

# YACHT CLUB CONDOMINIUM ASSOCIATION

## Board of Directors Budget Meeting Minutes

### Saturday, March 17, 2018

A meeting of the Yacht Club Condominium Board of Directors was held on March 17, 2018 at 9:00am in the Wildernest Board Room and via teleconference.

Directors in Attendance: Ann Gassman, Spencer Comfort and Ron Harper  
Directors by Conference Call: Adam Royval, Robert Duncan, Liesel Twenhafel, Bobby Kline  
Representing Wildernest Management: Grant Parker, Community Association Manager

A majority quorum was established.

**Call to Order:** The meeting was called to order at 9:10am

#### **Approval of Board Minutes**

**MOTION:** The motion was duly made and seconded to approve the minutes of October 13, 2017, November 1, 2017 and November 14, 2017. Motion passed unanimously.

#### **Review of February YTD Financial Report**

The Board reviewed the February YTD report. Through the end of February, 2018, the balance in the Operating Account was \$56,903.34. The balance in the Smartstreet Reserve Account was \$202,208.40. The balance in the 1st Bank Reserve Account was \$130,070.56.

It was noted that the Building Maintenance line item was over budget for this fiscal year at \$23,822.17 through the end of February, compared with an annual budget of \$8,000.00. President Gassman noted that this was significantly less than the over-budget condition at the end of the 2017 fiscal year, which reflected an overage of \$37,826.00. From that perspective she stated, " *We are going in the right direction.*" Ms. Gassman stated that Operating Equity, year over year, had been positive and that all reserve contributions are being made and all bills are paid.

The feasibility of amending the 2016-17 federal and state tax returns was discussed. Ms. Gassman stated that the only item she could determine that might affect that return was "Office Depreciation" an item left over in the depreciation schedule, before the office was converted to a condominium unit and sold. As such, she did not feel that the cost of an amended return would yield a commensurate benefit.

**MOTION:** The motion was duly made and seconded not to file an amended return for the 2016-17 fiscal year. Motion passed unanimously.

The Board discussed the average monthly cost to run the association. Mr. Parker stated that monthly expenses averaged between 13K and 14k per month, accounting for seasonal differences. He also stated that 52% of association expenses were not allocated to the operation of the physical plant itself, but were instead earmarked for utilities, administration and insurance. It was also noted that the annual reserve contribution had not increased in three (3) years, but had been subsidized by a surplus from the re-roofing special assessment, as well as the sale of 2 units.

## PENDING BUSINESS

- The Board of Directors reviewed three (3) bids for the renovation of the Laundry Room/Common Area space in Building 3. Although WPM had budgeted for this project in the 2017-18 preliminary budget, the Board, after due deliberation, decided to authorize the project immediately and pay for it out of existing reserve funds. **MOTION:** The motion was duly made and seconded to accept the bid from AGS Construction, Inc in Englewood, CO for an amount not to exceed \$70,000.00, without prior authorization from the Board of Directors. Motion passed unanimously.
- The Board reviewed the proposal from O'Bryan Partnership to produce construction drawings based on their most recent scaled-down revisions to the proposed elevations. The cost was quoted at \$16,700.00 plus \$350.00 for each color scheme rendition. It was noted that, although the ACC favored the elevations known as "Option B", there were objections to specific details that needed to be worked out. Bobby Kline agreed to compile a set of survey questions. Ron Harper volunteered to compose a *Survey Monkey* survey of these remaining items and distribute to the ACC for a final decision. Once the ACC makes their recommendation to the Board of Directors, the Board can decide how to proceed with the construction drawings.
- Mr. Parker presented his Management Report and asked if there were any questions or comments. The Board had no questions and accepted the report.

## 2018-19 PRELIMINARY BUDGET

The Board discussed the 2018-19 Preliminary Budget, prepared by WPM. The end of Yacht Club's fiscal year is April 30th. Management had recommended a 7.5% increase in dues. It was noted that no increases had been authorized for the previous three (3) years. WPM had provided the Board with the following documentation, to assist in their deliberations;

- 5-Year actual expense history
- April 30, 2017 fiscal year-end financial statements
- February 28, 2018 YTD financial statements.
- Major budget variances in the last two years
- A Budget Narrative explaining the impact of listed budget variances
- A Pie Chart of expenses showing the percentages of budgeted operating expenses
- Dues structures reflecting a 0% increase, a 3.75% increase, and a 7.5% increase
- It was noted that monthly payments of \$1,000.00 to the Town of Dillon ended in May, 2017.

Bobby Kline stated that he had prepared a spreadsheet which calculates a range of Special Assessment and Bank Loan options and their impact on unit owners, in an effort to educate the Board on funding options and amounts. He will send this to all Board members.

**MOTION:** the motion was duly made and seconded to approve the 2018-19 Fiscal Year Budget with no increase in assessments. The motion was amended to state that options for increasing the dues would be presented to the membership at the Annual Meeting in July. Motion passed unanimously.

## NEXT MEETING DATES - TBD

**ADJOURNMENT** The meeting was adjourned at 11:35am