

**BRECKENRIDGE SKI & RACQUET CLUB ASSOCIATION  
BOARD OF MANAGERS MEETING  
APRIL 18, 2008**

**I. CALL THE MEETING TO ORDER**

The Breckenridge Ski and Racquet Club Association Board of Managers Meeting was called to order by Tony Karahalios at 7:09 p.m. on Friday, April 18, 2008 in the Breckenridge Ski and Racquet Club Clubhouse.

Board Members Present Were:

|                                 |   |
|---------------------------------|---|
| Tony Karahalios, President, CP6 | Norm Stein, Vice President/Treas., A101 |
| Jan Bowman, Secretary, B103     | Tom O'Lear, Member, A204                |
| Earl Haworth, Member, BP3       | Valentina Alexeev, Member, A103         |

Owners Present Were:

John McCallister, AG3

Guests Present Were:

DonnaRay Anderson, Comcast  
John Springer, Maggie Placer

Representing Basic Property Management were Lanelle Barnett, Ann Evison and Candi Ramage. Erika Krainz of Summit Management Resources was recording secretary.

**II. APPROVAL OF PREVIOUS MEETING MINUTES**

The following revisions were noted:

1. Section III – change “owners” to “non-Board member owners”.
2. Section IV.1. – add “It needs to be in a central location with a switch and must be completed”.
3. Section VI.A. – change “balcony” to “balconies”.
4. Section VII – add “There are seventy-one voting member units out of seventy-two total units. One unit is owned by the Association.” after the third sentence.

Jan Bowman made a motion to accept the minutes of the January 11, 2008 Board of Managers Meeting as amended. Tom O'Lear seconded and the motion carried.

**III. OWNER COMMENTS**

There was one non-Board member owner present but he had no comments.

**IV. COMCAST CONTRACT PRESENTATION**

Tony Karahalios said DonnaRay Anderson has been in contact with him and Dan Ulmer regarding the Comcast bulk contract for the property. Per the Bylaws, the contract term can not exceed one year. Comcast does not offer one year contracts and is asking the Board to sign a five year contract on behalf of the Association.

DonnaRay Anderson said the wiring in the units was good as the property was rewired by the cable company that preceded Comcast. The owners own the wires inside the units and Comcast owns the wiring up to the building to a demarcation point. The property has never been under a bulk contract that meets Comcast's standards. Comcast does not offer one year contracts because they have contracts with programmers that are very expensive on longer terms. The current bulk rate being paid by Breckenridge Ski and Racket owners is \$24.73/unit/month. If a five year contract is not signed, the rate will increase to \$52.95/unit/month.

The rate is increased annually and the increase for this year was 5%. Bulk accounts are only increased once annually and the amount of the increase is based on the residential rate increase. Next year, she anticipates the increase will be around 6.5% due to rising gas costs. The increases take effect March 1<sup>st</sup> of each year. There is a local consortium consisting of representatives from the County and all the towns that approves rate increases.

Changes in the new contract include:

1. The "exclusivity" language was changed per FCC regulations.
2. The six month cancellation clause was changed to sixty days.
3. The contract now consists of three parts. The first covers the ownership and rights as related to the wiring. The second part relates to the grant of easement. The third part is a bulk bill addendum detailing the rate and term.

DonnaRay Anderson will email a copy of the new contract to Tony Karahalios. The Exhibits to be attached include the legal description of the property, the list of channels and the bulk bill addendum. She will also send the new contract, ready to be executed, to Basic Property Management after this meeting. She provided a handout with the various packages available.

Earl Haworth asked if the easement would preclude an owner from having another service from another provider. DonnaRay responded it would not. The grant of easement only relates to the service to the property from the pedestals, through a conduit and into a building boiler room or main box.

High speed internet access will also be available at a bulk rate of \$16.95/unit/month. Regular prices start at \$45.95/month. In order to get the volume discount, all unit owners must participate. The fee includes a modem in every unit at no cost and 24/7 customer service. Owners can upgrade the connection speed on an individual basis. Comcast can provide a wireless hot spot in the Clubhouse with the high speed package but DonnaRay was not sure of the cost. Installation of the modem would be \$39.95/unit, unless there is already a modem in the unit.

John McCallister asked about Comcast phone service in Summit County. DonnaRay said they will be deploying phone service and video on demand in the future. Right now there

are issues with getting the cabling through the tunnel easement but they are exploring new technology. It is projected to be available in 2009 and it could be added to the existing contract.

