

**MINUTES OF THE MEETING OF DIRECTORS  
OF  
THE STONEBRIDGE CONDOMINIUM ASSOCIATION, INC.**

The following were present at a Meeting held in Snowmass, Colorado on Friday, July 10, 2020:

Tom Scharffenberger	-President
Doug Borrer	-Vice President
Jack Fields, Jr.	-Treasurer
Nancy Burns	-Director
Bill Kritzik	-Director
Susan Leonard	-Director
Perri (Madison) Mickles	-General Manager
Kelly Wallace	-Assistant General Manager

Doug Borrer called the meeting to order at 12:49 PM.

**ELECTION of OFFICERS**

Doug welcomed Susan Leonard to the board as the newest member and thanked her for volunteering. Doug then moved to be nominated as President with Bill Kritzik as Vice President and Jack Field as treasurer. Bill seconded the motion and all voted in favor.

**STRUCTURAL WORK**

Doug said that to date we have spent about \$165,000 on structural repairs for the 900 building. We have a contract of \$509,000 to complete the 900 building. Based on rough projections, the work in both the 600 and 900 buildings is estimated to be \$1.3 - \$1.8 million. We have been approved for a \$1 million credit line from Alpine Bank to finance the special assessment, but will likely need to do another special assessment in some form over the next year.

**2019/2020 FINANCIALS**

Perri explained that when she gave year end projections to the bank as part of the loan documents, she revised them from the Board meeting in May. Due to the county allowing 50% occupancy in June and 100% occupancy in July, our projected income has increased. We saw a rush of reservations over the July 4th weekend and have been booking steadily for the summer. Based on that, we have ended the 20% discount that was in place due to COVID. She noted that we had raised rates about 35% from last year so we were able to discount and still have higher rates for the homeowners. With the adjusted projections, we are looking at an operating of profit just under \$100,000. This does not include the Payroll Protection Loan forgiveness. The portion of the loan that is forgiven will be income that will go to our bottom line.

**2020/2021 BUDGET**

Doug stated that each board member is responsible for reading the budget prior to the meeting. Perri gave an overview of the budget. The Annual Assessments were based on a 3.5% increase from last year to allow us to increase the amount projected to add to the Capital Improvement fund from \$200,000 annually to \$350,000 annually to rebuild the fund. Due to several Capital Expenses that were incurred during the construction from our structural issues, the fund has decreased over the year. Tom asked where we are with Capital Reserves right now. Perri responded that we are at \$350,000 but would like it to be higher. Rental commissions were projected to be the same as last year. Without the pandemic, this

year we would have exceeded that amount. We have raised our rack rental rates for the winter by approximately 35% which gives us room to discount as needed and still have a higher nightly rate. We have been very selective in discounting and will continue to work with market demand. While we may have fewer travelers due to COVID, the summer has shown us that guests still want to travel and see our location as a safe haven. Bill moved to approve the budget including the Pool/Cabana budget. Nancy seconded and all approved.

### **CONDO DECS and BYLAWS**

The board expressed disappointment that the amended documents that were adopted in 2018 were left with ambiguities. They noted that the recent ballot vote had to be done twice because of the previous attorney's discrepancies in the Declarations and Bylaws. The board and Perri felt the new attorney will be less expensive and has a strong background with HOAs. Doug noted that the board had intended to allow family members to run for the board. Based on the ambiguity and under the advice from our attorney, we had to adhere to the most restrictive provisions. Nancy expressed concern that allowing family members may not be accepted under Colorado law. Bill and Nancy volunteered to form a committee to review the governing documents and make sure they are CCIOA compliant. Nancy suggested that for continuity, it will be management's responsibility to know and own the documents. Doug would like to change the election timing to have it completed by mid-June to allow the newly elected member time to travel to the meeting, which will be expected for the new board member.

Doug would like to see the recommendations for the governing documents by this fall and have any amendments voted on by the Homeowners before the December Board meeting.

### **RENOVATIONS**

Doug commented that the 600 and 900 doors look good. As we get a better picture of the structural work, we will not have construction this fall. He felt waiting until the spring when the structural work and renovations can be done simultaneously would be more cost efficient.

### **POOL/CABANA**

Per our agreement with the Stonebridge Inn, managers from the Stonebridge Inn are permitted to attend the Pool/Cabana yearly board meeting for the Pool budget review. Jeff and Phillip from the Inn attended that portion of the meeting. Both Jeff and Phillip commented on Perri and Kelly's willingness to be fair and transparent with them and felt that the relationship was greatly improving. The changes in the budget process last year have made the expense items more understandable and they are able to present to their boards with confidence. They also commented on how great our grounds look and strive for theirs to be as manicured.

Bill moved to recess the meeting at 1:50 PM, Nancy seconded and all approved. All adjourned for the Annual Homeowner Meeting.

After the homeowners meeting the board meeting was reconvened at 3:10 PM when Doug called the meeting to order.

## **MANAGEMENT**

Kelly went over the pacing report for Summer 2020 and Winter 2020/2021. Last minute, weekend bookings are the trend this summer. Many of our summer bookings are coming through VRBO/Homeaway, Expedia, Hotels.com and Trip Advisor, which are booking channels we haven't had in previous summers. For winter, we are pacing flat for December, down considerably in January and February and up for March and April. January's decrease is primarily because the Brazilians have not booked yet as the U.S. border is closed to them. Last February, President's week and Mardi Gras were separate weeks. This year they fall during the same week, so this along with COVID19 unknowns, we feel are responsible for the February decrease.

Doug asked where we were with the Resort Fee. Kelly said we were still holding at 5% due to the increase in rack rates. The Board asked Management to maximize this at their discretion.

## **RESERVATION SOFTWARE**

Our current property management software is soon to be retired by the owner-Expedia—meaning we are forced to acquire a new software. We have decided on a new system called iQWare. Kelly, Stan, and Pammy have worked on iQWare in the past. It offers the revenue and channel management we need and integration with QuickBooks. Installation should begin in the fall.

## **LOAN RESOLUTION AND COLLECTION POLICY**

To finalize our line of credit with Alpine, the bank has required that the Board pass a Resolution to obtain the \$1,000,000 loan and to provide a Collection Policy that is CCIOA complaint. The Collection Policy provided by the attorney stated billing of annual assessments would be monthly. Doug would like, at most, billing on a quarterly basis. Bill moved to approve the Loan Resolution and the Collection Policy based on quarterly billing. Doug seconded and all were in favor.

## **PLAN FORWARD**

Bill suggested a letter from the president be sent quarterly so that there is more communication and transparency with the owners. All board members agreed.

Bill asked Kelly to work with our web site designer to provide an opt in/opt out option for a directory.

Doug requested a meeting be set for late September with the board and management to reconfirm all items promoting transparency to the homeowners are executed and to discuss the structural work and financing options.

## **FUTURE MEETINGS**

The December board meeting is scheduled for Wednesday December 9, 2020 and the May meeting is scheduled for Thursday May 6, 2021. The July meeting dates will be scheduled later as we see what the pandemic does.

The meeting was adjourned at 3:36 PM