

Snowmass Mountain Condominiums Home Owners Association

Board of Directors Newsletter

March 14, 2014

Dear Owners:

The Board met on March 6, 2014 for an unusual on-site session during mid-season. The primary purpose of the meeting was to review in detail the final plans and costs for the pool renovation and upgrade project and to determine whether to proceed with the project at this time.

Some background: Following the successful completion in November 2011 of the massive wall repair project, which also included the installation of a snowmelt driveway, the addition of storage cells for all units, and repainting and refreshing the complex, the Board then turned its attention to several other large projects that had been postponed in deference to the wall repair. These included an upgrade of the amenity building (Building A) with new shower/bathrooms, new sauna, and repair to a serious structural flaw in the foundational supports of the entire Building A, discovered during the renovation of the shower rooms. Attention was given to landscaping during 2013, including sodding several areas of lawn in both the upper and lower buildings, planting of aspens and wild roses, and the installation of Colorado spruce trees and seasonal flowers to soften the massive concrete area of the driveway between upper and lower sections of the complex. Also, the Board undertook the complete gutting and renovation of unit A-7 as a rental unit wholly owned by the HOA, necessary to return this unit to an income-generating property. In addition to these projects, the Board approved the installation of light shields on driveway lamp fixtures to redirect lights away from upper unit bedrooms and some expensive, unexpected but necessary repairs to Building D (structural joists), Buildings B and D (water line leaks), Building C (damage to windows) and Building J-K (replacement of hot water heater).

But, all along, the Board had kept the complete revamping of the pool and patio area on its working agenda. Owner Mike Mitchell was asked in Fall 2012 to serve as a special Advisor to the Board to spearhead this project. This has meant countless meetings, emails, and phone calls to find contractors and subs, to consult with structural engineers about the safety of excavation in the subsurface below the pool, to winnow down the design options, to meet with the Town of Snowmass Village about the permits necessary for the project, including the use of the Melton Trail adjacent to the lower buildings for access to the pool.

At every step, Mike has consulted with the Board, bringing the Board up to speed on engineering considerations, assessing Board sentiment about designs, and weighing overall costs. And the Board, through its periodic Newsletter to Owners, has attempted to keep owners aware of progress on the pool project.

The Board was in agreement from the outset that the pool project should not and would not be funded through a special assessment of owners. A large part of the dilemma facing the Board, and the reason for the unusual on-site meeting on March 6, was the cost of the pool project, which was projected to run approximately \$300,000. Was it affordable at that price?

The HOA monthly financial statements over the period from Fall 2011 to date have shown a slow but steady diminution of funds in the Major Maintenance accounts, due to both the planned and unplanned expenditures. Even with approximately \$430,000 in the two Major Maintenance reserve accounts as of January 31, 2014, there was concern within the Board that using \$300,000 for the pool/patio project would leave the MM reserve funds seriously depleted and the HOA jeopardized if a major, unexpected repair were suddenly needed. Moreover, an HOA's financial health has become a selling point in an increasingly sophisticated buyer's market for second-home properties; and the Board is cognizant of the need to protect owners' interests in the marketability of our complex.

The March 6 meeting was called to make the final decision on the scope and affordability of the pool project. Mike Mitchell received the final cost estimate from the project general contractor, CPI – Colorado Pool+Spa Scapes, just hours before the meeting: \$375, 659, a figure that did not include several contract "allowances" nor any of the costs from TOSV (permit fees plus \$28,000 for use of Melton Trail during construction), nor a contingency of any amount. This was not what we expected to see.

The Board was unanimous in the decision not to go forward with the project at this time. Instead, having learned during the extensive research period for the pool that the existing shell was virtually intact; that the leaks were confined to the skimmers and associated piping, that the expansion joints between slabs of the pool decking could be replaced to offset the uneven surface of the decking that had resulted from settling over the past thirty years, and that there were other "fixes" that could be implemented to make the pool area more attractive and serviceable, the Board decided to implement a "facelift" for the pool area during the spring off-season (April-early June) so that the pool area will be available to owners, renters and guests this summer.

The HOA will retain all plans and engineering reports so that the pool project is virtually shovel-ready and can be implemented if owners and the Board decide to go forward with the expenditure sometime in the future.

Minutes of Board meetings and monthly financials are posted regularly to the Owner's Section of the Snowmass Mountain Condominiums website. All Board meetings are open to owners; and as always, the members of the Board are available via email or phone call and welcome your interest, questions, and comments.

Sincerely,

Greer L Fox, Board Secretary