

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

September 23 2019

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 September 23, 2019. 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, and Mike George of Snowmass Lodging Company by Wyndham Vacation Rentals.

II. Approval of Minutes – March 11, 2019

Mr. Moir made a motion to waive the reading and approve the minutes of the March 11, 2019, 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 22, 2018, Board meeting:

- Domestic hot water system pin hole 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 repaired and glycol added to system
- SGM Engineering developed a bid package for remediation of the C-building structural condition
- Various failed smoke detectors were replaced
- Laundry equipment was serviced and repaired
- Laundry drain was jetted
- Installed LED fixtures to replace failed original garage lights
- A new washer inverter was installed
- Courtyard drain near AA building was snaked and at present is clear
- Maintenance performed on exercise equipment
- Elevators were repaired
- New pool towels were purchased
- A fitness room bench was replaced
- Some unit doors were gel coated and stained
- Hot tub spa gasket was replaced
- Interior and exterior windows washed
- Chimneys were **scheduled for cleaning** was performed where needed

- Garage and courtyard pressure washed
- Inspection, tests, and repairs on elevators performed

CX20 Awning - Mr. & Mrs. Shaefer, unit CX20 owners, received Board approval last year to install an awning at their expense, but ultimately decided against performing this task.

CX47 Electric Vehicle Charging Station Request - The board decided to table the issue until more owners express an interest in such an improvement.

Owner Survey – Possible Improvements: The board decided to table having management circulate a survey to the members until the C Building Restoration project costs are known and the work is completed.

### Major Projects that are in process

#### C Building Entry Restoration -

With the time pressure and bid spec details/requirements of the original bidding process we only received one bid application for the project. The board, with recommendation of John Partch from SGM, has decided to push the project off until the Spring at which time the contractors who stated that were too busy for an additional project this fall should be more enticed to submit bids. The new timeline would place the project during a more desirable construction time window as well, when most contractors are still slow and waiting for the snow to melt before they can start large-scale outdoor projects.

#### Resort Internet Fiber Installation

Resort Internet plans to begin installing the fiber optic line to the Chamonix during September. Until the installation is complete, we continue to benefit from the rebate provided by RI to offset the cost associated with the current use of Comcast's internet feed to the property. All other costs remain the same as prior to the updated contract. New pricing will not go into effect until the fiber optic connection is up and running.

### Accounting and Budget

#### a. Current Financial Position

Two members presently have outstanding delinquent owner balances - owners of units 27 and 32. These units are presently delinquent on assessment payments in the amount of \$8,295.20. Mr. Hale has contacted the owners to request payment of the outstanding balance.

The Association has a \$1,712 surplus, 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 \$34,315 surplus to budget.

General & Administrative costs are forecasted to be under budget by \$2,143, primarily because of lower than expected YTD Insurance (\$278), Depreciation (\$1,255), and Telephone Equipment expenses (\$556).

Utility costs are expected to be under budget \$3,612, or about 2%.

Repairs & Maintenance expenses are forecasted to be over budget by \$5,390, or less than 2%. Snow Removal Costs are over by \$11,802 due to the welcome increase in snowfall this season over last year as detailed in the **Utilities** section above. The R&M Contractors line item is under budget by \$5,401, or 26%, and other line item variances are essentially offsetting.

#### b. Reserve Fund Status

The Association has a projected Reserve Fund balance of \$488,468 at 2018-2019 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 2018-2019 year end miscellaneous credit to the Pumps - Other of the reserve line. The amount at present is \$245.14, with other fiscal 2018-2019 year-end entries yet to post.

BP made a motion to approve the transfer. BL seconded, and the motion passed.

#### c. 2019-2020 Budget Review

SLC, for the overall budget, proposes that assessments for 2019-2020 remain the same as those of the prior 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 2018-2019 and those proposed in the 2019-2020 operating budget are listed below:

#### **General and Administrative Section –**

Insurance – With the 2018-2019 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.

Interest – costs are adjusted downward for a normal amortization schedule, and principal payments are accordingly adjusted upward.

