

**WOOD CREEK CONDOMINIUM ASSOCIATION  
BOARD OF DIRECTORS MEETING  
June 9 2011**

DIRECTORS PRESENT: Donna Hayley (by Phone)  
Robert Harrison (by phone)  
James Guzzi (by phone)

MANAGEMENT COMPANY: Lynn Kiklevich  
Antoinette Wilson  
Jason Fries

Call to Order: 3:04 PM MDT

Quorum was established with three board members present.

Approval of June 17, 2010, July 6 and July 7<sup>th</sup> Meeting Minutes

Motion: by Robert Harrison to approve all meeting minute

Seconded: by Jim Guzzi

Vote: Unanimously approved

## **REPORTS**

### **Manager Report Recap of 2010-2011**

The summer of 2010 was the best on record for tourism at Crested Butte Mountain Resort. Continued improvements to the bike trail system and the Adventure Park, along with additions of summer events and concerts really boosted visitation in Mt. Crested Butte. The LIVE! from Mt. CB concert series, the Bluegrass Festival and the 4<sup>th</sup> of July concerts and fireworks were all huge hits and will make return appearances this summer.

For the first time since the 2005-2006 ski season CBMR saw an increase in skier visits. Both pass holder and regular paid skier visits were up this year and we are confident we have some momentum going into next winter as well – with group business already pacing significantly ahead of where we were at this time last year.

The Wood Creek rental program also got a boost – realizing an increase in revenues last year of 7.5%.

### **Changes at CBMR Properties**

Bill Babbitt left CBMR in early April to pursue his long time dream of living in Hawaii. Bill did a terrific job in the short time he was with us and will be missed. Lynn Kiklevich has assumed Bill's duties for at least the next 12 months.

Eli Haine departed the company in April as well, and his duties will be shared by Jason Fries and Todd Burnett. Jason was with CBMR Properties for many years up until 2007 and Todd was Eli's assistant for the last year. Jason is now the Chief Engineer for all of CBMR Lodging – a deserving promotion for him.

### **Summer 2011 Update**

In addition to the music events, Mt. Crested Butte and CBMR will be hosting several large bike races this summer that will bring thousands of participants and spectators up to the mountain.

June 12 is the start of the annual Ride the Rockies bicycle tour and this year the starting location is Mt. Crested Butte. More than 2000 riders and their families will begin arriving on Saturday, June 11. June 23 is the start of Crested Butte Bike Week (formally Fat Tire Bike Week), the highlight of which is the Wildflower Rush downhill race on Crested Butte Mountain. In late July, the upper valley will play host to the last qualifier for the famous Leadville 100 bicycle race. This will bring nearly 1000 top mountain bikers from all over the country to Crested Butte and Mt. Crested Butte for 3 days. Many will then stay on to train until the Leadville 100 in early August. Capping it off will be the US Pro Cycling Challenge, which finishes in Mt. Crested Butte on August 23. This event will include the top professional cycling teams from all over the world – fresh off the Tour de France.

The newest addition to the Adventure Park, the Canopy and Zip-line tour is scheduled to open on June 28. This will be a year-round attraction.

### **2011-2012 Ski Season Update**

The season opens on November 23 this year – the day before Thanksgiving. We've already booked some big groups, including the National Brotherhood of Skiers and the Flatlanders Ski Council.

The airline schedule is still being finalized by the RTA, but CBMR has secured a daily 757 from Dallas on American Airlines. We anticipate that the RTA will finalize the United and/or Continental service within the next 2 weeks. The merger of those two airlines has complicated negotiations.

### **Financial Report**

**Balance Sheet – Accounts Receivable.** Included is the accounts receivable aging report as of May 31, 2011. There are five owners with 60 day balances, all of whom have been sent a demand letter from me on behalf of the HOA. The three owners (four units) with 90 day balances have had liens placed on their unit and will receive demand letters from the Association attorney this week.

In addition, a Statement of Cash Position is also included, forecasting cash on hand at June 30, 2011.

**Income Statement** – Significant expense variances are as follows:

Cable & Internet – This account is over budget by approximately \$1000. It appears that there were a couple of unbudgeted expenses related to the new system installation and that the monthly service costs also went up slightly.

Contingency – This account is over budget by approximately \$3,000. Items posted to this account include:

1. A threshold replacement - \$3,296
2. Painting of all the landscaping tie walls around the property - \$1,813
3. The new planter box and street side bench - \$1,200
4. New logo mats for the lobby entrances - \$895

Elevator – Under budget due to fewer service calls than anticipated.

