



**ANNUAL HOME OWNERS MEETING
MINUTES
17 FEBRUARY 2018
15:00 hours
OWNERS CLUB ROOM**

CALL TO ORDER: The meeting was called to order at 15:04 by Marty Gilchrist, president

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

OLD BUSINESS:

1. Approval of the 19 February 2017 Annual HOA Meeting Minutes: A motion was made from the floor to approve the minutes, and this was seconded. There was no discussion, changes or corrections to the minutes. The motion was unanimously approved.
2. Review of 2017
 - 2.1. President's report - Marty Gilchrist. The news is good. The building operations and our budget look good. We do not need to increase dues. We have excellent funds in reserve. So far it has been an easy transition because of all the fine work that was done before Marty became President.
 - 2.1.1. SMR is back doing the maintenance and repair work in the building. The Board will have a formal review period for Schweitzer because in the past there have been some complaints. Tom Curtiss has developed a report card on how Schweitzer is performing on the maintenance contract. We will put the report card on the Website in March, so that we can get these back by April when Tom and Marty will meet with Schweitzer to give them feedback about the maintenance contract.
 - 2.1.2. Important Communications to Owners were sent out earlier this year.
 - 2.1.2.1. FOG (fats, oils, and grease): are becoming a real issue in the building. When this building was originally built, there was a debate about whether we should even put in garbage disposals. All FOG needs to be placed in a container and thrown away, not put down the sink. It will save us a ton of money in the long run with plumbing costs. An owner wanted to know what was being done about the renters in the building and whether they

are given the FOG information and a container to dispose of the FOG. There was discussion about renters being given the information and a FOG container when they check in.

2.1.2.2. Contractor Registration form: If you are going to have any contractors work on your unit it is extremely important that you register the contractor with the Tom Curtiss or with SMR. This is a safety and health issue. You do not want to poke a hole without knowing what is in the walls, ceilings, and floors (electrical, cable, fire suppression, water, internet, etc). The Contractor Registration form is on the www.whitepinelodge.us website in the Owner's Section where you will be able to print it and fill it out, then email it to Tom Curtiss or if you're in the rental program go through Devin and his team. If you don't have a vendor, Tom can help you find a vendor that is bonded, licensed, and insured. Once the owner has the contractor/vendor approved by Tom, the owner can call the Selkirk front desk with the name of the contractor/vendor, and the Selkirk staff can have a key for the unit ready for that contractor/vendor.

2.1.2.3. Parking Policy: There has been very good feedback on this. It appears that the number of days that we are at 100% capacity in the garages has been 1 day so far this year on the 25th or 26th of December. It is very important that you have your parking pass visible. If you rent out your unit outside of the Schweitzer, you need to make sure your renters have your parking pass. If you see violators, take a photo of car and the license plate and take it to Schweitzer Security. We feel there is only a handful of violators. Once they are identified, it will be very easy to deal with them. They can be charged with trespassing which is a criminal act. Schweitzer has great policies regarding trespassers. They can have their season pass taken away, etc. We talked about booting vehicles and fining people but there is a lot of liability in doing those things. So we want to be careful on how we approach violators. Tom talked to a couple of violators on Christmas Day, and he hasn't seen them since. The biggest violators are owners who have their units rented, and the owners are still parking in the garage.

2.1.3. We have a new fire systems contractor out of Spokane, Tyco Simplex Grinnell. Blocking open of fire doors in the stairwells in the summer is a fire code violation, and it has damaged the steel fire doors which are extremely expensive to replace. We will be adding signage to the doors to dissuade people from propping them open in the summer. Do not block open the fire doors. If you see the fire door open, please close that door.

2.1.4. Our security contract with SMR was upgraded this year to include policing: If something is not right, call Schweitzer Security. Rogers has called security about 5 times for hot tub violations. Generally, security is there within 5 minutes.

2.1.5. Pest Removal and Deterrence: The trash on level B is a major attractant to rodents. There is not a lot we can do except to keep the area clean, and remove the trash frequently. If food is stored properly in the units, rodents will not come into the units. These efforts will keep the rodent population down in the building. We also had bats on the decks and had to put up bat traps. If you happen to see a bat, call Tom Curtiss.

2.2. Financial Report: Tom broke out the operating expenses on the three quarters of the P&L and then broke out the other expenses that are coming out of Reserves. We have over \$200K in our Reserves.

