

Wood Creek Homeowner's Association
Annual Homeowner's Meeting
July 3, 2013

MEMBERS PRESENT

Robert and Judith Harrison
Charles Farrell & Janene Blue
Jo Mudd
Owen & Cyntia Lavin
Christopher Grote
Charles Kerr
Daniel McElroy
Jim & Beth Hoenschiedt
Ron & Donna Hayley
Gary & Claudia Ford
Janice Foerch

MANAGEMENT COMPANY

Lynn Kiklevich
Antoinette Wilson
Todd Burnett
Jason Fries

The Annual HOA Meeting was called to order at 9:41AM MDT
A quorum was established with 64.70 % representation of ownership either present or by proxy.

<u>Unit</u>	<u>Owner</u>	<u>Attending/Proxy</u>	<u>Ownership Percent</u>
WK101	Worthington	Proxy to Robert Harrison	4.10
WK102	MJM Investments	Absent	
WK103	McElroy, Daniel and Janice	Present	2.85
WK108	William Pateon Hensley	Absent	
WK109	William Pateon Hensely	Absent	
WK201	Wanda Kimbrell	Via Phone	4.10
WK202	Elaine Weston	Proxy to Cody Weston	2.95
WK203	Owen & Cynthia Lavin	Present	2.90
WK204	Thomas Marsten & Lisa Fitzpatrick	Absent	
WK205	Ferrall Charles & Blue Janene	Present	2.85
WK206	Christopher Grote	Present	2.10

WK207	Scott and Edwin Anderson	Absent	
WK301	Barbara Powell	Absent	4.15
WK302	Donald Dougan	Absent	
WK303	Christopher Grote	Present	2.95
WK304	Prioritize LLC	Absent	2.90
WK305	Jim & Beth Hoenschiedt	Present	2.90
WK306	Joseph & Janice Foerch	Present	2.15
WK307	Ronald & Donna Hayley	Proxy to Robert Harrison	4.10
WK401	Durling, Henson, O'Farrell & Coffe	Absent	
WK402	Gary & Claudia Ford	Present	5.40
WK403	Rudy Suarez	Proxy to Robert Harrison	5.40
WK404	Barbara A Kindelsperger Trust	Proxy to Robert Harrison	2.95
WK405	Jo Mudd	Present	2.95
WK406	Phillip Borchelt	Proxy to Charlie Farrell	2.20
WK407	Anne Pharamond	Absent	4.15
WK504	Robert & Judith Harrison	Present	5.40
WK505	Russell & Felicity Willings	Absent	
WK506	Guzzi, James F	Via Phone	2.25
WK507	Charles Kerr & Gudren Rice	Present	4.20
			67.65

Motion: By Robert Harrison to combine the Annual HOA and Board meeting together.

Seconded: by Jo Mudd

Vote: Unanimously Approved

Motion: by Charles Kerr to waive the reading of the July 6, 2011 annual meeting minutes and accept as written.

Seconded: by Owen Lavin

Vote: Unanimously Approved.

REPORTS

PRESIDENT'S REPORT

The board president Robert Harrison began the meeting by way of introduction and then welcoming all who attended the meeting. Introductions continued around the room of the homeowners and management that were present.

Robert reported that he and Charlie Ferrall had previously met with Jason and Todd to do an inspection of the building and grounds. Robert will provide a list of projects that still need to be completed to management. Charlie has been working with the maintenance

department to help prioritize projects. This has been a great asset for both management and the HOA. Overall the building and grounds are in very good condition. As always there will be projects to do to keep the building in good shape and components in working order.

Manager's Report

WINTER 2012-13 RECAP

This ski season started out much like the last, with snowfall totals for November, December and January lagging significantly behind average which impacted reservation calls. January business was strong in spite of the snow conditions, due to groups that were already on the books, but a lot of ground was lost in February. With good snow, the resort rebounded in March, and finished the year on a high note. Preliminary reports indicate a 7% increase in paid skier visits over last year – but still short of where the resort was two years ago.

SUMMER PREVIEW

April and May snow storms arrived too late to save the ski season, but they sure will help the area have another great summer. The wild flowers are spectacular this year, as a result of the snow accumulation we received in April and May.

