

CHAMONIX-AT-WOODRUN ASSOCIATION  
BOARD OF MANAGERS MEETING MINUTES

October 22, 2009

I. Call to Order

Betty Lebovitz, President of the Board, called the meeting to order by conference phone call at 9:09 A.M. Colorado time on October 22, 2009. Board members present by conference phone call were Betty Lebovitz, Dick Brown, and Brian Moir. Nonmembers present in Snowmass were Mike George and Lee Wilson of Snowmass Lodging Company.

II. Approval of Minutes

Mr. Moir made a motion to waive the reading and approve the minutes of the February 26, 2009, Board meeting, and Mr. 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:

- Chimneys were inspected/cleaned
- Garage fire sprinkler system air leaks were repaired
- Hot water and heat boilers were repaired
- Heat circulation pumps were rebuilt
- Hot water pipe pinhole leaks were repaired
- Three decks were repaired and coated with synthetic decking
- Rusted column at pool deck was exposed and treated (in process)
- Bird netting, dryer vents, fascia painting, gutter and roof repairs (in progress)

B. Condominium 17 patio approval is completed.

C. Rentals, Rates, and Unit Upgrades

Snowmass Lodging Company Rental Operations – Summer 2009 gross rental revenues were down by 42%, or \$114,989 over those of the prior year. Both the economic recession and local construction issues continue to hamper rentals. Advance bookings for winter 2009-2010 has been down as much as 47%, and it is currently pacing 30% down from 2008-2009. The Snowmass Village rental market for winter 2008-2009 was down a reported 16%, while SLC was down 14%. SLC will issue a letter to owners shortly after this budget meeting that summarizes current market conditions.

IV. Accounting and Budget

A. Current Financial Position

CX17 is delinquent on part of the July assessment installment, amounting to \$987.65. Mr. Wilson will continue to try to elicit the balance owed from the unit owner.

The Association has a 79% surplus, or \$52,292, as compared to the plan, after 11 months. Our forecast is that the Association will finish the fiscal 2008-2009 year approximately \$28,676 ahead of plan. General & Administrative costs are forecasted to be over budget by about \$15,358 for Depreciation costs related to the recent lobby renovation project and higher Insurance premiums for increased replacement cost valuations, partially offset by lower than expected Telephone/Internet repair costs. Utility costs are expected to be under budget by \$44,418, as Gas unit prices fell dramatically over the course of the year. Other Utility expenses also are under budget, excluding Telephone Services, which now includes all internet provider expenses other than repairs. Repairs & Maintenance expenses are forecast to be under budget by approximately \$7,017. Costs in R&M Contractors, Pool, Window Washing, and Equipment Service Contracts were all over budget, while R&M SLC, Painting, Grounds, Snow Removal, and Custodial Services were all under budget. Details for most of these variances are discussed in the recently issued quarter 3 report to the Board. The additional Window Washing cost variance noted here is for a partial project cost that straddled the end of last fiscal year.

The inclusion of the lobby renovation purchases over the 2006-2007 and the 2007-2008 fiscal years increased depreciable personal property expenses. We recommend underbudgeting of this expense each year to reduce the cumulative, carry-forward surplus over time.

#### B. Reserve Fund Status

The Association has a projected Reserve Fund balance of \$505,825, for the end of the current fiscal year.

##### Annual Reserve Fund review and adjustment

The reserve fund was adjusted for useful life estimate changes and funding levels, as shown on the reserve fund schedule. Management noted last year that the roof replacement fund was insufficient to replace the entire roofs in the next few years, although a significant repair would be possible. Window replacement should be considered in the next few years, and a placeholder line item has been added to the schedule without any current funding. Management has also added a similar line for railings and a significant increase is the expected replacement cost of the roof, based upon recently obtained numbers from contractors.

Mrs. Lebovitz made a motion to accept these proposed adjustments to the Reserve Fund. Mr. Moir seconded, and the motion passed.

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. This year SLC recommends transferring the miscellaneous line item credit, now approximately \$6,969, to offset the cost of Pool Deck Replacement expenditures. Mr. Brown made a motion to effect this transfer after the audit is completed, and Mr. Moir seconded. The motion passed.

Mr. George noted that, per the prior year audit report, the Reserve Fund had loaned \$38,663 to the Operating Fund in 2007-2008. Mrs. Lebovitz made a motion to approve this inter-fund loan. Mr. Brown seconded, and the motion passed.