2.2.1. Profit and Loss: Most of our expenses came in line. However, there were a couple of variances that hit us hard.

2.2.1.1. The biggest variance was electricity. Tom will speak to Devin and Julie and ask them about protocols to conserve energy for housekeeping and how they can turn lights off when renters leave. We will also give you information about Owners turning off lights when you leave your unit. We have engaged with Northern Lights rebate program. Tom and Marty feel it's a good deal. It's a program that will cost us about \$30K, but we will get \$16K in rebates immediately with \$14K hard costs which they're saying is a 1.4 year payback. We would be changing out bulbs to LEDs in this building which will cause our kilowatt usage go down. We will crunch the numbers. With changing the light bulbs to LEDs and with conservation, we could bring down our kilowatt usage significantly. 2017 was the highest kilowatt usage in the Village. An owner brought up using motion detector light switches in common areas. Tom said that it has been tried at the Lazier with a savings of \$58/year, and people did not like it. The light bulb LED savings at the Lazier was \$750. However, the motion detector light switch could be done for units in the rental pool.

2.2.1.2. We spent money on our aging building.

2.2.1.2.1. The Aerco Boiler (which takes care of the spas and hydronic heat around the building) underwent a major upgrade, \$2,584, to get it through this year. The Aerco Boiler will need to be replaced in 2-3 years for \$26K.

2.2.1.2.2. A domestic water holding tank for the entire building and circulation pump were replaced for \$ 1,431. It will probably be an every 5 year expense.

2.2.1.2.3. We refilled all of our lines with new glycol, \$1,158.

2.2.1.2.4. New smoke detectors were needed on the 5th floor, \$1,563.

2.2.1.2.5. We had a scheduled painting of the wood trim on the front of the building, the village side railings, and painted the yellow in the stairwells, \$6,095.

2.2.1.2.6. The lakeside railings will need to be painted this summer.

2.2.1.2.7. The Saflok garage B entry pad encoder had to be replaced for \$1,269.

2.2.1.2.8. We expensed out our Reserve allocation, \$45K.

2.2.1.2.9. We had a net loss of \$19K, and about \$15K of that was capital expense.

2.2.1.2.10. Total expense \$54K over our budget almost all of that is electricity.

2.2.1.2.11. Our fees and contracts from SMR came in right at budget.

2.2.2. Balance Sheet: Cash on hand is \$242K. We have a placeholder in a separate account called "maintenance reserve." We really have about \$225K in Reserves.

2.3. Operations Update:

2.3.1. We spent operations money on snaking a stack of rooms because there was a sewer back up. After that, we proactively put biodegrading product down the drains in all the units to clean them out at a cost of about \$300-400. This is what prompted the FOG program.

2.3.2. We need new exercise equipment in the gym. Marty has a committee of owners to tell us what type of equipment we should purchase. This will be a capital project.

2.3.3. Spa Area: We have a loop of our hydronic heat on the far right that is not working because of a leak in December. Schweitzer maintenance has been doing snow removal in that area for now. We have some investigation to do in the spa area. While we are doing that, we will be looking at a topical solution to the upper spa. As you know, we have a temporary fix that is working, but it will need to be permanently fixed. We will combine those two jobs, probable costs \$5-8K.

