



**ANNUAL HOME OWNERS MEETING
MINUTES
14 FEBRUARY 2016
OWNERS CLUB ROOM**

CALL TO ORDER: The meeting was called to order at 15:07 by Randy Haddock, President.

CONFIRM QUORUM: A quorum of the home owners was confirmed by Randy Haddock, President. Board members present were Dale Anderson, Kevin Glynn, Jade Smith (Resort Services Director for Schweitzer), and Linda Sakai. Tom Curtiss, Property Manager, was present. Schweitzer Mountain Resort representatives present were Devin Marks (Lodging Director) and Laura Whitby (Owner Services Liaison).

REGISTRATION AND INTRODUCTIONS: Registration and introductions were made.

OLD BUSINESS:

1. Approval of the February 2015 Annual Meeting Minutes: was unanimous. There was no discussion and no corrections.
2. Review of 2015
 - 2.1. President's report - Randy Haddock: Randy thanked the Board members for a great year of collaborative effort, doing the research, and attending all the meetings this year. The Board researched a number of issues to include the key system, parking, television service, the building's foundation.
 - 2.1.1. AllWest said the building and its foundation are solid. However, there are some items that will need to be addressed in the near future that will be addressed later in this meeting. The slip and fall lawsuit from December 2013 went to mediation and was settled for \$30K. With attorneys' fees our insurance paid a total of \$50-60K for this incident.
 - 2.1.2. We do not have any capital projects listed, but we do have some projects that will need to be done in the near future. We may also have unforeseen projects on the horizon.
 - 2.1.3. The DSS contract is a one year contract which starts January 1. They will be our service provider for 2016. The Board will reassess the service contract every year. We know there are a couple of holes, and we intend to address them at the next Board meeting. Randy encouraged the owners to report any maintenance issues to either DSS or to Tom Curtiss. If the item is on their activity log, we can see if the problem was remedied. This is one of the ways we can track how good a job DSS is doing. We want accountability from DSS.

- 2.1.4. The key policy seems to be working, but we are continuing to refine and tweak the system. This was two years in the making. Randy thanked Schweitzer for helping to implement the new key system, especially Devin Marks and Dale Anderson. The Board's goal is to protect this building from law suits and deterioration. To do this, we need to keep down unauthorized traffic in the building.
- 2.1.5. The Board will look at parking again this year. It is related to the keys but there are other things we can consider such as assigned stalls, booting unauthorized cars, etc.
- 2.1.6. The Board will look at security issues because there have been some gaps. We have talked to Jade about security, but when we need security, Schweitzer also needs security, so a finite resource could be stretched thin.
- 2.1.7. The Board will continue to look at preventative maintenance.
- 2.1.8. For those owners who rent their units outside of SMR's rental pool, Randy implored them to fill out the Renter's Registration Form so we know who is in the building. If we do not know a unit is being rented (outside of SMR's rental pool), we could miss an emergency contact. It exposes us to liability. Compliance with the Renter's Registration Form has been low. The form is available from Tom Curtiss and on the White Pine Lodge website (www.whitepinelodge.us). Gavin Young has designed a great website which could be a very powerful tool for the HOA.
- 2.2. Financial Report - Profit and Loss, Balance Sheet for 2015 (Tom Curtiss): Please see the WPL Condominium Association Financial Highlights for 2015 sheet.
 - 2.2.1. Balance Sheet Highlights: The Balance Sheet looks good and is on track.
 - 2.2.1.1. Year end cash total was \$27,000.00 over yearend 2014. \$183,400.00 versus \$156,311.00.
 - 2.2.1.2. Year end Accounts Receivable was \$8,609.00. All but \$2,200.00 has been collected since 12-31-15.
 - 2.2.1.3. Total equity position increased in 2015 by \$34,388.00 versus 2014. This was due in part to a large net loss in 2014. Year end equity for 2015 was \$172,4300.00.
 - 2.2.2. Profit and Loss (P&L) Highlights:
 - 2.2.2.1. Income was invoiced per Budget at \$304,000.00.
 - 2.2.2.2. Expenses were over versus Budget by \$19,700.00. This was less than 2014. As the building ages we may incur more costs due to Repair and Maintenance (R&M). Our 2015 P&L loss was the result mainly on R&M due to the following items:
 - 2.2.2.2.1. Replacement of a new fire panel: \$5.6K. This is a proprietary panel that monitors our building. It was replaced because we kept getting false fire alarms in the 3rd and 4th quarter.
 - 2.2.2.2.2. Replacement of an expansion tank on the Aerco Boiler: \$2.8K. This is a big commercial expansion tank.
 - 2.2.2.2.3. Five year fire sprinkler test/inspection as required by the State of Idaho: \$1.1K. We did place this item into our thirty year capital projects plan.
 - 2.2.2.2.4. Plumbing and drywall repairs on the third floor: \$950.00.
 - 2.2.2.2.5. Replacement of 3 spa motors that went out: \$800.00 each. DSS has started tagging all of our equipment on site so that if there is an equipment failure, we can figure out if the item is still under warranty with the manufacturer.
 - 2.2.2.2.6. Replacement of all the batteries and reprogramming the door locks: \$1,825.00. We contracted this with Schweitzer, and it was finished before the ski season. This is an extra cost that we will need to do approximately every 4-5 years.
 - 2.2.2.2.7. Circulation pump repair on the domestic system: \$610.00.