A lot of fun activities are on tap for the summer including another season of the *LIVE! from Mt. Crested Butte* music series (every Wednesday beginning in July), the Twilight Lift Rides on Wednesdays and Fridays – including the **Free Friday** lift ticket program, and the Mt. CB Blue Grass Festival. The county will not be hosting the US Pro Cycling Challenge this year, but have several other biking events planned, including Crested Butte Bike week from June 26 – 30, as well as more new biking trails on the mountain. And, of course the 4th of July will be awesome with the parade downtown and then live music on the mountain. Due to a stage one fire ban the fireworks have been canceled.

CBMR will be expanding the children's programming this summer, incorporating the Mt. Crested Butte recreation program into our existing Camp CB operation. This new programming will be geared toward kids 10 and up and provide more opportunities for local and 2nd homeowner participation, in addition to adding more options like rock climbing, boating and fishing for the children of our resort guests.

AIRLINE INFO FOR 2013-14

CBMR has contracted with American Airlines to serve the Gunnison airport daily from Dallas again next year, although with a smaller aircraft. United will also continue to fly from Denver twice per day and from Houston on Saturdays. CBMR has also contracted with United for a Saturday flight from Chicago. This flight will operate on the December 21, 28 and January 4 and then again every Saturday from February 15 through March 31. The partnership with Montrose-Telluride will continue with the Allegiant service from Oakland and Phoenix.

New pass products are available this year with the biggest news being the new PEAK PASS on sale now for \$599.00. Owners were referred to the resorts web site skicb.com for additional information.

MAINTENANCE UPDATES

Management worked closely with Charlie Ferrell this year to make sure all projects that were a priority for the HOA were completed prior to the summer season kick off. This attention, along with the capital projects what were completed last year have resulted in the property being in excellent shape and ready to receive summer visitors.

Maintenance projects completed since your last meeting include:

- Replaced window screens throughout the building
- Installed new bike racks
- Painted all of the 5th floor walkway walls
- Installed digital hot tub thermometer
- Assist contractor with deck project – caulk and seal all decks
- Built and installed a cover over the hot tub water feeds where they exit the pump room
- Repairs to all common area stairs and handrails
- Painted the sauna room
- Re-finished the deck furniture
- Annual clean of hot tub
- Repairs to various upper soffit boards and fascia around the building
- Pressure washed walkways and entry ways around building

Management is trying to secure a contractor for various stucco repairs that are needed.

Landscaping work has been ongoing since mid-June with sprinkler repairs, new sod, annuals and flower baskets installed here at Wood Creek.

Wood Creek is showing signs of being 30 plus years in age and there will always be a constant vigil to keep the building in good shape. This will involve the board of directors to help prioritize the projects that need to be done.

Financial Report

Balance Sheet

At April 30, 2013, the balance sheet reflects total cash on hand of \$79,155, \$33,675 in operating cash and \$45,481 in the capital reserve account. Accounts Receivable totaled \$6,689 and Accounts Payable was \$8,518. The A/R balance was reduced to \$4,860 by May 31. There were four accounts past due at that time: 101 (prior owner), 108 and 109 (Hensley) and 202 (Weston).

Operating Expenses

Through April 30, Operating Expenses totaled \$134,525 which was \$5,468 over budget. Year - end operating expenses are projected to be \$158,959, which is \$5,743 over budget (3.6%).

Significant expense variances are as follows:

Bad Debt – \$2,351 positive adjustment. Last year the HOA wrote off the Marr Properties receivable to Bad Debt, but the auditors re-classified this to the balance sheet account Allowance for Bad Debt. Lynn is working with the auditors on how they want to handle this moving forward.

Cable and Internet – over budget by \$2,822. Time Warner passed on some relatively significant rate increases to their commercial accounts last year. In addition, the HOA began increasing the amount of bandwidth coming into the property for the wireless system from 3mb to 6mb during peak times – significantly improving the performance of the system and reducing complaints from guests and owners.

Chimney Cleaning – over budget by \$1,755. The board had elected to not have the chimneys cleaned and inspected every year, so there was no money budgeted this year. However, due to a chimney fire this past fall, the chimneys were all inspected and cleaned and management will be requiring all of our HOA's to budget for this annually moving forward.