- 2.3.4. Aerco Boiler is about 2-3 years away from having to be replaced. It takes care of the hydronic heat in the front of the building and by the spas. It is a 1 million BTU boiler that will cost between \$20-25K to replace.
- 2.3.5. Painting the decks on the lake side this summer: This is done every 5 years because of the extreme weather on the mountain. In 2020, we will evaluate the lake side for a complete paint.
- 2.3.6. Interior Woodwork Repair: We do not have a program in place to do the woodwork. We look at the woodwork every year, and it is done as a special project. We did it in 2016, but not in 2017. We try to have our painters do it when they're up here for a bigger job. When In & Out Painting comes up this summer to do the decks, he will have them look at the woodwork. We did have some brass corners put in because the corners take a beating in the building. We may need to touch up the woodwork every other year. It will be a capitol project. Tom would bring it before the Board with a scope of work. Woodwork is not Schweitzer's area of expertise.
- 2.3.7. Hot Tubs: Roger feels there has not been 10 consecutive days the whole winter that both of the hot tubs were working. Two weekends ago, both hot tubs were down. Tom did not have an answer for this, but will ask Shannon about it. Given the age of the building, Marty believes we are probably 5-7 years out from a major remodel of the spa area, so it is good that our Reserves are strong. If the White Pine 2 is ever built, we could dovetail the remodel of the spa area into that project. If that day never comes, we will have to do it ourselves. Devin said they've had to empty the hot tubs at the Selkirk a couple of times per week due to usage; however, he has not heard about the WPL hot tubs going down. He will also speak with Shannon.
- 2.3.8. Building Rules: There are young children in diapers on a regular basis who are using the hot tubs. There are times when the hot tub look like a pool with kid's floaty toys. Often, there are unsupervised children in the hot tub which is a huge liability. There was a suggestion that we could make one of the hot tubs for owners only, and that it would be easy to key it to work with owners keys only. We could have an adult only time for hot tubs. Roger reads from the 2017 HOA meeting that unaccompanied children under age 14 and children in diapers are prohibited from the hot tubs. If there is a sign in the hot tub area, or information given out at the Selkirk front desk to renters, or information posted in the units regarding hot tub rules, owners would have more authority to confront violators before calling security. Owners are the most responsible people in the building and could help with policing if we had a document to back us up. If we have rules, we must have a way to disseminate these rules to everyone who uses the building. Marty says we need a committee to formulate the rules regarding the exercise room and the hot tub area which can then be disseminated so owners can refer to these rules when confronting violators. Marty says we need more signage in the building. Especially with minors using the exercise equipment, the liability for the HOA could be costly.
- 2.3.9. Enclosing the WPL Front Desk. This area is Schweitzer's condo. It is a bone of contention with one of the appraisers who insists we are a condotel because of that front desk, which in turn adversely affects financing for potential buyers and increases insurance rates for owners. It should be noted that we are not a condotel. The HOA will partner with Schweitzer in this project because it will help us as well. Jade is looking into this. He will be talking with one of the architects to make sure it is done right. The best time to do it would be in the shoulder season.

NEW BUSINESS:

1. Ting Internet Presentation by Brian and Gary, representatives from Ting: Ting is a high speed, fiber, gig internet provider that is looking to bring high speed internet service up Schweitzer Mountain Road. Ting is starting service in Centennial, CO and Sandpoint, ID. It started 2 years ago, and they partner with cities to deliver gig internet fiber. It is talking with Schweitzer, and partnering with Avista Utilities to bring up their service (internet and TV) up the mountain. It is committed to being up at Schweitzer by the next ski season, tentatively November 1st as a target. Schweitzer is committed to having 300 units for Ting. The price would be \$79.99 with modem. In town residential rates would be \$89, small business rate \$139, Enterprise product \$800-900 depending on service. There is a wireless option that is \$10 more per month. Ting is committed to Net Neutrality. Cable would be an additional charge, but Brian did not have the pricing because they are still negotiating content. Once Ting is up here, Schweitzer will get out of the cable TV and internet business. Ting will be getting the gig fiber to Schweitzer, but how SMR will split that out is up to Schweitzer. The gig fiber can travel through Cat5 and Cat5e to the units. Tom Curtiss believes we have Cat5 in the building. At this time, Ting has no seasonal billing. The more people make a commitment to Ting, the sooner they will be on the mountain. The Board will put together a subcommittee to keep track of this for the HOA.
2. 2018 Budget Review including Reserve Discussion:
 - 2.1. Reserves: A little over 5 years ago Paul Pimentel and Tom Curtiss did a fluid 30 year projection (refer to WPL Reserve Projections, 2015-2034). They were projecting an ending Reserve balance in 2015 to be \$159K (actual balance was \$171K). Each year (2015-2017) our ending Reserve balance was ahead of what was projected 5 years ago. The building is aging, so we need to have money on hand to maintain, repair and replace items in the building. Tom believes we have enough money to tackle almost any project that comes our way without special assessments.
 - 2.2. The 2018 Budget approved by the Board is a flat budget with no increase in dues. Tom takes our 4 year averages and puts it into the spread sheet. The numbers look good.
 - 2.3. An owner asked of it wouldn't make more sense to plug in the actual cost of that item so that we can see if we were above or below our projected cost? Tom says we can easily drop that into our Reserve accounting.
3. Election of Board of Directors:
 - 3.1. There are two board positions up for election this year, Klaus' seat and Kevin's seat. Klaus said he is willing and able to accept the nomination for another 2 year term. Kevin is not seeking another term because his unit will be on the market once the ski season ends.
 - 3.2. Mike Stanley and Klaus Huschke are the slate of candidates put forth by the Board. There were no nominations from the floor. Roger moved to accept the Board's slate of candidates for the 2 open positions. Karen seconded the motion. Motion passed unanimously.
4. Owner concerns:
 - 4.1. Roger complimented the Board on having good relations with Schweitzer and thanked the Board, especially Marty, for all the work they have done on behalf of the homeowners.
 - 4.2. The rule that only owners can have pets in the building should also be included in the list of rules the Board plans to put out, and it should be enforced. We need to up grade the communications and enforcement of rules for renters and guests. Devin said that if any owners see pets in the rental units to let Schweitzer know because they will be charging the renter a special cleaning fee. The only exception would be services animals, and Schweitzer has gotten very strict with service animals. They do not allow comfort animals in the rentals. Marty says it will be always be tough because renters see owners with pets in the building, so they think anyone can have a pet. If owners are renting outside of the rental pool, they may not have told their renter that no pets are allowed.