- 2.2.2.2.8. Increase in cost per Kilowatt with same KW usage: \$2K. But we saved \$5K on natural gas.
- 2.2.2.2.9. Wood repair and staining in the elevator vestibules: We will continue to slowly repair and stain the interior woodwork of the building over time.
- 2.2.2.3. Expenses were \$60K less versus 2014 mainly due to more capital projects being funded in 2014, such as front side staining of the building and new carpet.
- 2.2.2.4. Reserve Allocation for 2015: \$54K. We had a \$27K net income.
- 2.3. Operations Updates - 2015 (Tom Curtiss): See above.
- 2.4. Questions and Answer:
 - 2.4.1. Isn't snow removal for \$5,000 a year high? This is a non-negotiable, flat fee that we get charged every year from Schweitzer Mountain Utility to keep the egress from the building and easements free of snow. All the buildings (Selkirk, Lazier Center) in the Village pay for it. There is an equation that Mountain Utility uses to calculate this fee.

NEW BUSINESS:

- 1. 2016 Budget Review - Randy Haddock & Tom Curtiss: The Budget does not change much from year to year. Revenue last year was \$304K. Expenses in 2015 were \$280K. We are projecting \$309K revenue for 2016. Tom feels our actual costs in 2016 will come close to 2016 budget. We could be off by a few hundred dollars on electricity costs, but we could keep that number close to \$40K with electricity conservation efforts. This is the first electricity rate increase in about 5 years. We do anticipate some capital expenses this year. We are prepared for this. We have a strong Reserve which may be needed for CAPEX projects, not in the budget, that we have been monitoring in and around the building. If we have no CAPEX projects in 2016, we could add \$29K into the Reserve by year end.
 - 1.1.1. For 2016, Tom is working on changing the way our P&L looks with a specific Reserve line. In our 2016 P&L for Q1 and Q2, we will have a Reserve line where these R&M projects will come out of the Reserves.
 - 1.1.2. Questions and Answers:
 - 1.1.2.1. Are the "key cards and telephone" a continuing expense? YES. This year it was \$4.8K. Randy said this is the cost of Selkirk Front Desk services for the White Pine. SMR did have a little increase this year for that service. It is a recurring cost. What the Board has done is to give SMR a job description for the front desk services required by the White Pine. In the past, front desk service was open ended. The Board has been working with SMR to get a front desk job description that works for both parties.
 - 1.1.2.2. Is window cleaning something we do on a regular basis, or is it done as needed? No. Window cleaning has not been something we are routinely doing. We have done it after dust and rain storms. In the past we have had mixed results with the window cleaning. It mainly affects the condos in the middle of the building that have floor to ceiling windows that they cannot clean themselves. There is a great window cleaning service in Sandpoint that charges \$1.2K to clean our windows. We may look at cleaning windows in the spring.
 - 1.1.2.3. It seems like there were a lot of repairs this year, more than we have had in the past. Is this because we switched our building's service contract to DSS, so that we are more aware of what's going on in the building? We report them more, so this may be the case. Some of the small leaks that Tom was referring to were identified because DSS is looking closely at the building on a more frequent basis. These small leaks will become bigger leaks. The leak in the roof of the Cirque and the leak in the hot tub return pipe was

