2003-2004 operating budget are listed below:

- Telephone System – system working more efficiently
- Contractor Repairs – assume return to recent years average cost
- Painting – intention to use some deferred funds next year for exterior wall work
- Snow Removal – assume return to recent years average cost
- Special Projects – no planned special assessments to date pending information from the architect

Mr. Wilson noted that our insurance carrier has imposed a \$5 million limit on Difference In Conditions (DIC) insurance. DIC insurance covers earth movement and similar perils not normally covered by a standard fire and casualty policy. A number of years ago the Association added DIC insurance at the full replacement value (\$13,032,377 or \$276/sqft this year). There is another carrier who offers a supplemental \$10 million DIC policy for a premium of \$35,000 per year. Our present annual budget for insurance premiums is \$27,255. The Board declined the additional \$10 million DIC coverage, however asked that all owners be notified of the change. If a sufficient number of owners are in favor of the additional DIC insurance, the policy can be added later in the fiscal year.

**Status Update on Cooperative Pricing and Fees** - Woodrun Place Board has conditionally approved the pricing changes that follow below upon Chamonix and The Enclave Associations also agreeing to them.

Woodrun Place agreed to a management charge of \$160 per condominium paid through Association assessments, with the understanding that the present \$65 per month management fee would be eliminated from rental owners' statements. At Woodrun Place, this would amount to an Association management fee increase of \$36,820. Elimination of the monthly rental management fee would reduce the net revenue gain to SLC to \$6,400 for the budget year. At Chamonix, this would amount to an Association management fee increase of \$18,090. Elimination of the monthly rental management fee would reduce the net revenue gain to SLC from this amount to \$10,290 for the budget year. The Enclave has yet to agree to any net increase in fees to SLC, although they have approved increasing the association management fee to \$160 per unit per month and reducing the Front Office Fee by the same amount.

Woodrun Place and Enclave Boards have approved an increase in Maintenance and Housekeeping charge rates to \$30/hour and \$28/hour, respectively. The Boards have

authorized charges to owners for technical computer assistance at \$35/hour, and the Board directed SLC to charge owners for non-traditional desk or valet services at \$30/hour. Examples are delivery and removal of banquet tables and chairs to private units, and transporting private property off site. Transportation within Snowmass Village and to/from the Aspen airports remains complimentary, although private airport transportation that requires extraordinary time is to be charged at \$30 per hour.

Faxes that are ten pages or less will be complimentary to owners.

Woodrun Place agreed that paying for basic and additional outlet cable services through the Association assessment rather than through owner statements was a good idea and would help reduce Office Expense costs. For some owners these invoices are the only ones they get on the monthly SLC owner statement, so moving them to the Association will reduce paper and postage costs. If Chamonix decides to approve this idea, the Association cable line item budget will increase by \$10,014, although the average net effect to owners would be zero. SLC would then reduce the Direct Office Expense budgeted line item to match the current year's cost. Mr. Brown made a motion to incorporate the basic cable service and additional outlet costs into the association budget. Mr. Van Giesen seconded, and the motion was approved.

The Enclave Board asked if Chamonix and Woodrun Place would like to participate in legal research costs to get opinions about member options regarding the Snowmass Village Resort Association. The goal is to find out what changes members can legally enact to the organization. Woodrun Place approved \$500 in legal fees for this effort. Chamonix currently has \$500 in its legal budget for 2003-2004. The Board approved use of \$500 for this issue.

The Chamonix budget draft has been updated to reflect the following changes from the draft sent to you in September 2003:

- \*Management fee changed to \$160 per month per unit
- \*Insurance increased to 19% over current year cost
- \*Direct Office Expenses decreased to match current year cost
- \*Cable TV increased to transfer basic service and additional outlet costs from owner statements to Association assessment
- \*Reserve Fund asset lives and replacement costs have been updated

As each choice regarding SLC fees and hourly prices affects the budget, we have opted to present one that includes the decisions to which The Enclave and Woodrun Place have agreed.

