

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

The following were present at a Meeting held April 21, 2022, in Santa Barbara, CA

Doug Borrer	President
Bill Kritzik	Vice President
Nancy Burns	Treasurer
Susan Leonard	Director
Brittany Greenfield	Director
Perri Mickles	General Manager
Kelly Wallace	Assistant General Manager

Doug Borrer called the meeting to order at 9:08 AM.

FINANCIAL REVIEW

The Year to Date Actual versus Budget Statements look strong due to a really busy winter along with the price increases instituted over the last few years. Rental Commission Income is 163% of the budgeted amount. Resort fees which are based on the gross rental are 215% of budget.

Due to increased occupancy volume, variable costs such as credit card processing fees, travel agent commissions, housekeeping supplies, van services, utilities etc. are also higher than budgeted. Due to a shortage of housekeeping staff, we had to use temporary agencies which increased the cost of staffing.

Overall, the net ordinary income came in at 150% of the budgeted income.

The Cash Flow projections show our cash position improving as we are looking at the upcoming structural work. We have paid off the credit line that was used to cover the costs of the structural repairs that have already been completed and have begun replenishing the savings funds for the reserve account. We still have access to \$700,000 of the credit line but we do not anticipate the need to use that.

15 YEAR PLAN

Mark and Perri reviewed the 15 Year Plan and made some adjustments based on the building needs. The boiler in the 700/800 building will need more immediate attention. We have just undergone made repairs but feel like the replacement will need to be sooner than anticipated. We have moved this to the 2023/2024 fiscal year.

Also, a common item on the inspection reports of the condos that have sold recently is the cement cracking on the balconies. We felt like the balcony repair should also be moved sooner. It will most likely require 2 off seasons so we have it scheduled for the 2024/2025 fiscal year.

Based on cash projections, our current contribution program will continue to be adequate to keep the reserve fund healthy.

CABLE & WIRELESS UPDATE

Representatives from Comcast and Global Cable Inc. met with Perri and Mark on April 11 to determine options for getting fiberoptic cable to the building to provide a stronger internet signal for each condo. It was determined that Comcast has fiber optics in the easement behind the 900 building on the lower side of the building. Comcast will trench in the easement and bring a cable through the boiler room creating our primary access in the electrical room. From there, the fiber optics will go to each building. The trenching and primary access will be completed by Comcast. The secondary switches to each building and condo will be completed by Global Cable.

Within the condos, the Cat 6 cabling will need to come into the main area of each condo, conduit will be run as discreetly as possible within the condominiums. The cable will lead to a WAP that will have 4 Ethernet connections for wired internet if desired. The smaller condos will have one WAP and the larger condos will secondary WAPs as needed for coverage. Completion by late October is the target, however, scheduling is still not determined. We will try to get a head start by wiring the 600 building during the construction this summer. New estimates from both Comcast and Global Cable are expected by mid-May. The original bid was for \$30,000 but Perri believes that is low and estimates around \$45,000.

NOMINATING COMMITTEE

The Stonebridge Condominiums Board of Directors has 3 positions up for election this July. Doug Borrer, who has served his second 3-year term, is not eligible to serve again this term. Bill Kritzik and Nancy Burns have each served one 3-year term and are eligible for a 2nd term. Any interested parties need to supply a letter of interest and resume to the Association office by noon on Monday, May 16, 2022. Ballots will be sent to the Membership on Wednesday, May 18, 2022, and will need to be returned by June 1, 2022, so the new board members have time to prepare for the July Annual Meeting.

600 & 900 HALLWAYS

The common area hallway between 900 & 901 has been updated as a model unit. Based on feedback from owners, some revisions will take place. The lighting will be dimmed so it is not too bright, and runners are being considered in the hallways for noise concerns. Ski/snowboard racks are still in the design phase as we are exploring locking mechanisms.

MANAGEMENT AGREEMENTS and FRIEND OF OWNER FEE (FOO FEE)

As discussed at the July Annual meeting, the application of a two tier Non-Rental Agreement will be implemented. The two-tier fee schedule will help offset additional building costs. Tier 1 will be for owners who reside in their condominiums less than 6 consecutive months. For those who reside 6 consecutive months or longer, the Tier 2 fee will apply.