Discussion: There was a chimney fire in WC306 last autumn season. This was believed to be caused due to a birds nest. After a lengthy discussion the ownership decided that they would budget the inspection/clean for every other year and if an owner wants to have their chimney inspected on an annual basis they can notify management to have it scheduled. Management advised the HOA that an annual inspection should be done each year.

Contingency – This account is under budget by \$2,257.

Contract Labor – over budget by \$1,520. This is a combination of several charges including the roof on the hot tub shed, repairs to lobby heaters and window washing. The HOA only budgeted for the window washing.

Electric – Under budget by \$850.

Fire Protection – Over budget by \$1,166. There were some unbudgeted repairs to the system in October as well as an unbudgeted inspection by the Town of Mt. Crested Butte that will now be mandatory every year.

Insurance – Under budget by \$1,359. The premium increase this year was slightly less than expected – although still significant.

Landscaping – Over budget by \$3,334. There were some unbudgeted repairs and changes made to the sprinkler system including the re-location of some of the south sprinkler heads away from the building. Management on behalf of the HOA also made improvements to the flower bed along Snowmass Road.

Snow Removal – Under budget by \$1,190.

Trash Removal – Over budget by \$1,200 due to some pricing increases for Waste Management’s recycling program. New recycling containers were purchased for the building.

Capital expenses were \$46,888 compared to a budget of \$48,400.

Approved 2012-13 Capital Projects

Item	Budget	Actual	Notes
Seal Coat Asphalt	\$ 4,700	\$ 2,350	
Paint Exterior Trim/Windowsills - S & W sides	\$ 12,500	\$ 7,013	
Roof Membrane repair	\$ 1,200	\$ 2,000	projected total - scheduled in June
Repair landing outside 407	\$ -	\$ 1,000	unbudgeted repair
Balcony deck reconstruction	\$ 30,000	\$ 34,525	over \$2741 in materials and forgot to budget for removing and restocking firewood
2012-13 Total Capital Projects	\$ 48,400	\$ 46,888	

Doors and Windows

The question of who is responsible for the cost of replacing doors and windows was brought up as there is some confusion about this. Lynn will look into this issue to confirm if owner is responsible or the HOA.

Fund Balances

Management is projecting that the HOA will finish the fiscal year with a negative operating margin of \$5,878, resulting in a year-end operating fund balance of \$2,240. The year – end capital fund balance is projected to be \$53,493.

FY2012 Audit

The final audit report is included in the annual meeting packet. The audit was clean and no significant adjustments were required.

2013-14 Approved Budget

Revenue

The 2013-14 budget reflects total operating revenues of \$161,196; \$8,157 more than this past year. The HOA has budgeted an increase in Operating Expenses of \$2,012 over the past year’s actual expenses and \$7,754 over last year’s budgeted expenses. An increase in the operating assessments of \$10,339 over last year will be necessary to balance the budget. Last year the Association budgeted a negative operating margin of \$1,359, which is why the assessment increase is larger than the budgeted expense increase. Due to a change in the chimney inspection this budget will be amended by an \$1800.00 decrease.

The Capital Assessments will remain the same as last year, which results in an overall increase of 5.35% in annual assessments.

Operating Expenses

The increase in operating expenses is due to changes in several line items from last year’s budget – the most significant of these are detailed below:

Cable and Internet – Increase \$3,780 as explained in the Financial Report, Time Warner has increased rates on their commercial accounts and we have doubled the bandwidth for the wireless internet system during the peak occupancy months.

Chimney Cleaning and Inspection – Increase \$1,800 – this will now be an annual expense. Due to the ownership making a decision to budget this item for every other year this line item budget of \$1800 will be deleted in the FY14 budget.

HOA/Board Meetings – Increase \$585- this budget has been increased to accommodate the additional travel expenses of board members for the annual meeting.

Miscellaneous –\$1000 reduction as last year’s budget reflected one-time purchase of a new natural gas grill.