reported by DSS. We want them to do preventative maintenance. There have been repairs in the past that are failing. It is a combination of an aging building, as well as better and more frequent monitoring of the building. Tom said he has reported more issues because he has been asked to do this by the Board. This is to make sure people know why we have variances. Tom has asked DSS to label items, with the date of installation, name of contractor, and when the warranty is up. That way we can hold a contractor to a warranty item. We are trying to do a better job at keeping track of warranties.

2. Property/Building Update, 2016 Project Review:

2.1. Repairs and inspections for 2016:

- 2.1.1. Fixing the drainage problem in front of the Market which could cost around \$5-6K and is going out to bid.
- 2.1.2. Replacement of the garage doors which are at the end of their useful life is going out to bid and will be done after the ski season.
- 2.1.3. Upper spa return line failure may need a permanent fix after the ski season.
- 2.1.4. Roof inspection is scheduled for this year.
- 2.1.5. Domestic system circulation pump needs repair but is being monitored and will hopefully be repaired after the ski season since it requires the water to be shut off to the building for 2 days.
- 2.1.6. Replace a 4 inch sprinkler riser in the riser room. There is a slight leak in it. When we repair it, it will be replaced by a new galvanized pipe, \$2.2K.
- 2.1.7. Repair of the venting above the entrance of garage level B.
- 2.1.8. Repair/patch the membrane in the roof above the Cirque which is causing water to leak into the stairwell.
- 2.1.9. Spot painting and staining in the building.
- 2.1.10. We are monitoring possible erosion under the deck by the Owners Club.
- 2.1.11. We have pinned and marked the retaining walls around the spas to see if there is any significant movement of the walls this spring. If there is significant movement, we will need to fix the problem.

- 2.2. WiFi - Jade Smith. We have had an issue with the slowness of the SMR WiFi for sometime. The main limitation is bringing the service up the hill. Prior to the WiFi upgrade in August 2015, SMR had 10 Mbs coming up the hill, which was split into the paid subscription and the SMR Free WiFi. In August 2015, SMR contracted with Frontier to improve the internet on the mountain. The service going to Mountain Utility and the WiFi was bolstered 10 times (100 Mbs), but there were still problems with WiFi. Because of this, an informal subcommittee (Jade, Dale, Kevin, Gavin Young, Linda) was formed. The WiFi connections were being dropped frequently. WiFi speed slowed down significantly even on a normal weekend. Mountain Utility's IT department made some adjustments to the WiFi, and put in a 20 minute limit to the WiFi connection to prevent people from hanging onto that signal and preventing other people from jumping on. This 20 minute limit did not go over well, especially with people trying to do work on their computers sending files back and forth, getting bumped off, and losing their work in the process. It should be noted that **the WiFi was never meant for streaming video**, but rather for sending and receiving emails and sending documents back and forth. After the subcommittee meeting about 2 weeks ago, it was decided to put an end to the 20 minute limit to see how it would affect the WiFi service. This Presidents Day Weekend is one of the busiest weekends of the year, and, so far, the WiFi seems to be doing fairly well. Today is busier than yesterday, so we will probably see the biggest drain on the system around 4:30-5:00 pm. This is by no means an absolute patch. The 100 Mbs that we are pulling up the hill now is not enough to take care

