

**SKI AND RACQUET CLUB CONDOMINIUM ASSOCIATION  
BOARD OF DIRECTORS MEETING  
APRIL 23, 2005  
Breckenridge, Colorado**

**I. CALL TO ORDER**

The meeting was called to order at 11:00 a.m. after a 10:30 a.m. presentation by Alan Seilhammer from the Community Association Banc.

Board members present were Earl Haworth, Norm Stein, Dave Finkleman, Shannon Saramaa and Jan Bowman. Absent Board members were Joe Casey and Larry Augustyn.

Homeowner Tony Karahalios was a guest.

Representing Basic Property Management were Dan Ulmer, Lanelle Barnett and Ann Evison. Erika Krainz was recording secretary.

**II. APPROVAL OF PREVIOUS MEETING MINUTES**

*A. January 8, 2005 Board Meeting Minutes*

Shannon Saramaa made a motion to approve the January 8, 2005 Board Meeting minutes as presented. Earl Haworth seconded and the motion carried.

*B. May 15, 2004 Annual Meeting Minutes*

Shannon Saramaa noted the following corrections:

1. Page 1 - Change "David Saramaa" to "Jussi Saramaa"
2. Page 2, paragraph 6 – Delete "Board has no estimate ... , and the"
3. Page 2, paragraph 7 – Change "sucks" to "is unacceptable".
4. Page 2, paragraph 8 – Change "in the near future" to "in the summer of 2005".
5. Page 3, paragraph 2 – Change "at 50 to 60 degrees" to "no lower than 60 degrees" and delete "and never below 40 degrees".
6. Page 2, paragraph 5 – Change "Sharon" to "Shannon".
7. Page 4 – Add under New Business "Dave Finkleman made a motion to hire a professional engineer to create a Reserve Study for the Association. The motion was seconded but did not carry. Shannon Saramaa made a motion to do a Reserve Study in-house. The motion was seconded and carried. She volunteered to work on this project."

A motion was made to accept the minutes as revised. The motion was seconded and carried.

**III. RESIDENT MANAGER'S REPORT – Basic Property Management**

Ann Evison said she was still dealing with some pool issues. She does not believe it is leaking at the moment.

She has not yet done the locker number repainting. Each building is different, so she will label them and make changes as instructed by owners.

**IV. DELINQUENCY REPORT – Basic Property Management**

Lanelle Barnett said there were two significant delinquent accounts. Unit C201 is a habitual offender. The last payment received was in February 2005 which brought the unit current through December 10, 2004. The foreclosure process had been started. The owner has not paid anything since then. There are four different addresses on record for him, so notification has been difficult. He was recently notified that he is being sent to the attorney. The amount due is about \$1,900, excluding a \$500 penalty. Earl Haworth asked if the attorney could recommend legal remedies to eliminate this problem.

Unit A203 is \$1,600 delinquent, equating to basically all of 2005. The owner has been sent a letter warning he will be sent to the attorney in ten days if payment is not received. The \$500 fine has been assessed. Earl asked Dan Ulmer to find out if rental revenue could be attached and applied against the outstanding balance.

Ted Finkleman has an old balance of \$339 which the Board needs to review. It appears he owes one month of dues for the time period between closing on his unit and starting ACH. The owner claims he paid it with a money order but he has no backup.

**V. TREASURER’S REPORT – Basic Property Management**

Lanelle Barnett reviewed the financial reports.

*A. Balance Sheet*

1. Assets - As of 3/31/05 (nine months into the fiscal year), the Association had \$59,540 in the bank. The negative A/R balance of 1,476 was due to timing of dues received for April. The Loan Fees line item is for capitalized loan fees from when the Manager’s unit was purchased. Total assets were \$204,996.
2. Liabilities and Equity - The Long Term Liabilities line item represents the balance of the mortgage loan. Net equity was \$89,819.