### **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 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.

## **Repairs and Maintenance Section -**

The Repairs & Maintenance Category is proposed to increase by \$2,458, or just under 1%, over the prior year's category budget.

Management staff presented a usage model for the shared maintenance staff. The abbreviated model includes actual results from September 1, 2018 through August 31, 2019. Staff per day for Chamonix for this time frame amounted to 2.01 per day, versus the 2017/2018 budget at 2.12 shifts per day.

However, hourly Housekeeping and Maintenance rates to be billed to the HOA and to the unit owners are proposed to increase from \$43.00/hour to \$44.00/hour, or 2.3%, to help align costs closer to market in light of shrinking rental inventory. Rental inventory over the past two years has declined from 70 to 63 actual participants, which creates significant budgetary pressure upon both the management company and the HOAs – less than half of unit owners now rent within the co-op, despite the strong economic operating performance of the rental program relative to market. Implementation of these hourly pricing changes for Chamonix is dependent upon the subsequent future approval of the same proposed price changes at The Enclave Association, Inc., as the WPCA has already recently conditionally approved of them. Snowmass Village labor rates for unskilled maintenance range from \$40.00-\$45.00 per hour, and companies are inflating labor rates in response to very limited supply. Management also proposes that the Skilled Hourly Maintenance rate be increased from \$50.00/hour to \$60.00/hour, so that management can increase the hourly rate it pays to staff for such work as concrete, non-paint drywall finishes, stucco, roof, and welding tasks. Management notes that most contractor rates are between \$90-125/hour. Mr. George further explained that the proposed increase from \$50.00/hour to \$60.00/hour would allow WVR to increase the pay rate for the in house maintenance staff by \$7.00/hour, for skilled work, only. Dr. Van Giesen made a motion to approve of these proposed pricing changes, with the requirement that WVR concurrently increase its current pay rate for skilled maintenance work by \$7.00/hour. Mr. Powers seconded, and the motion passed.

Supplies costs are budgeted to decrease by 15%, as we expensed the purchase of replacement pool towels in the fiscal 2018-2019 year, and we don't expect to repeat this expense in the budget year.

Snow removal costs are budgeted at 86% of the fiscal 2018-2019 costs. Costs during the 2018-2019 year were extraordinarily high, as the prior year to this 42 total snowfall days with a total of 233" of snow, and Winter 2018-2019 had 82 total snowfall days with a total of 396" of snow. Our hope is for a heavy snow year, and the budget allows for higher than historical cost norms, but it is less than our actual 2018-2019 costs.

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), 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, is budgeted to amount to \$591,253.

BM made a motion to accept the budget as presented/amended. The assessments, therefore, are set at \$1,305,562.87/amended to \$\_\_\_\_\_. BL seconded, and the motion passed.

#### IV. New Business

4<sup>th</sup> Transportation Vehicle – after closely coordinating with Dr. Griffin, last winter management leased a large black transportation vehicle for the winter season. Lease costs were approximately double our estimation provided to the Board during the prior year HOA budget meeting. WVR turned that vehicle back in to the leasing agent at the conclusion of the 18/19 winter season, and WVR provided a smaller minivan to substitute as our 4<sup>th</sup> Transportation vehicle during spring and summer of 2019. WVR is in the process of acquiring an ADA compliant Elkhart Coach ECII, which is expected to be available for use on property this fall to be the new 4<sup>th</sup> transportation vehicle.

HOA Accounting Software – Vacasa uses a program called Appfolio for these purposes. Installation is to occur prior to fiscal year end per Chris Flynn, WVR Finance Manager.

Chamonix at Woodrun Condominium Association, Inc., and WVR, LLC., HOA Management Agreement – proposed modifications of the assignment agreements for the WPCA, Chamonix, and the Enclave to address termination language changes were requested by the WPCA Board and subsequently reviewed by the Chamonix Board. Mr. Brown made a motion to accept the changes, as presented. Mr. Moir seconded, and the motion passed.

The annual member's meeting will be on March 11, 2020, at 3:00 CO MTN pm in the Chamonix meeting room.

#### V. Adjournment

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

Respectfully submitted,

---

Dr. Peter Van Giesen, Secretary