of everything. The other day, Jade was part of a meeting with Frontier which will do an assessment of the system and make recommendations and determine whether SMR maintains the internet and WiFi, or Frontier may come back with a proposal to take over all the WiFi and internet services on the mountain besides the operations side of it. It will probably be mid-summer before Schweitzer will know what that decision will be. Devin said that Schweitzer has been doing catch up with the WiFi service. Two years ago people started bringing their smart phones up to the mountain. Now everyone, including the kids, has a device and wants to stream video. This is not just a Schweitzer problem, but an industry wide problem. Schweitzer spent \$70K just for the hardware to upgrade from 10 to 100 Mbs. There was some discussion with Frontier about the White Pine getting its own dedicated part of the WiFi. Gavin said that he has 20 Mbs at home. Your typical DSL is 3-4 Mbs on the low end. So 100 Mbs is not a whole lot to split when everyone is on their smart phones. Perhaps we could prioritize the WiFi so owners and renters who are paying customers, get better WiFi, and if there is any bandwidth left over, the day skier could get that. It is not an insignificant cost to the HOA, \$7.8K per year. We still want something for the money we put in every year. We will continue to look at the WiFi issue, and try to improve it, or come up with alternative solutions. Dale commended the job Jade has done for the HOA with regard to the WiFi, and complimented Devin and Jade for collaborating with the board on the key policy.

- 2.3. Television: The Board has been discussing the poor quality of the TV in the building. We all received letters in the Fall from Mountain Utility (MU) about the TV upgrades. MU is challenged by the provider who supplies the TV service. We can get our own TV dishes for the building that people could subscribe to. The cost to put DISH into the building is about \$2,500, and for DIRECT TV it is \$1,800 to install a dish that will be able to service everyone in the building. If we did this, owners could subscribe to either TV provider. That will limit the number of dishes (to 2 dishes) outside the building, and prevent unauthorized installers from damaging the cables in the building. Jade said Mountain Utility is pulling in DISH which has improved the signal a little bit or you can go with MU which has 200 HD channels, \$65 per month which includes 1 set top box. If you need an extra set top box, it will cost you an extra \$10 per month, per set top box. The set top box does not have a DVR, and it does not have Pay Per View. Devin said the Selkirk went with DISH, but there have been some challenges with DISH. It did improve the picture quality, but there was a steep learning curve. They are still trying to work out the bugs at the Selkirk and DISH TV. The signal could also be improved with an external tuner which the Selkirk is looking into. Jade is going to have MU pipe in DISH into the TV in the Owners Club so that we can see what the new service would look like. The goal is to have this completed in the next 2 weeks. This will be a good test case.

2.4. Questions and Answers about our operations:

- 2.4.1. Who is going to brush the snow off the dish? Jade said MU is fed in separately, so MU will be dealing with that antenna. If the HOA decided to do one source solution and have our own dish that could service the entire building, there are "bras" that are placed over the dish to prevent snow accumulating on the dish, and you can also get a dish that has a heating element to melt any snow that builds up on it. But there may still be problems on certain days. This will also be a bigger dish than what most people have at home.
- 2.4.2. Do we know what we are going to do about the drainage problem by the Market? Yes. There is a downspout that comes off of the flat roof section that is immediately outside the south stairwell of the building, that angles out, and drains directly onto the pavers because it has nowhere else to go. During the inspection by AllWest (our soils engineering consultant), they believe this is contributing to the settling. The water goes down and compacts the soil. The

minor settling that is going on in the Market is causing windows to crack. The plan is to take that drain and tie it into the storm water drainage system of the Village. This past fall the Board offered to hire the contractor, pay for it ourselves, and do an 8-10 foot easement to get the drainage pipe tied into the storm water drainage system in the Village. This is not just our problem. Fixing this drainage issue would benefit everyone, and we offered to pay for it. However, this project was tied to another offer that was unacceptable to us. The Board will revisit this in the spring.

2.4.3. The retaining wall out by the hot tubs is bulging a little bit. We had it pinned so we could monitor its movement over the spring and summer. We have pinned and are monitoring the ecology block retaining wall next to the exit of Parking Garage A. There has been a little bit of lateral movement of that retaining wall, but the wall appears to have stopped moving. Originally, the ecology block wall was a temporary wall when they were envisioning building the phase II of the White Pine. It is now 15 years old.