*B. Profit and Loss*

1. Income - Total income was slightly ahead of budget (\$2,311) due to unbudgeted late fees received.
2. Expense - Administration costs overall were \$2,067 over budget due to higher expenses in Insurance and Office Expense, which included purchasing a computer and setting up the website. Condominium Management Expense was \$1,482 under budget. Utilities were \$1,445 under budget. Repair and Maintenance were \$2,555 over budget due to \$1,100 for leak repair and extension of the downspouts. Capital Repair was \$5,255 over budget due to siding repair, the actual cost for which was

double the budgeted amount. There are some more projects scheduled for this spring.

Net overall the Association was \$6,522 ahead of budget.

## **VI. OLD BUSINESS**

### *A. Pool Incident*

Earl Haworth said he sent a letter to the owner of the rental unit involved in the pool incident. The renters' common keys were taken away. The pool had to be drained and cleaned at a cost of about \$1,800. The Board agreed to try to collect the fees from the unit owner. The owner was given six months to pay the amount.

### *B. Community Association Banc Loan Officer*

This presentation was made prior to the opening of the meeting. The Board members indicated they were satisfied with the presentation and agreed the information should be presented to the owners at the Annual Meeting once the final numbers have been established. Earl Haworth asked Dan Ulmer to arrange for Alan Seilhammer to attend the Annual Meeting to answer questions. Dan said he would like to work with a committee to develop a list of the projects to be addressed. Dave Finkleman made a motion to hold a Board Meeting on June 3, 2005 at 7:00 p.m. in the Clubhouse prior to the Annual Meeting on Saturday to review the list of proposed projects. Shannon Saramaa seconded and the motion carried.

Committee volunteers included Shannon Saramaa and Norm Stein. Dan Ulmer will work with them. Dave Finkleman volunteered to provide an explanation of the proposed loan for the owners to be sent out with the Annual Meeting notice. The Board will finalize a plan at the meeting prior to the Annual Meeting and present it as the Board's recommendation at the Annual Meeting.

### *C. Retaining Wall*

There was general discussion about the type of material that should be used for the retaining wall, i.e. recycled logs or cement blocks. This project will probably require town involvement and will need to be professionally engineered if it is over 4' high.

Dan Ulmer recommended redoing such projects properly instead of patching and repairing in a "band aid" approach, and the Board agreed.

### *D. Security Cameras for the Clubhouse*

Earl Haworth said this topic was discussed during the January meeting, mainly due to the pool incident. There has been one occurrence since then when vandalism resulted in flooding the area. There was not any serious damage, but Anne had to clean it up.

Dan Ulmer said he spoke with a retired security officer about a used security system including nine cameras. There would be two options. The first would be a VCR monitoring tape system, which would be less expensive but would provide poor picture quality. The second option would be a digital system with very good picture quality. He believes he could find a used digital system in good condition for about \$6,000 including installation (vs. \$10,000 new). It will probably reduce the insurance premium. Dan recommended installing a digital system. He spoke to the insurance company and was told a pool drowning claim would probably cost around \$1 million to settle.

After further discussion the Board unanimously agreed that a system should be installed. The expense could be paid out of the Replacement Fund. Norm Stein made a motion to purchase a used digital security system with nine cameras for the Clubhouse and dumpster areas for \$6,000. Any planned expenses that are not an immediate need will be deferred in order to fund the security system. Dave Finkleman seconded and the motion carried unanimously.

*E. 2005/2006 Operating Budget*

Lanelle Barnett reviewed the 2005/2006 Proposed Operating Budget.

**Operating Expenses**

**Administration**

1. Bank Service Charges – bank charges for ACH service, etc.
2. Meeting Expenses – refreshments for the meetings.
3. Insurance – 6% increase.
4. Licenses and Permits – annual fee for filing of corporate papers.
5. Office Expenses – postage, supplies, mailing costs.
6. Property Taxes on Manager's Unit – based on this year's actuals.
7. Postage and Delivery – based on this year's actuals.
8. Printing and Reproduction – based on this year's actuals.

Total Administration expenses are \$19,975, up about \$1,800 over this year's budget.