Tom O'Lear made a motion to move forward with planning for a five year contract for the cable and to offer an option in the budget for high speed internet access, to be reviewed with the membership. Norm Stein seconded and the motion carried unanimously.

Tony Karahalios asked if the billing issue from last year had been resolved. DonnaRay Anderson said she was still working on it. Earl Haworth will provide some missing documentation.

#### **V. MAGGIE PLACER DEVELOPMENT PRESENTATION**

John Springer provided a presentation on the proposed development on Maggie Placer. It has been presented to the town of Breckenridge. The next preliminary hearing will be May 6, 2008. There will be eighteen deed-restricted employee housing units consisting of one and two bedroom units in three six-plex buildings. There will also be four single family homes. He hopes to start the groundwork this summer. The units will be deed restricted to Breckenridge employees first. All sales will be done through the County Housing Authority. There will be two separate Associations for the houses and deed restricted units.

The Board provided a list of their concerns:

1. Access – The Board does not believe John Springer has legal access to the property over Breckenridge Ski and Racquet property. The Board will contact the town regarding the road easement.
2. Height of some buildings – The height is per town code, no more than 30'.
3. Drainage – There will be two retention ponds on the property.
4. Unauthorized Use of the Ski and Racquet Pool and Clubhouse – John Springer said the purchasers of these units would have to earn about \$80,000 to qualify for purchase, so he thought the residences would not be inclined to try to sneak in.

Tony Karahalios asked for volunteers to research the access issue. Norm Stein, Jan Bowman and Tony will work with John Springer.

Earl Haworth said he was upset that the project had progressed this far without the Board being contacted by the town. The town knows very well about the access problem because the Board wrote a letter specifically addressing this issue. There appear to be different representations on different maps regarding the easement boundaries and/or the existence of the easement at all. This will need to be addressed by the Association attorney.

Tom O'Lear requested that the Board be given a copy of the Covenants for the homes and condominiums for review.

Jan Bowman suggested requiring John Springer to pay for his easement. Earl Haworth agreed they should ask for monetary compensation from John Springer as well as consideration from the town. The new Association should also have to pay for ongoing maintenance of the road. Earl commented it may be too late to write letters to the town regarding the easement situation and it may be necessary to get an injunction.

## **VI. RESIDENT MANAGER'S REPORT**

Ann Evison summarized the project report.

### *A. Completed Projects*

1. Laundry room timers installed.
2. Laundry room light fixtures installed.
3. Painted all laundry rooms.
4. Remodeled Clubhouse ping pong room.
5. Changed multiport valve on hot tub.

### *B. Pending Projects*

1. Divert snowfall at Clubhouse.
2. Add conduit on building roofs.
3. Breaker/outlet for heat tape at Clubhouse.
4. Light fixtures in Clubhouse.
5. Light fixtures in B Building are shorting from roof leak.
6. Venting on B Building roof for fireplaces.

Leaks have been minimal this winter and seem to be occurring in the same places as the last couple of years.

Norm Stein asked if someone needed to be hired to shovel the 200 level decks. Ann Evison said there were only problems with two units, A104 and C104. She believes both have been resolved. Jan Bowman said her unit has a leak again. Ann will address it. There is a roof problem outside the sliding glass door of A204.

Ann was asked to update the monthly reports on the website.

She would like to re-do the pool floor this spring if possible before the Annual Meeting. She will try to get the name of a contractor who can do this type of work.

## **VII. FINANCIAL REPORT**

### *A. Balance Sheet as of 3/31/08*

1. Total Checking Savings - \$39,021.
2. Total Accounts Receivable – (\$6,886) credit for prepaid dues.

3. Total Fixed Assets \$861,754.
4. Total Other Assets - \$11,470.
5. Total Liabilities - \$711,498.
6. Total Liabilities and Equity - \$909,569.

*B. Operating Profit & Loss through March 2008*

1. Total Income - \$308,129, \$2,072 over budget due to interest and late fees.
2. Total Administration Expenses - \$13,451, \$6,803 under budget mainly due to the lower insurance premium.
3. Total Condominium Management Expense - \$88,069, \$288 over budget.
4. Total Utilities - \$56,906, \$2,593 under budget.
5. Total Repair and Maintenance - \$28,111, \$9,741 under budget.
6. Total Non-Operating Expense - \$45,187, \$1,338 over budget.
7. Net Operating Income - \$76,403, \$19,582 over budget.

*C. Reserve Profit & Loss*

The Net Reserve Income was (\$15,876).

*D. Delinquency Report*

Four units owe April dues and one unit has paid in full for the year. Candi Ramage was asked to contact any of the owners with small amounts outstanding to get the balances cleared.