#### C. 2009-2010 Budget Review

SLC, for the overall budget, proposes to maintain flat assessments, while attributing aggregate line item reductions from the prior year's budget to either an increased Reserve Fund contribution or to consideration of a Wheelchair lift for C building, pending member approval.

Major cost adjustments between the forecasted year-end totals for 2008-2009 proposed in the 2009-2010 operating budget are listed below:

Depreciation – intentionally down at \$17,256 to partially reduce the carry-forward surplus  
Gas – increased by 25%, to reflect part of the energy cost increases forecast by our provider. The provider expects a 40% increase, but we don't forecast an economic recovery that would support this level of inflation.

Water & Sewer – Increased 10%, as the district imposes a 10% cost increase almost every year.

Cable TV – While increased to add the new digital service, Comcast has yet to bill for it.

Trash – Increased 10%, as TOSV almost always imposes a corresponding annual increase.

R&M Contractors – Decreased for fewer anticipated mechanical problems and exterior surface repairs.

Pool Maintenance – Decreased, as the property invested in filters, pumps, and painting along with mandatory safety improvement in 2008-2009, and these projects are completed.

Window Washing – Decreased for a timing of work versus year end invoice cutoff.

Grounds – Increased for some fresh flower/planting beds in the spring.

Equipment Service Contracts – Increased for some greater frequency of inspections for fire, life safety (elevator). and HVAC systems.

(Optional) Special Projects - \$40,000 for installation of a wheelchair access lift at C Building, versus a larger contribution to the Reserve Fund.

Management proposes to increase the Reserve Fund assessment from \$41,640 to either \$102,333 (No Wheelchair lift this year), or \$62,333 (Add Wheelchair lift this year), for the adjustments detailed in the budget documents and above under the Accounting and Budget section.

Mr. Brown made a motion to approve the budget for 2009-2010, as presented, with \$40,000 in the Special Project line item, specifically to be used to add a to-be-determined wheel chair lift to building C, if the members approve of this improvement via a ballot vote. Mrs. Lebovitz seconded, and the motion carried. The fiscal 2009-2010 assessments are therefore approved at \$1,065,556.51. Management on behalf of the Board will issue a ballot in November 2009 to the membership about this proposed wheel chair lift improvement. If a majority of the members approve of this Special Project, then the budget for fiscal 2009-2010 will remain at the Board-approved amount of \$1,065,556.51. If the members do not approve of the ballot measure to add the wheel chair lift, then the budgeted assessments will be reduced by \$40,000, and management will amend the invoicing for assessments, accordingly, on the March 2010 installment.

Depreciation for lobby renovation purchases noted above will continue to require annual adjustments for costs that are not included in the operating budget. Once the carry-forward surplus has been adjusted downward over the next 4-5 years via this process, management will return to estimating annual depreciation expenses at actual book value.

## V. New Business

### A. Base Village

Base Village construction is on-going only for the Viceroy at this time.

### B. SLC Services and Staffing

Because of the significant decline in rental business, SLC has been reviewing its staffing and overhead. SLC is making up complimentary amenity baskets in house this year to save money and will continue to distribute them to owners and renters, but not to owner guests. Owner guests may purchase them at cost from the front desk.

SLC is changing the complimentary newspaper delivery to be upon request, versus delivering them to every occupied condominium, and SLC will limit distribution on checkout dates to those guests remaining in house, when the papers become available. The complimentary paper offered will be the Monday-Friday Denver Post, as that is a good substitute for the USA Today, and it is less expensive. The Enclave at its budget meeting offered for SLC to also charge its members for the Denver Post.

SLC management staff will be filling desk and other line positions this winter, if rentals and occupancies remain low.

The Enclave Board asked SLC to remove any ambiguity from the unit management contracts regarding owners that rent their units without using a commercial, third-party entity. Chamonix members seem to be abiding by the intent of the contracts at this time, so SLC is not proposing any contract revisions for Chamonix at this time.

### C. Date of Next Meeting

The Annual meeting will be held Thursday, February 25, 2010 at 3:00 P.M. in the Chamonix Conference Room. The Board will meet immediately following.

## VI. Adjournment

Mrs. Lebovitz made a motion to adjourn. Mr. Brown seconded, and the motion passed. The meeting was adjourned at 10:35 A.M.

Respectfully submitted,



Brian Moir, Secretary

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