Trash – increase \$1,265 to cover rate increase plus the additional costs of recycling program

Capital Expenses

<u>Approved 2013-14 Capital Projects</u> Item	Capital Plan	Proposed Budget
Replace Dry Rot Window Frames as needed	\$ 5,000	\$ 5,000
Paint Exterior/Windowsills - N & E sides	\$ 8,000	\$ 8,000
Paint Handrails/trim	\$ 3,000	\$ 3,000
2013-14 Total Capital Projects	\$ 16,000	\$ 16,000

Homeowners will be notified when their unit is scheduled for window repair.

10 Year Capital Plan

The current plan is included in this packet. Note that there are two large projects on the horizon (elevator modernization and replacement of flat room membrane) that, if actually needed, will require some small Special Assessments. Management is working with the roofing contractor on a proposal to phase the roof replacement, as some sections are in better shape than others. This will ease the burden of financing this project. Management will continue to monitor the elevator performance this summer. It’s temperamental, but there has not been much downtime recently. As previously discussed, if the elevator should require a major replacement part, this will result in significant downtime due to its age. If the Association should need to proceed with a modernization, there is a minimum 8 week lead time from contracting to start of project. The modernization will then take between 4 – 6 weeks to complete. So planning for this during the off-season is much better than having to do it because the elevator had a major failure.

Discussion: After a lengthy discussion amongst the ownership regarding the elevator modernization it was decided to have the board and management re-evaluate the capital dues structure and the 10 year capital plan model to move the elevator modernization up in the capital plan to 2014. There were 10 owners in favor of moving the elevator modernization up to April 2014.

2013-14 Dues Allocation

A worksheet was included in this section of the meeting book that illustrates the new quarterly assessment amounts per unit.

OLD BUSINESS

Rules and Regulations

The current rule for pets is owner only (this includes immediate family members). There are no bikes allowed on the unit decks. Robert reiterated that the rules and regulations need to be enforced and the board has the option to fine the owner that is in violation. The board asked management to resend a copy of the rules and regulations to the owners as a reminder.

Wood Creek HOA Web Site

The owners asked that all communication to and for the HOA be posted on the Wood Creek web site. Donna Hayley had originally set the web site up through Beverly Ross. Management will help the board get this web site current and to keep it current.

Internet

Charles Kerr has reported that he has had issues with the Wireless service. Management will contact the provider to have the issue resolved. Todd informed the owners that he had spoken with Internet Colorado and the complex was exceeding the 6mg that the complex has in its plan. The owners also reported that the owner login is not working.

Hot Tub/Jacuzzi

Management does an annual clean once a year on the tub. Maintenance will drain and refill the tub as needed during the season of operation. The circulation pump will continue to operate during down times. The tub is budgeted to be closed during the low occupancy times. The budgeted times of operation are Open Memorial Day and Closed October 1.

ELECTION OF DIRECTORS

There was one board seat up for election this year held by Robert Harrison. Robert had notified the ownership that he will not be seeking another term. The owners thanked Robert for his years of service on the board of directors and wished him well.

Nominations/Election

Wanda Kimbrell had communicated her willingness to serve on the board to the owners prior to the meeting. There being no other nominations the following motion was made.

Motion: By Robert Harrison to elect Wanda Kimbrell to the Wood Creek board of directors for a three year term to expire 2016.

Vote: Unanimously Approved

Election of Officers

Motion: By Jo Mudd to appoint Jim Guzzi as President, Jo Mudd as Vice President and Wanda Kimbrell as Secretary/Treasurer,

Seconded: By Wanda Kimbrell

Vote: Unanimously Board Approved

New Business

Maintenance Projects

Robert will provide a list of projects to be completed at Wood Creek to Lynn and Todd.

Jim Guzzi thanked Charlie Ferrall for overseeing the project list for the complex. Charlie then thanked Todd for all his efforts as well.

Establishment of Next Meeting

Motion: By Robert Harrison to schedule The 2013 Annual HOA meeting for July 3, 2014.

Vote: Unanimously Approved

The next annual meeting date was set for July 3rd, 2014 at 9:30am MDT.

Adjournment

Motion: There being no additional business there was a motion by Robert Harrison to adjourn the meeting.

The meeting was adjourned at 1:16PM.