## **VIII. OLD BUSINESS**

*A. Development Easement*

Norm Stein, Jan Bowman and Tony Karahalios will serve on the committee to deal with the development easement. They will bring the minutes of this meeting to the attorney and meet with the town.

*B. Update on Meetings with Basic Property Management*

Some Board members are meeting with management the second or third Friday of each month at 10:00 a.m. to review the financials and checks. All Board members were invited to attend if interested.

*C. Balcony Repair Project*

Tom O'Lear said the owners should be notified of the remaining upcoming balcony repair work. The contractor should be asked to provide a schedule of work. In B Building, six units have been completed except for the coping base along the edge. There are sixteen more units to be done this summer, almost all of which are in C Building. There are no funds allocated in this year's budget. The cost is \$2,000 – 3,000 per unit. The contractor should be asked to start work at the end of May. Ann Evison will contact Shannon Saramaa as she has been maintaining the master list of units needing attention.

## IX. NEW BUSINESS

### A. 2008/2009 Budget

Two draft versions of the budget were prepared. One keeps expenses the same and the other assumes a Special Assessment to pay the loan off in full. Tony Karahalios recommended meeting again to finalize the list of projects. As of March 2008 the loan balance was \$620,534.

The Board reviewed the budget line items as compared to last year's budget:

1. Special Assessment - Assumes application of the year-end surplus to the account.
2. Legal Fees – \$5,000. The Board felt this line item should be increased for legal work related to the easement and agreed to double it to \$10,000.
3. Office Expenses – \$1,100, increased \$100 over previous year.
4. Property Taxes – \$1,335, increased \$300 over previous year.
5. Postage and Delivery – \$200. The Board agreed to increase this line item to \$350 for the higher postal rate. Tom O'Leary suggested raising it even more for the potential second mailing.
6. Alarm Security – \$1,400.
7. Cable – Candi put in a 6.5% increase per the Comcast representative.
8. Internet – Candi added another line item and included the \$16.95/unit/month fee per the Comcast handout.
9. Management Fee – \$75,828, a 5% increase per the contract. Valentina Alexeev noted that the fee was about \$50,000 in 2005 and wondered how it got to over \$75,000 in three years with 5% annual increases. Tony Karahalios will research this discrepancy.
10. Snow Removal – \$6,600. No change.
11. Telephone – \$4,200. No change. It was noted that US West has asked for a 32% increase on the basic access line fee.
12. Trash Removal – \$12,500. No change.
13. Gas and Electric – \$46,000. No change. The Board agreed this line item should be increased to \$50,000.
14. Sewer – \$24,200. No change. The rate increased this year so there most likely will not be another rate increase next year.
15. Water – \$11,700, increased \$1,200.
16. Building Repair and Maintenance – \$17,000, increased \$500.
17. Clubhouse Maintenance – \$3,000, decreased \$9,000. The Board agreed this line item should be increased by \$1,000.
18. Elevator Repair and Maintenance – \$16,850, decreased \$119.
19. Grounds Maintenance – \$4,000, decreased \$1,000. The Board agreed this line item should be further decreased by \$1,000.

Following these revisions, the total expenses increased almost \$25,000 for a 16.11% over the previous year.

*B. Capital Projects*

1. Clubhouse Roof – \$3,500.
2. Painting – \$40,000. The back of C Building was last painted five years ago.
3. Balcony Project – \$10,000. The Board agreed this line item should be increased to \$17,000 to fund half of the total number needing repair. There are six balconies on P level to be redone. After discussion, the Board decided to move the balcony project expense into the Special Assessment. This action reduced the overall increase to about 10%.
4. Heat Tape – \$1,500 added for new switches for three sections of heat tape.

Candi Ramage will send the revised draft to all Board members.

*C. Annual Meeting Planning*

The budget should be finalized by May 10, 2008 so it can be sent to the owners with the Annual Meeting packet. The packet should include the notice from Comcast and a notice about the vote on the allocation of dues, as well as the budget. The new Comcast contract should not be posted on the website but owners should be informed they can contact Basic if they would like a copy.

**X. SET NEXT MEETING DATE**

The next Board Meeting was set for Friday, May 2, 2008 at 7:00 p.m. to finalize the budget.

**XI. ADJOURNMENT**

Tony Karahalios recessed the meeting at 10:50 p.m. until May 2, 2008.

Approved By: \_\_\_\_\_  
Board Member Approval

Date: \_\_\_\_\_