2.4.4. Are the building's architectural lights turned off to save money? No. Tom said they are not turned off. It may be either a bulb, a ballast, or timer issue.. The lights are on timers. Tom will look into this because the architectural lights should be working.

3. Election of a Director: There is one board position open this year. These are two year terms. Next year there will be 3 board positions open. The Board has nominated Dale Anderson for reelection. Dale has an extensive engineering background, and we really need his expertise on the Board. We would also like continuity because he has been involved in the WiFi, TV, the key system, and just about every problem we have. He is an integral part of the Board. Jade is nominating Klaus Huschke to represent the owners in the SMR rental pool. For the record, votes are based on square footage. The votes were collected and tallied by Tom Curtiss, Kim Haddock, and Robin Kamin. Klaus Huschke is elected as our newest director. We congratulated Klaus on his election to the Board.

4. For the Good of the Order:

- 4.1. Has anyone complained about the broken down cushions on the chairs in the Owners Club? We have not used the room that much this year, so there had been no complaints about the chairs. However, the two chairs that Robin Kamin and Kim Haddock are sitting on are the original chairs (15 years old). When we replaced the upholstered chairs about 6-7 years ago, we kept those two chairs because at that time they were still in good shape. We will look into reupholstering those chairs but it won't be until after the ski season.
- 4.2. Why is the heat on so high between the two front doors to the building and in the common area on the first floor? Isn't it a waste of energy? Randy had it on his list as well. Tom will look into this.
- 4.3. The sign out by the hot tubs says there are towels available, but we no longer have towels. Shouldn't we take down that sign?
- 4.4. Garbage signs in the building needs to be changed to have the new location of the garbage receptacle in the Parking Garage B.
- 4.5. We need a sign at the hot tubs with big, bold letters saying no glass in the hot tub area, and no kids under a certain age without a parent.
- 4.6. Randy and Roger reminded the owners that if they see something, politely ask that person(s) to cease and desist. We, as owners, need to self police to a certain degree. If you believe there is a criminal act taking place, call 911.

- 4.7. What does SMR do if a guest checks into the White Pine Lodge and they have multiple vehicles? Devin said that when the guests check in, they are told they can have only one car in Parking Garage A. If they have multiple cars, they have to park the rest of the cars in the main lot. Randy said that even if we had a strict parking rule, a tow truck could not get into the parking garage. We could purchase car boots, and boot offending cars in the garage, with a fine to be paid by the offender to get the boot off their car. The last thing we want is an owner or a renter to not get a parking spot on a Prime weekend. It is very difficult because people do not follow the rules, and there are also parking poachers. Roger said it is self policing and people being conscientious about the rules. People still think this is a hotel, but this is our home. Devin said that if they are a renter, they are supposed to display the tag on their car's dash board that has their reservation number on it. SMR can identify the renter by that number and SMR can address the issue with the renter. Randy said that there was a family with multiple cars that were parked in the garage. Jade added that if you think a renter is parking two cars in the garage, write down their reservation number, and SMR can contact the renter to rectify the situation. Owners should not give keys to friends to park in the garage, but we see it all the time. However, with the new key policy it has cut down tremendously on poaching. We did this for the owners and the renters so they could get their rightful parking spot.
- 4.8. Do White Pine Owners no longer have access to the Selkirk pool? Roger said that he has documents that say he has access to the Selkirk pool. Devin said that was a question SMR had about the pool access, and he would love to see this document that Roger has. Since Roger is an original owner, he may be grandfathered in. Devin also said the Selkirk renter keys do not open the door to the White Pine Lodge.
- 4.9. If anyone has any other issues, give it to the Board so we can look into resolving it.

ADJOURNMENT: 16:26 HOURS. There was a motion to adjourn the meeting. Motion was seconded. There was no discussion. All were in favor to adjourn except for Randy Haddock.

Respectfully submitted by,

Linda M. Sakai
White Pine Lodge Board Secretary