The Reserve Fund assessment increases from \$33,606 to \$38,012, as management made the following adjustments to the Reserve Fund plan:

Line Item Funding (LIF)  
Anticipated Useful Lives (AUL)

Increased the LIF for roofs from \$3,257 to \$12,663

Decreased the LIF for Pumps-Main Heat Circ from \$542 to \$147

Decreased the LIF for Concrete Entry Surfaces (use for concrete decks) from \$3,438 to \$0 (fully funded)/ AUL increased to 10 years

Increased LIF for Interior lights from \$444 to \$782

Increased LIF for Carpet-Conference Lobby from \$0 to \$600/ increased AUL from 11 to 13 years

Decreased LIF for Carpet-Halls from \$1,437 to \$622/ increased AUL from 9 to 11 years

Decreased LIF for Conference Furniture from \$1,500 to \$884

Decreased LIF for Laundry Equipment from \$1,714 to \$0 (fully funded)/ increased AUL from 7 to 15 years

Increased AUL for Kitchen Equipment from 19 to 25 years

Increased LIF for Pool Deck Resurface by \$390

Decreased LIF for Hot Tub Tile Replacement from \$600 to \$854

Projects proposed to utilize reserve funds in 2003-2004 are: replacement of ground floor deck lights, elevator carpet, and pool furniture.

Mr. Van Giesen made a motion to approve the budget. Mr. Brown seconded, and the motion carried. The assessment is therefore set at \$633,382.

Mrs. Lebovitz made a motion to approve the management fee for the association at \$160 per unit per month. Mr. Van Giesen seconded, and the motion passed.

Mr. Brown made a motion to approve the following price changes:

- Housekeeping from \$25 to \$28 per hour

- Maintenance from \$26 to \$30 per hour

- Personal Computer support from \$0 to \$35 per hour

- Use of Administrative staff for personal owner services at \$30 per hour

- Extraordinary use of front desk service staff for nontraditional desk functions at \$30 per hour

Mrs. De Quesada seconded, and the motion passed.

Subsequent to this Board meeting, the Presidents of Woodrun Place, Chamonix, and The Enclave met with Mike George by phone. The Chamonix Board subsequently voted to amend its budget for fiscal 2003-2004 and reduce the monthly management fee to \$122 per unit per month, instead of \$160. The fiscal 2003-2004 budget is thus amended to be \$621,070.

SLC rental management fees will be reduced from \$65 per unit per month to \$35 per unit per month.

Mr. Brown made a motion to approve the institution of a working capital deposit for nonrental owners, using the average monthly balance over a twelve-month period, rounded up to the nearest \$100 (new owners will start at \$400). Mr. Van Giesen seconded, and the motion was approved.

## V New Business

### A. Appointment of new Board member

The possibility of appointing a replacement for Anita Cole was discussed by the Board. Two

owners were contacted regarding serving on the Board. One, Donald Anthony, submitted a resume and letter of interest. Anita was Board President, so Betty Lebovitz, as Vice President, has been serving as President since Anita left the Board. The Board discussed officers and membership and decided that having another member on the Board was a good idea. Mr. Anthony was appointed to the Board to replace the position held by Anita Cole. Mr. Anthony's term will expire when Mrs. Coles would have, in the normal rotation of Board positions. Mrs. Lebovitz was elected Board of Managers President, Mr. Brown was elected Vice President, and Mrs. De Quesada will remain as Secretary/Treasurer.

#### B. Base Village

Intrawest continues to proceed through the planning process for development of Base Village and the outlying parcels. The development now will go through preliminary review, the next step in the land use process. Subscriptions to the Snowmass Sun for each Board member were included in the Association Budget to help keep the Board informed about the status of the Base Village, SVRA, and other local issues.

#### C. Ground floor condominium heat

The new owner of condominium 17 is concerned with the heat in his condominium. He was unaware of the occasional need for extra heat when he purchased the condo. In the past we have provided electric space heaters (usually, an oil filled, radiator style, so that there are no exposed heating elements).

#### D. Date of Next Meeting

Traditionally the Annual meeting has been held on the second Tuesday in February, however that date was in conflict with a number of Board member schedules, so the Annual Meeting will be held on Tuesday, February 3, 2004, at 4:00 P.M. in the Chamonix Conference Room. The Board will meet at 3:00 P.M.

#### VI Adjournment

Mrs. Lebovitz made a motion to adjourn. Dr. Van Giesen seconded, and the motion passed. The meeting was adjourned at 4:02 P.M.

Respectfully submitted,



Graciela de Quesada, Secretary

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