- 4.3. Hopefully everyone is signed up for the WPL website. If you haven't signed up, pick up the WPL website information sheet and subscribe to the website. You may unsubscribe at anytime. As of last week, there are only 21 people signed up on the website. The first person who signed up for the website was Kim Haddock. She has been signed up to the website for 3 years so Linda will give her a bottle of wine.
- 4.4. There was concern by an owner about ice build up on the roof that is right above her deck on the first floor. Schweitzer goes up on the roof to inspect it, and sometimes it looks worse than it is. There is heat tape there to prevent ice dam formation. With the wind we have been getting, it is likely a snow drift which can still be hazardous, but Shannon is aware of it.
- 4.5. What is the security procedure for getting new keys from the front desk? Is the front desk supposed to ask for identification of the person requesting new keys? She has never been asked for an ID when she has gotten a key. So it is worrying that they're not consistently checking IDs. Devin said that there is a list of owners. If your name matches the name of the owner of the unit, they will give you a key without asking for ID. They do require IDs for guests. The owner keys do seem to go bad quite a lot. This is something that Devin and his staff are looking at. The magnetic strip keys seem to go bad a lot, but there are new key technologies out there. Devin expects in the next 4-5 years Schweitzer will find an affordable solution to upgrade the key system.
- 4.6. Devin said we are expecting extremely cold temperatures the next few days especially with wind chills down to minus 30 degrees, which makes it very easy for pipes to freeze. He asked the owners to make sure the temperature in their units are turned up and to drip the faucets. End units are especially at risk for freeze ups. Schweitzer will be checking units that are empty. This is very important because the Selkirk had a problem in their attic with frozen pipes last week. Schweitzer is also making sure that guests renting the end units know to keep temperatures up and to drip the faucets. Devin asks that even the middle units should keep their temperatures up. Last year unit 503 had a freeze up. Tom said this week a unit froze up because the door to the balcony was open.
- 4.7. Is there any news about Ting's competitor? Jade said that Schweitzer has been talking to both Ting and Intermax to see what their capabilities are. Both Ting and Intermax came to SMR and gave them a pitch, so SMR is looking at both companies. Schweitzer has not made a commitment to either company. Schweitzer cannot do it alone because it is so expensive to bring fiber up to the mountain. An owner has Intermax in his commercial building. They throttled back his speed, and they want extended contracts at a throttled back price. So he is not happy with Intermax.

SCHWEITZER MOUNTAIN RESORT UPDATES:

- 1. Jade Smith: Schweitzer is having such a stellar snow year when the rest of the country has not. They are on track to having the most visits they've ever had. The lodging has been at capacity most weekends and all holidays. The number of first time visitors to Schweitzer is through the roof. It has been a very strong year financially for Schweitzer, and the Schweitzer outlets are reflecting that. During the holiday period, Schweitzer had 3 days in a row where they were over 5000 visits which is phenomenal. These 3 days were in the top 7 busiest days ever. They've had a total of only 14 days in their entire history that broke 5000. SMR is going through capitol projects right now. Unfortunately, the new lift is not one of the projects for next season, but they are still focused on replacing chair 6 eventually because it is so antiquated and expensive to keep running. Last year, Schweitzer engaged with an outside group, the SE Group, for a master plan.
- 2. Devin Marks: Lodging is on pace for a record year. So far, this February is a record February even though we are only at the midpoint. At this point in the ski season, SMR lodging has already reached a record in

revenue. Lodging for the month of March is already booking up quickly. It's been great to have all of these new visitors from everywhere. There was a ski club that checked out this morning, and they were raving about the incredible skiing last week. Schweitzer has always had lodging filled up on the weekends, but they've even been filled mid-week which has not always been the case. It's been a really spectacular winter.

ADJOURN: A motion to adjourn was made. This was seconded. There was no discussion. The motion passed by consensus at 16:25.

Respectfully submitted by,

Linda M. Sakai
White Pine Lodge Board Secretary