

**GATEWAY CONDOMINIUM ASSOCIATION
ANNUAL HOMEOWNERS MEETING
July 28, 2014
DRAFT**

OWNERS PRESENT: Roger & Amy Rolfe
Eileen Swartz (via phone)
Steve Figlewski (via phone)
John Gavras (via phone)
Jean Woloszko
Patty Brewer
Jamie Downing (via phone)
Karen Theel (via phone)
Jennifer Hoeting (via phone)

MANAGEMENT COMPANY Lynn Kiklevich
Toni Wilson
Todd Burnett
Jason Fries

Meeting was called to order at 4:34 pm MDT.

A quorum was established with 72.52% of the homeowners represented in person or by proxy.

<u>Owner</u>	<u>Attending/Proxy</u>		<u>Ownership Percent</u>
Smith, Michael & Janet	Absent		4.02
Bailey Avenue Company	Proxy to Eileen Swartz	6.38	6.38
Steve Figlewski & Carol Lipsitch	Present via Phone	6.38	6.38
Brewer, Patty Lee	Present	6.38	6.38
Revocable Trust Woloszko	Present	6.38	6.38
Sullivan-Jones Enterprises	Absent		6.01
Parker, Michael	Absent		6.01
Gavras, John & Dianna	Present via Phone	6.01	6.01
Rolfe, Roger & Amy	Present	6.01	6.01
Fenstermaker Jr., Roy & Joan	Proxy to Eileen Swartz	3.50	3.50
Phillips, David & Emily	Absent		5.72
Jennifer Hoeting	Present via phone	5.72	5.72
Gaenslen, Eric & Kit, Downing, Jamie & Tina	Present via phone	5.72	5.72
Bush Properties LLC	Absent		5.72
Karen Theel	Present via Phone	5.72	5.72
Fenstermaker Jr., Roy & Joan	Proxy to Eileen Swartz	6.63	6.63
Swartz, Eileen	Present via Phone	7.69	7.69
		72.52%	100%

Approval of Past Meeting Minutes

Motion: by John Gavras to wave the reading and approve the July 29, 2013 Annual HOA Meeting Minutes with one edit to correct the spelling of Jean Woloszko's last name.

Seconded: by Eileen Swartz

Vote: Unanimously Approved

REPORTS

Presidents Report

At the time of this meeting the board did not have a president. The former President Rod McFarland sold his unit leaving a board seat open.

Manager's Report

SUMMER PREVIEW

The resort is pacing for a record-breaking summer this year. The 4th of July holiday kicked off the season with a "bang" – with over 15,000 people on Elk Avenue to watch the best parade in America. CBMR managed properties were 100% booked for the weekend and is pacing up 60% in rental revenue over last summer at this same time.

A lot of fun activities are on tap for this summer including another season of the LIVE From Mt. Crested Butte music series (every Wednesday beginning in July), the **Free** Friday lift ticket program, and the Mt. CB Blue Grass Festival. The area will be hosting the US Pro Cycling Challenge again this year, and are looking forward to welcoming those professional racers to Mt. Crested Butte on August 19.

The resort continues to add trails to the Evolution Bike Park trail network on the mountain and we are getting a reputation now for having one of the biggest, most accessible downhill and cross-country trail networks in the state.

The Beer and Chili Festival will be on August 23rd this year, moving from its usual date in September. Craft brewers from all over the state of Colorado will converge on Mt. Crested Butte along with amateur and professional chefs showing off their best chili recipes.

In addition, we made some significant improvements to our on-mountain wedding venues and are hosting over 50 destination wedding events this summer.

Butte 66 restaurant is open this summer for lunch and dinner with a new menu – so if you are in the base area, check it out. And the Iron Horse Tap is open in the Plaza Wednesdays – Mondays from 4pm – Close.

AIRLINE INFO FOR 2014-15

CBMR has contracted with American Airlines to serve the Gunnison airport daily from Dallas again next year. The Chicago service that was added by CBMR last year performed very well and will return next year with an extra flight on peak Saturdays.

United will also continue to fly from Denver twice per day and from Houston on Saturdays. Houston will also have two flights per day on some peak Saturdays. This results in about a 7% increase in seat capacity over last season.

Bookings are also looking very strong for the winter season, with CBMR Properties pacing up 27% over this same time last year.

John asked about the progress on the Mt Crested Butte Performing Arts Center. Lynn reported that the center has hit an important fundraising milestone. They have raised 18 million dollars and are now able to hire all of the professionals that will finalize the actual plan. They are heading into the next phase of fund raising and are scheduled to break ground next spring.

MAINTENANCE UPDATES

Two capital projects were completed last year:

- Painting of all the metal handrails throughout the property
- Replacement of the South garage door

In addition, the board approved a window and door package for use by owners who would like to replace their windows and sliding glass doors. This is discussed under Old Business, Windows & Sliding Doors.