**Condominium Management Expense**

1. Alarm/Security – based on this year's actuals.
2. Cable Expense – 6% increase over last year's budget.
3. Interest – interest on loan for Manager's unit. Lanelle was directed to keep the figure the same as last year's budget.
4. Management Fee – 5% increase.
5. Snow Removal – increased to \$4,800 for next year from \$4,500 actual this year.
6. Telephone – based on this year's actuals.
7. Trash Removal – slight increase. Dan was asked to create a report of all the extra trash removal charges for furniture, etc. The Board discussed dog waste. Dave Finkleman mentioned there was a service that picks up

for a fee of \$30/month and he suggested assessing dog owners a surcharge. He will research the service further.

Total Condominium Management expense is \$111,420 vs. \$105,600 budget for this year.

#### Utilities

1. Gas and Electric – slight increase.
2. Sewer – decreased from this year’s budget.
3. Water – slight increase.

Total Utilities is \$63,916 vs. \$69,288 for this year’s budget.

#### Repair and Maintenance

1. Building R&M – \$5,300 of this year’s actual expense is due to leak repair and \$2,600 was for the downspouts, so these will not be reoccurring charges. Budgeted for \$22,000, but this figure might change if the loan is approved.
2. Clubhouse R&M – slight increase to \$4,000. Includes pool chemicals and supplies for the Clubhouse.
3. Elevator R &M – mainly for service contract.

The 2005/2006 budgeted net income is approximately \$54,000, before the loan or other capital improvements. If the Association obtains a loan, however, there would be a higher net income because some expenses would be moved out of operating.

#### *F. Land Development*

Earl Haworth provided a packet of information regarding development of the neighboring property. He recommended forming a committee to review the information. Dave Finkleman thought the Board should contact the city planner. Dave said he would be willing to sit down with the City Planner to explain his point of view; he does believe there can be more development. Earl said he would form a committee to include Joe Casey as the Chairperson and Dave. Joe will be asked to provide a preliminary report at the Board meeting prior to the Annual Meeting. Dave thought the information should be reported at the Annual Meeting because it comes up every year.

#### *G. C Building Carpet*

This will be included in the list of projects under the loan.

#### *H. Changing the Name “Ski and Racquet Club”*

Earl Haworth said a name change was brought up at the last Board meeting. Since the Association was incorporated in the 1970’s changing the name would require complete re-incorporation. He was concerned about the expense and any possible changes in qualification since the original incorporation. More preliminary work needs to be done on this issue.

**VII. NEW BUSINESS**

*A. List of Major Projects – Basic Property Management*

This topic was covered earlier during the meeting.

*B. Proxies*

Dave Finkleman discussed proxy voting. He could not find anything addressing it in the Bylaws. Where there is common ownership, he felt the Association should allow representation of the owners. Dave Finkleman made a motion to allow a Board member to be permitted to designate other owners/co-owners to represent the Board Member's decisions and interests at Board meetings if the Board member so authorizes in writing. There was no second to the motion and it did not carry.

*C. Unit A103 Window Request*

The owners of Unit A103 submitted a written request for permission to add two 15" x 30" windows to allow sunlight into their unit. It is a wood framed wall and they would have the project done by a professional. Dan Ulmer said the unit was extremely dark and he would support approval of the request. Shannon Saramaa made a motion to approve the installation of two windows in A103 per the owners' request. Dave Finkleman seconded and the motion carried. Dan Ulmer was asked to communicate the Board's decision to the owners.

*D. Pool Issue*

Earl Haworth provided a draft of the letter he is planning to send to the owners of the unit whose tenants caused damage to the pool.

*E. Minutes*

Shannon Saramaa proposed approving the Board meeting minutes by email so they can be posted quickly on the website.

**VIII. SET NEXT MEETING DATE**

The next Board Meeting was set for Friday, June 3, 2005 at 7:00 p.m.

**IX. ADJOURNMENT**

With no further business, the meeting was adjourned at 1:45 p.m.

Approved By: \_\_\_\_\_  
Board Member Signature

\_\_\_\_\_  
Date