Landscaping – Over budget by approximately \$4,000. This is due to approved, but unbudgeted upgrades to the irrigation system and installation of additional sod. Irrigation upgrade was \$3,175. This will be off-set by projected savings in Maintenance Labor and Maintenance Supplies.

Capital expenses were \$12, 769 compared to a budget of \$13,600.

We are projecting that the association will finish their fiscal year with \$153,012 in total operating expenses, which will result in a negative operating net margin of (\$624). With capital expense, the total net margin will be \$13,522.

Motion: by Robert to approve the June 9, 2011 financial report

Seconded: by Donna

Vote: Unanimously Approved

## **NEW BUSINESS**

### **Rekeying**

The board feels that it is time to rekey the units for a security measure and instructed management to get a quote on the cost of new hardware for the unit front doors and the cost of rekeying each front door. Management will look at the existing hardware and report back to the board as a rekey may only be needed.

## **OLD BUSINESS**

### **Washer/ Dryer**

The board asked for an update on the washer and dryer in the common area laundry room. One of the washers fill line was too low and a dryer was not drying properly. Management will report back to the board on their findings.

### **New Logo**

Management is looking into cost and design and will report back to the board once they have gathered the information.

## **2011-2012 PROPOSED BUDGET**

### **Revenue**

The proposed 2011-12 budget anticipates total operating revenues of \$178,398; flat to last year. *We propose keeping the monthly operating and capital assessments the same as last year*, which results in a budgeted net operating margin of \$2,675 and budgeted net capital contribution of \$6,141.

### **Operating Expenses**

The cumulative operating expenses are budgeted to be \$4,147 less than this year's projected actual expenses. Significant line item adjustments include:

**Contingency** – This account is over budget this year, however, we propose keeping the budget the same as last year.

**Hot Tub Supplies** – we have budgeted for a new hot tub cover at \$700.

**Maintenance Labor** – we have reduced this account to reflect the average of the past two years of actual expenses.

**Management Fees** – CBMR has raised management fees 5% to reflect increased operating costs. This is the first time CBMR has raised the Wood Creek's management fees.

**Trash Removal** – this budget has been reduced to reflect continued savings realized from re-negotiated contract and close monitoring of dumpster pick-up frequency.

### **Budget Discussion:**

**Management Fees-** The board informed Lynn that Danny had increased the management fee in 2008 by 2% and informed the board that he would propose another 2% in 2009.

The board felt that another increase of 5% was too much too soon. Lynn waived the 5% increase.

**Insurance**-There was a 7% increase in the Woodcreek HOA insurance. Lynn will look into why the insurance quote was so much higher and will shop other agencies for the association to get the best coverage at the lowest price.

Motion: by Robert Harrison to approve the proposed budget contingent on the HOA insurance findings and adjustment for management fee increase.

Seconded: by James Guzzi

Vote: Unanimously approved.

### **Capital Expenses**

**TOTAL Proposed Capital** **\$20,500**

We are proposing a deferment of the \$15,000 budgeted for upgrades to the elevator. The elevator is functioning well, and is budgeted for complete replacement in just 3 years anyway. Instead, Management strongly suggests that the Association accelerate the hot tub replacement that is currently in the plan for FY2014. Your hot tub is only a residential grade tub, and it is very difficult and expensive to maintain in a commercial setting.

### **Capital Expenses Discussion**

**Hot Tub replacement**-Management reported that the existing hot tub is designed for a residential property. The complex is in need of a commercial quality hot tub to facilitate the usage that the property has. The board asked management to get a quote on upgrading the hot tub that will facilitate the volume that the complex has. This includes a new shell, filter and heating system, proper voltage to run the filter and heating system and gas conversion for the heating system.

**Decks and Railings**-The board asked for a quote to redo the unit balcony decks that were not done during the major renovation a few years back in particular the 02 & 06 stacks. The railings would also have to be replaced as well as they are not up to code. Jason will get a quote for both projects and report back the board so the cost of these projects can be included in the 10 year capital plan. The board asked Jason to let them know how many new windows were installed in unit 505.

### Establishment of next Meeting Date

There will be a rental property meeting immediately following the annual HOA meeting. The annual HOA meeting is scheduled for July 6, 2011 at 9:30 AM MDT.

Motion to adjourn was made by Robert Harrison

Seconded: by Donna Hayley

Meeting was adjourned at 4:13 PM MDT

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Respectfully Submitted  
Antoinette Wilson

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Secretary/ Treasurer  
Donna Hayley