Management has discovered that there are water penetration issues that are occurring around the beams in seven of the units. These issues will be repaired by management and is the responsibility of the HOA.

The HOA is also upgrading the wireless internet equipment (hopefully completed by the meeting date) and doing some repairs to the rock walls around the property. (At the time of the meeting the WIFI project was still in progress)

And finally, the HOA will be replacing the hot tub shell at the end of the summer season.

Financial Report-2014

Balance Sheet. The balance sheet reflects cash on hand at June 30, 2014 of \$21,601. \$6,021 of this was in the Capital account and the remainder in Operating. Accounts Receivable totaled \$16,762 and Accounts Payable equals \$ 5,407. As of the writing of this report, the only account in arrears more than 60 days is unit 304 with a balance of \$601. The auditors directed us to write off the balance from the old owners of 402, this bad debt was deemed uncollectable. This shows as Bad Debt on the Income Statement.

Income Statement. The Association finished the year with revenues totaling \$136,733 which is \$265 more than budget. Operating Expenses totaled \$118,694 - \$1,736 more than budget, but Capital expenses were slightly under budget at \$17,983. This results in a positive Operating Margin of \$2,030 and a negative Capital Contribution of (\$1,974).

Variances to budget > \$1,000 for the year are as follows:

Bad Debt – The \$4,441 receivable from the old owners (2 owners ago) of unit 402 was deemed uncollectable and written off to Bad Debt on April 30.

Chimney Inspections – under budget by \$1,085.

Contingency – under budget by \$4,048. This helped to cover the Bad Debt expense.

Fire Protection - over budget by \$1,094. \$420 of unbudgeted repairs in October and November along with a \$665 inspection that is not required annually by the Town of Mt. Crested Butte that was not included in the budget – but will be going forward.

Snow Removal – over budget by \$1,556. A three week storm cycle in late January – February dumped over 100 inches and required that snow be moved off – property.

CBMR Rates for snow removal is as follows:

- ✓ Hand Shovel- \$25.00 Per Hour
- ✓ Roof Shoveling- \$45.00 Per Hour
- ✓ Plow Truck- \$55.00 Per Hour
- ✓ Bob Cat- \$85.00 Per Hour

Capital expenses are forecasted to be \$17,983 compared to a budget of \$18,500.

Approved 2013-14 Capital Projects

As of May 31, 2014	<u>Budget</u>	<u>Actual</u>
Paint all metal railings	\$ 16,000	\$ 15,888
Replace South garage door	\$ 2,500	\$ 2,095
Total Approved FY14 Capital	\$ 18,500	\$ 17,983

OLD BUSINESS

Windows and Sliding Doors

The board has spent a significant amount of time on this project over this last year and the HOA discovered that there are a few units in building one that have balcony sliding doors that have had water penetration and are leaking into units below. The board has now approved a window & door package. The HOA has received proposals from two different contractors for installation one from this area and one from Glenwood Springs.

The board will be reaching out to the owners that have the penetration issues individually. The HOA will mandate that these owners replace their doors to mitigate further water damage. The CBMR team will manage this project on behalf of the HOA and will bill the cost of replacement back to the individual owners on their HOA accounts.

The owner of 204 Roger Rolfe reported that during his remodel and replacement of windows the contractor found mold inside the walls. Lynn believes that there are issues like this in most of the units.

Originally the board was prepared to do a 100% replacement of all windows and sliding doors. The HOA would have had to special assess the owners however the HOA attorney advised the board against this proposal as the declarations/bylaws are vague in this area. Therefore the board chose to approve a package for owners to install new windows and sliding doors at will.

The Rolfe's (owner of unit 204) invited anyone who would like to see the windows/doors over their unit to look at the finished product.

WIFI

The upgrade is in progress the equipment needed is on order and installation should begin within the next two weeks. Everyone agrees that WIFI at Gateway is not good. Time Warner does not provide a quality product (currently this is the only option) and this is part of the issue. With the limited resources this will continue to be an issue. After a discussion of possible alternatives the owners thought it best to continue with the upgrade in process and reevaluate in the future.

ELECTION OF DIRECTORS

There were two terms up for election this year previously held by former owner of 204 Rod McFarland and Eileen Schwartz owner of 404.

Current Directors	Term Expires
Open Seat	2014
Eileen Swartz	2014
Steve Figlewski	2015
John Gavras	2015
Jennifer Hoeting	2016

There were three owners willing to serve on the board for the two open seats. Each term is three years.

Eileen has indicated she would be willing to serve on the board again.
Eileen Swartz- Incumbent Owner of 404

Roger Rolfe nominated Amy Rolfe
Amy Rolfe -Owner of 204

Eileen Schwartz nominated Jean Woloszko
Jean Woloszko -Owner of 105

Colorado Law requires that a secret voting ballot be used in a contested election. Owners on the phone were instructed to either text or e-mail their votes to Lynn Kiklevich. At this point Amy Rolfe withdrew her nomination therefore the following motion was made

Motion: By Steve Figlewski to elect Eileen Swartz and Jean Woloszko by acclamation to the board of directors.

