

**WOOD CREEK CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING
June 11, 2013**

DRAFT

DIRECTORS PRESENT: Jo Mudd (by Phone)
 Robert Harrison (by phone)
 Jim Guzzi (by phone)

MANAGEMENT COMPANY: Lynn Kiklevich
 Antoinette Wilson

Call to Order: The meeting was called to order at 3:05PM MDT

Quorum was established with three of the three board members present.

Approval of June 13, 2012 board meeting minutes.

There was a motion made by Jo Mudd to waive the reading and approve the minutes from the March 16, 2012 board meeting. This motion was seconded by Jim Guzzi and was approved by all board members.

**MANAGER 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 had on the books, but the resort lost a lot of ground 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 from 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.

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. Crested Butte will miss 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 and fireworks on the mountain.

CBMR will be expanding our 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. United will also continue to fly from Denver at least twice per day and from Houston – although the Houston schedule has not been finalized. The resort will continue to partner with Montrose-Telluride on the Allegiant service from Oakland and Phoenix and are exploring the possibility of partnering on another market – possibly Chicago.

MAINTENANCE UPDATES

Management worked closely with Charlie Farrell this year to make sure HOA projects were completed around the building that were priorities for the Association. 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.

Lynn mentioned that Charlie deserves a big thank you for all of his efforts.

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.

Landscaping work has begun in earnest now that it finally stopped snowing. The landscaping department is working on the lawn repair – the new sod arrives on the 11th and repair will be completed that same day.

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). See report for detail on amounts.

Operating Expenses

The first tab of the FY2014 budget worksheet shows actual monthly operating expenses through April 30 and projected expenses for May and June. 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 waiting to see 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, management 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 your system and reducing complaints from guests and owners.

Chimney Cleaning – over budget by \$1,755. The board has 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.

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

Contract Labor – over budget by \$1,520. The cost to wash all of the exterior windows last year was \$2,300 – pushing the HOA over budget in this category. This line item will be budgeted appropriately for this next year.

Discussion

Upon discussing the overage in this line item Lynn wanted to double check the budget vs. actuals and will let the board know if there were any discrepancies found.

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 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. The HOA also purchased some new recycling containers 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	

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 your board packet. The audit was clean and no significant adjustments were required.

OLD BUSINESS

There were no items to be discussed.

NEW BUSINESS

2013-14 Proposed Budgets

Revenue

The proposed 2013-14 budget anticipates total operating revenues of \$162,096; \$9,056 more than last year. The proposed budget reflects an increase in Operating Expenses of \$2,962 over the past year's actual expenses and \$8,704 over last year's budgeted expenses. An increase in the operating assessments of \$11,239 over last year will be necessary to balance the budget. Last year the HOA budgeted a negative operating margin of \$1,359, which is why the assessment increase is larger than the budgeted expense increase.

The Capital Assessments will remain the same as last year, which results in an overall increase of 5.79% 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 the bandwidth will be increased for the wireless internet system during the peak occupancy months.

Chimney Cleaning and Inspection – Increase \$1,800 – this will now be an annual expense

Contract Labor – Increase \$1,350 - window washing will be completed each year to meet board and owner expectations

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>Proposed 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

10 Year Capital Plan

The current plan is included in this packet. Note that there are some large projects on the horizon that, if approved, will require some small Special Assessments.

Motion: By Robert Harrison to approve the 2014 FY operating and capital budget.

Seconded: By Jim Guzzi

Vote: Unanimously board approved.

Election of Director

There is one board seat up for re-election this year. The seat is currently being held by Robert Harrison. Robert is not sure he will be running for another term. The board asked management to send out an e-mail informing the ownership of the board seat that is up for election asking anyone that may be interested in serving on the board to send in their resume.

Establishment of Next Meeting Date

The next board meeting will be held immediately after the annual HOA meeting which is scheduled for July 3, 2013 at 9:30am MDT.

Adjournment

Motion: By Jo Mudd to adjourn the meeting

Seconded: By Robert Harrison

Vote: Unanimously Board Approved

There being no other items to discuss the meeting was adjourned at 3:44 PM MDT

Respectfully Submitted
Antoinette Wilson

Secretary/ Treasurer