

SMCCA Annual Owner Meeting

June 04, 2022

Board Members Present:

David Ames – President
Karen Pelletier – Vice President
Jim Bowers – Treasurer
Roy Miller – Secretary
Mary Berger – Board Member
Stetson Everett – Board Member
Dana Clukey – Board Member

Others Present:

Scott Russell – GM of Resort Lodging
Deb Lander – Resort Owner Services Manager
Adam Baillargeon – Front Desk Supervisor
Windy Boucher – Maintenance Supervisor
Suk Spencer – Resort Housekeeping Manager
Letitia O'Connor – Housekeeping Supervisor

Called to order by David Ames at 4:02pm.

David welcomed everyone and introduced the board of directors.

Scott introduced Team Members and gave a little background on each and provided Zoom Meeting instructions.

Motion: Motion to accept by Roy Miller, 2nd by Dana Clukey. Motion passed.
Motion to accept agenda by online voting/polling. 100% Motion passed.

Election Results: David Ames and Dana Clukey were both running unopposed and were re-elected to the board. All terms are for 3 years and voting was done online with EzVoteonline.com. 41 owners voted.

Motion: to approve minutes from June 17, 2021 Annual Meeting by Chris Prudente, 2nd by Pierre McCrae . Motion passed.

The Year In Review

- After living with 2 years of Covid we hope it is now behind us and we can start moving forward. The Team has done an amazing job getting us thru the last 2 years.
- It was not until February and March that our Canadian owners/guests were able to visit Sugarloaf. Welcome Home!
- Everyone knows the hiring market is very competitive! The Lodging Team was down over 20 people this winter and everyone pitched in where need be and did an amazing job. Sugarloaf and Boyne has purchased the Herbert Hotel in Kingfield to assist with employee housing.
- We did see an increase in new owners and a 10% increase in owner use. There have been 137 new owners over the past 5 years. Also, Sugarloaf purchased 19 quarter shares over the winter. With owner occupancy increasing it was essential to keep our Premier Property available for guest rentals. Currently 308 owners.
- Had one of the best winters ever with amazing revenue for both owners and the resort. Weekends were the busiest we have seen in many years.
- Elevator Ground Piston failed unexpectedly and will be discussed in the Capital Plan update.

Budget Recap & Overview

Summary 20/21 & 21/22

- No increase in dues for the prior 2 years
- Budget Expenses have increased yearly
- Prior savings covered expenses (Offsets)
- Operating budget increase over 2 years was \$55,296
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Summary 22/23

- Total budget increases \$234,431 = 13.04%
- Common and Residential Total Expenses increased \$134,431 (3 years)
- Record increases in Electricity / Propane and Oil

Operating increases are primarily Electric, Utilities and Wages

- Electrical \$21,000
- Propane / Oil \$13,750
- Wages \$21,227
- Insurance \$6,114
- Other \$17,044
- **Reserves increased \$100,000 – 50k Residential**

Total budget increases 22/23 \$234,431 = 13.04%

Housekeeping & Fees

- Returned to Daily Housekeeping
- Doing everything possible to keep the amazing team we have in place.
- Staff retention has been a key strategy
- State Min. Wage is \$12.75 - Sugarloaf implemented \$15.00 Entry Wage
- Room supplies have seen increases beyond standard Inflation
- Hospitality vendors are not expecting pricing to decrease
- 8% increase will keep in line with Wages and product increases – In-line with Inflation
- Total increase per unit is \$2.00-\$6.00 per room night.
- Seeking full time Inspector – just in case you know anyone!

Capital Update

Ongoing Projects

Continue window project
West Wing Hot Water Supply
Exterior building entry doors
Exterior building upgrades with dormers/siding and flashing
Roof De-icing on front and center....we hope this will remove the ice!
2nd Floor elevator doors
Room upgrades will include some counter tops.
New TV's prior to winter
Drapes
Elevator Ground Piston

2023 Projects

Windows – Revised to Front Entry Only
Exterior Doors – Phase 2 – Commercial
Exterior Building Repair/Dormers Continued
Roof De-Icing – Front Right Wind-tunnel
Lobby HVAC Heat Pump/AC
Motion Lighting – Public Areas
Valve Project – Rooms with no disconnects
Safe lock Key Interface to SMS
Hallway Upgrades/Wallpaper
Updated TV's and service with Sonifi.

Residential/Furniture

There is a very healthy room reserve account.
Room furniture "Case Goods" – Headboards, Dressers, TV Stands, Tables & chairs. Oak is original from 1985. Chairs, Coffee tables and End table are failing.
3 Years ago we started the process to select new furniture for the rooms
Processes is taking a while - Keeping communication open is important.
Sourced vendors / styles and received quotes for direct replacement
Took a step back to develop a Master Room Design Plan
Making progress on the Design Plan – Cannot stress it is important we get this right.
Current Balance \$700k has taken 6 years to fund – Excellent Savers
Current economy and increase in hospitality supplies are concerns.
Increase to Reserve Funding is required

- Reserve Study is a valuable tool to review project timing
- Current Projects are a huge hit to your healthy reserves

Resort Update

- Madelia Guest Survey – Sugarloaf received great scores and responses to guests Top Score in the company with 94.9
- Very strong rebound this season after past two COVID impacted seasons, despite the third worst season total snowfall in the past 25 years
- Growth in: Season passes Lift Tickets Lodging Retail F&B Ski School
- Staffing a challenge through the season in multiple departments
- Upcoming capital projects (<https://www.sugarloaf.com/press-releases/summer-capital-2022>)
- Herbert Hotel purchase
- Snowmaking upgrades: New booster pump station near Bullwinkle's
- CVA competition surface lift installation

West Mountain Development

- Project application currently with Maine DEP
- Approvals expected in late summer or early fall, with first phases of construction to begin shortly thereafter (tree cutting and clearly for roads, trails, chairlift line).
- Chairlift installation expected in summer 2023. Lift will be a high-speed detachable quad

Question and Answer

Roy Miller announces he will be resigning from the Board this year.

Jim Bowers was online and let us know there were 167 days until skiing.

Tina O'Connell also joined the meeting online.

Kevin Souza asked about Space A rotation for all owners and Boyne/Sugarloaf owned rooms. Scott explained that we try to meet all owner special requests for Space A utilizing the rotation system and the owners needs/request.

Motion: by Frank Patch to adjourn meeting. All in Favor!