The Friend of Owner (FOO Fee) was discussed, and the Board is hoping to have it implemented as soon as possible. The fee helps cover the cost of the hotel services including items such as van services and package delivery. This fee will not be applicable during the off-season and will not apply to the homeowner/partner, children, or parents. Owners will be contacted once the program has been established.

The Board discussed the Non-Rental and Rental Agreements and the minimum number of rental nights required to qualify for the Rental Agreement. The Board requested that a number be calculated by Management and put in their recommendations.

SALES AND MARKETING SUMMARY

Kelly said that the numbers were fantastic this winter with March surpassing \$1 million in gross rentals. We reached a point where she had to turn off the on-line channels due to high demand. The average daily rate had a significant increase.

She expects this winter will see an increase in international travelers. We saw the return of some Brazilians but due to travel restrictions not being lifted until November, many had already booked travel to Europe. The Australians were also hesitant to travel due to pandemic issues, but Kelly has put the tools in place for her Australian contacts to easily book in our system.

For this summer, we are anticipating the average daily rate (ADR) to decrease due to the loss of the 600 Building revenue. Our relationship with the Aspen Music Festival has brought us strong bookings with both longer stays and short stays.

Kelly attended the Mountain Travel Symposium, an annual gathering of travel professionals specializing in the mountain communities. The housing shortage is at crisis level in all the mountain resorts. All resorts are suffering from employee shortages and are increasing wages to attract employees. Also noted was the shift of travelers' priorities from price to location.

PACING

With the 600 building out of the rental pool this summer, we have less inventory to sell, especially in the bigger condominiums. Even though summer bookings look strong on the books, we will be down overall with less inventory available to sell. We are also expecting our Average Daily Rate (ADR) to be down because we will have fewer larger units that sell at a higher rate. Summer rates have increased over 30% the past several summers. Kelly will continue to yield up pricing as market conditions allow throughout the summer.

CYBER SECURITY

Board member Brittany Greenfield specializes in Cyber Security and felt it is an important time for Stonebridge to conduct an inventory of its IT systems. Although she would not have recommended this 5 years ago, she feels it is important that we acquire cyber insurance and move to the cloud. She will spend time with Kelly and Perri this summer to analyze our systems and come up with a technology road map.

OWNER REQUESTS

The owner of 827 is doing a remodel and would like to move his dryer vent. The Board agreed only if the venting goes through the roof and there is a signed agreement that the owner would then be responsible for any leaking due to the roof penetration that might occur where the venting is located. The agreement would be applicable to any future owners of the unit.

Doug stated that Management has the discretion to allow upgrades but not major renovations which must go through the Board.

FUTURE MEETING DATES

Perri said that the July Board Meeting and Annual Homeowners Meeting are scheduled for Friday, July 15. The Owners Barbeque will be that evening.

The Board decided to wait on scheduling the December and May meetings until the new Board members are elected.

December 27, 2022, is the suggested date for the Owners Holiday Party

OWNER COMMENTS

Doug opened the meeting to owner comment and questions.

Gary Greenfield (623) asked Perri if the 600 building is still on track for owner occupancy July 1st, 2022. Perri indicated that it is on track for the July 1st date.

Donna Greenfield (623) expressed concern about the FOO fee being applied to stays. Doug explained that this was not applied to owners. The higher tier fee for a 10-month stay would be approximately \$100 more than the current non-rental fee.

Dan King (827) thanked the board for reviewing his plans and clarified that the roof penetration for a dryer vent was approved. Doug agreed. Dan said he would work out the other, more minor items with management.

Ingrid Adkins (925) said she was eager to meet everyone in July. She also said that this meeting and the last meetings have been difficult to hear certain speakers. Brittany said we would review this during her IT assessment this summer.

Mary K Klein (911) expressed concern over a fee for non-family members. Bill explained that we had implemented a resort fee for guests and that this fee is basically a resort fee for owner guests. This does not apply to guests who are in house with the owner. Mary K asked if she would get to vote on this and Doug explained that it is a policy initiated by the Board and they will vote on it.

Bill Kritzik moved to adjourn the meeting at 10:20 AM, Nancy seconded and all approved.