Seconded: By Roger Rolfe

Vote: Unanimously Approved

Congratulations to Eileen Swartz and Jean Woloszko who were elected to serve on the Gateway board of directors.

NEW BUSINESS

2014-15 Approved Budget

Revenue

The approved 2014-15 budget reflects total operating revenues of \$123,880. This is an increase in the total monthly operating assessments of only \$287 per month. This increase is about 50% of what the Association experienced in the prior year.

The budget also reflects an increase in the total annual capital assessment of \$2,500 or \$208 per month. Combined this will result in a quarterly dues increase of less than \$100 per quarter for all but one unit owner.

Also approved is a \$20,000 special assessment to cover capital expenses for this year.

Operating Expenses

The cumulative operating expenses are budgeted to be approximately \$2,450 more than this year's budget and \$1075 more than this year's projected actual expenses.

Significant line item adjustments from the current year's budget include:

Bad Debt – did not budget an allowance in this account as the HOA doesn't currently have any owners significantly in arrears and therefore do not expect to have any defaults in this fiscal year.

Contingency –the HOA will continue to budget \$6,000 in this account to cover unforeseen expenses. This did help us cover the Bad Debt expense last year.

Capital Expenses

TOTAL Approved Capital

\$35,000

Approved 2014-15 Capital Projects

Budget

Stucco repairs/painting

\$10,000

Mainly in areas where water damage is repaired.
Entire building scheduled for stucco repair and paint next year

Hot tub shell replacement

\$10,000

As per capital plan - definitely needed

Wireless Internet System upgrades	\$ 4,000	Install 12 - 14 new access points throughout the building. Upgrade system switch
Repair/Replace and Seal stonework/capstones	\$ 9,000	As per capital plan
Contingency	\$ 2,000	
Total Proposed FY15 Capital	\$35,000	

Five Year Capital Plan

The Capital Plan has been updated and is included in your meeting packet.

The Capital budget was adjusted to reflect that the repairs and replacement of the leaking sliding glass doors will be the responsibility of the affected unit owners. The HOA will complete the repairs and then bill the owners for reimbursement. CBMR Properties will be communicating with each owner and supervising the project on behalf of the HOA. This also reduced the Special Capital Assessment to \$20,000, from the originally proposed \$30,000.

The next large project will be stucco repairs and painting to the entire building, which is scheduled for next year. This project is not fully funded out of reserves, so will require a special assessment to complete.

In an effort to reduce future special assessments, the board has approved an increase in the annual capital assessment beginning on July 1, 2014. This increase will be reflected with the 2nd Quarter billing and will include an adjustment for 1st quarter.

Lighting

The Gateway Sign light is not active and the owners requested that it be operational again. The correct address for Gateway is 18 Snowmass Road.

Garage Windows

The Pipes in the garage are visible because the window coverings on the garage windows are pulled up and this is not visually appealing.

Signage

For the garage it was suggested that EXIT and Entrance Only signage should be posted.

Parking

Jean Woloszko witnessed that guests and owners were having to park in the lot across the street due to excess amount of vehicles in the garage over certain dates. At this point there are no limitations on # of vehicles per unit.

Owner Phillips- Jeep

This Jeep does not have current registration and has been sitting in the same spot for a long time.

Garage Lockers

The lockers in the garage have not been used for a while. Management will look into the contents and clean the area up.

Bicycles

There is a bike rack located in the garage. Management needs to contact the renters in the employee unit instructing them to not place their bikes in the walk way.

Watering

Patty Brewer asked why the grass is watered when it is running. Jean suggested installing a rain sensor.

Walkway

Roger asked if it was possible to create a walk way access the road on the Mountain side of the building.

Housekeeping Storage Closet

The owners all agree that the chain link fence door is visually unappealing. Management will look into changing this and make it look a lot better.

Luggage Carts

Patty Brewer suggested that new luggage carts be purchased for the HOA as the existing carts are worn. There is an area of stucco that is in need of repair that apparently was hit with something large possible the luggage cart.

ESTABLISHMENT OF NEXT MEETING DATE

With no further business to attend to, next year's annual meeting was set for Monday July 27, 2015. 3:30 PM MDT

ADJOURNMENT

Motion: by Roger Rolf to adjourn the meeting

Seconded: by Eileen Swartz

Vote: Unanimously Approved

The meeting was adjourned at 6:06 pm MDT.

Respectfully Submitted,

Approved by,

Antoinette Wilson
Homeowner Liaison
CBMR Properties

Jennifer Hoeting
Association Secretary