

Board Meeting Minutes

Steamboat Grand Resort Hotel Condominium Association, Inc

May 5, 2011

1:00 PM at the General Manager's Office

Board Members

Present: Joe Fogliano, Mike Lomas, David Zedeck and Laurie Good
Greg Magee, Ron Belin, Steve Traudt via teleconference

Others Present: Kevin Gilman of AAAA; Jennifer Holt of SSRC, Sherri Sweers of FNA and Chris Smith of Powder Pursuits.

Proceedings

The meeting was called to order at 1:01 by the President.

A quorum was established.

Notice of meeting was provided by email on May 4, 2011.

Meeting Minutes from the March 4, 2011 Board meeting were reviewed.

Motion: Mike moved to approve the minutes as presented.

Ron seconded.

Motion carried.

Sherri reported that the encumbrance incorrectly put on the common elements formerly known as C22 and C23 by Steamboat Ski & Resort Corp still has not been removed. SSRC's attorneys are still working on it.

The letters to the street front retail unit owners regarding the use of the common area sidewalk has been mailed. The objective is to establish expectations regarding the front of the building. Enclosed is a standard contract with an Exhibit A that is to be negotiated between the Association and the individual shops, based on what areas they would like to use.

(Laurie Good joined the meeting @ 1:14)

Sherri reviewed the status of the collection case against 325 Grand LLC. The owners of the LLC have filed personal bankruptcy, but not the LLC. The debt owed by the LLC to the Association has been incorrectly listed as a debt of the individuals in the bankruptcy case. The Association has gotten a default judgment against the LLC, but the issue with bankruptcy case will need to be resolved before foreclosure can proceed.

Four other residential units have been referred to FNA for demand letters to be sent. Street front units C5, C6, C7A and C7B are in arrears again, and two foreclosure notices on those units have been received. Sherri has contacted representatives of both lenders.

Sherri announced that she has resigned from Feldman Nagel and Associates and is starting her own legal firm with a couple other attorneys, called Steamboat Lawyers Group. The Association will have the option to stay with Sherri, stay with FNA or start a new relationship. David Nagel called before the meeting began and expressed an interest in retaining the Grand account. The Board tabled the decision for action at the next meeting.

(Sherri left the meeting @ 1:40)

Replacement Reserve projects were discussed.

Motion: Greg moved to ratify the email vote approve \$185,250 for the list of 2011 project.
Ron seconded.
Motion carried.

The renewal of the SSRC and AAAA contracts was discussed. Greg requested that the Board go into executive session to discuss the AAAA contract.

(The recording was stopped @ 1:46, and resumed @1:59)

Greg reported that the AAAA contract extension will be sent to counsel for review as soon as a decision on which firm to use is made. Joe asked Mike & Kevin to develop a list of possible impediments to the extension of the SSRC contract, and establish a timetable to finalize the agreement.

The list of candidates fill the vacancy on the Executive Board was discussed. Several bios were discussed, focusing on skill sets that might best complement the existing Board. It was agreed that the next step would be telephone conversations with some of the candidates.

SSRC has billed the Association for a 25% increase to the Owners Club rent, based on the original license agreement. That agreement was amended in 2008 and the wording regarding renewal periods is ambiguous. The Board decided to refer the question to FNA.

The financial forecast through year end projects that the Residential Operating Fund will have a deficit of \$97,000, which will have to be funded by reducing Replacement Reserve funding. The Common Operating Fund is projected to have a surplus of around \$18,000 due entirely to savings on snow removal. Various components of the forecast were discussed and Mike assured the Board that SSRC would be able to bring the Front Desk Expense line item in on budget. The forecast foreshadows the needs to raise dues or use fees next year to continue adequately funding the Replacement Reserves.

A report from the Investment Committee was reviewed. The committee's approach is conservative and focused on preservation of capital.

Motion: Greg moved to amend the investment policy to replace the maximum investment term of "91 Days" with "5 Years", to change "Treasury Bills" to "Treasury Bills and Treasury Notes", and to add "All investments with maturities in excess of 91 days shall be authorized in advance by the Executive Board"
Joe seconded.
Motion carried.

(Steve Traudt joined the meeting @ 2:50)

A list of bank CD rates was discussed, and Kevin recommended working with more banks to provide additional FDIC insurance coverage.

Motion: Laurie moved to open accounts with Ally Bank, First National Bank of the Rockies, Millennium Bank and Mountain Valley Bank.
Ron seconded.
Motion carried.

The 2011 property tax valuations were discussed. The assessed valuations for the Grand are down by 20 to 27% for a sample group of Grand units. Kevin will report back to the Board after all the notices are received from the county.

Mike Lomas reported that the swimming pool project is running behind schedule because of the weather. The project required permission from The West Condominiums for the concrete trucks to cross their property. Building a road from the north side of the Grand into the backyard is a project to be considered in the future. The fitness center is open and the tile has been replaced outside the steam rooms. He is getting bids for stucco repair. He also reported that the 4% fund is not adequate to pay for exterior window washing this fall. He is working on summer projects to finish up the wicker chair replacement for \$25,000, replace floral arrangements for \$15,000 and upgrade penthouse furnishing for \$40,000. SSRC is in the process of remodeling the Cabin restaurant to add a bar in the front and make it the primary restaurant. Chaps will become a coffee shop with grab and go food. What will happen in the current coffee shop space is yet to be determined. The roof project will begin in the fall. There was a discussion about asking the engineer to estimate the remaining life and potential replacement cost of the roof, to double check the number in the replacement reserve study.

Kevin recapped the various financial topics that were discussed as part of other agenda items. Ron requested that a current accounts receivable aging report be sent prior to each Board meeting.

The next Board meeting was scheduled for Wednesday, August 3rd, 2011 at 1:00 P.M. in Mike Lomas's office.

Motion: Greg moved to adjourn the meeting.

Ron seconded.

Motion carried.

The meeting was adjourned at 3:25.