

**SKI AND RACQUET CLUB, LTD.
BOARD OF DIRECTORS MEETING
April 10, 2009
Breckenridge, Colorado**

I. CALL TO ORDER

The meeting was called to order at 7:05 p.m.

Board Members Present Were:

Tony Karahalios, President, CP6	Norm Stein, Vice President/Treasurer, A101
Jan Bowman, Secretary, B103 (phone)	Tom O'Lear, Director, A204
Margie Wood, Director, BG2	Earl Haworth, Director, BP3

Owners Present Were:

Paul Davis, A203	Ronnie Barr, B202
Merri McKissock, C206	Zoey and Tim Luckett, B203
Julie Taylor, BG3	Debbie and Bruce Linster, A205
John McCallister, AG3	Miller and Michelle Herritage, 104A
Stacy and John Quarles, 105A	Tina Rossi Michieli, 202C

Representing Basic Property Management were Dan Ulmer, Candy Ramage, Gary Nicholds and Ann Evison. Erika Krainz of Summit Management Resources was recording secretary.

II. APPROVE PREVIOUS MEETING MINUTES

Earl Haworth made a motion to approve the January 9, 2009 Board Meeting minutes as presented. Tom O'Lear seconded and the motion carried.

III. MANAGER'S REPORT

Ann Evison sent her report to the Board by email (Attachment A). She provided a brief summary of key points:

1. Shannon Saramaa has resigned from the Board.
2. Dog problems are escalating. Owners need to be held responsible.
3. The pool roof snow shed issue needs to be resolved.

IV. COMMENTS FROM THE FLOOR

1. The Herritage's were concerned about the upcoming assessment.
2. John Quarles said he had received a letter regarding the requirement to replace or paint the white frames of his windows. He pointed out that the unit had the white frames when he purchased it three years ago. He said about 25% of the units did not have brown or black frames and he did not feel the change requirement was fair. He supported the concept of a cooperative effort by owners to clean up the dog waste in the spring.

3. Merri McKissock asked if her neighbor in C205 had ever been fined for illegal pets. Ann Evison said the dogs in question were gone by the time she was told about the issue and had followed up. Merri also supported an owner clean up day.
4. Zoey Luckett also supported an owner clean up day. She was concerned about the dues level.
5. Julie Taylor did not think it was important to change the existing white framed windows. She said she is still seeing rebar outside her unit. She wants to be sure the Association funds are used wisely.
6. Debbie Linster commented that the Bylaws clearly specify only tan or brown window frames but they are more expensive than the white framed vinyl windows. She is a member of the Siding Committee and they have posted a blog to keep owners informed. They have received good feedback. She pointed out if the new siding project is not approved, repainting will cost about \$40,000 and there is nothing in the dues for it. There have been some questions about architect's fee. He is willing to meet with any interested owners to explain the charges. The Siding Committee will meet tomorrow.
7. John McCallister thanked Ann Evison for her service to the Association. He apologized for his email to the Board regarding the dog issue. He believes the siding is a maintenance issue, not an aesthetic issue. Some of the siding is no longer water resistance. Drainage problems are causing dangerous ice problems.
8. Ronnie Barr was concerned about mismanagement of Association funds.
9. Paul Davis was concerned about management, a lack of transparency, increasing dues, and management not enforcing or abiding by the Rules.

V. FINES HEARING

John Quarles said he had received a letter indicating he would be required to change his white framed windows. The white windows were installed before he purchased the unit and he felt notification three years after the fact was unreasonable. Margie Wood said she was unaware that this was an issuing dating back to the previous owner. In light of that fact, it might be an Association expense.

Julie Taylor said the carpet on her deck was glued down but it was like that when she purchased.

Norm Stein requested owners email Earl Haworth regarding any fines or owner concerns.

John McCallister asked Dan Ulmer to check with the Association's attorney on the statute of limitations on fining. Dan said owners have to be notified and must be allowed to speak at a Board meeting and the Board then makes a decision whether to enforce or waive the fine.

Tony Karahalios recommended that John Quarles send a letter to the Board regarding the window issue.

A motion was made to conclude this section of the agenda. The motion was seconded and carried.

The Board directed management to send warning and fine letters with a return receipt.

VI. TREASURER'S REPORT

A. Balance Sheet as of February 28, 2009

1. Total Checking/Savings - \$25,187.
2. Total A/R – (\$522).
3. Total Other Current Assets - \$3,920.
4. Total Fixed Assets - \$844,363.
5. Other Assets - \$9,278.
6. Current Liabilities - \$7,916.
7. Long Term Liabilities - \$640,717.
8. Retained Earnings - \$200,678.
9. Net Income - \$32,915.
10. Total Liabilities and Equity - \$882,226.

B. Operating P&L as of February 28, 2009

1. Total Income - \$309,962 actual vs. \$308,195 budget.
2. Total Expenses - \$260,360 actual vs. \$262,843 budget.
3. Net Income - \$49,601 actual vs. \$45,351 budget.

C. Reserve P&L as of February 28, 2009

1. Total Income - \$12 actual vs. \$0 budget.
2. Total Expenses - \$16,698 actual vs. \$7,808 budget.
3. Net Other Income – (\$16,686) actual vs. (\$7,808) budget.

D. A/R Aging Summary

John Quarles asked to see the aging report. The Board explained it was confidential information and the details could not to be shared with the owners.

Tom O'Lear said the April 10th report was not accurate because some owners on the delinquency list are on automatic withdrawal (ACH). He asked Candy Ramage to have future reports filter out the ACH owners.

Norm Stein made a motion to approve the Financial Report as presented. Earl Haworth seconded and the motion carried.

Several owners complained about the Board approving the Financial Report. Norm Stein pointed out that this was a Board meeting and there were specific times when owner comments are allowed to participate. Tony Karahalios clarified that the financial reports were reviewed by three Board members. A detailed Treasurer's Report will be presented at the Annual Meeting for all owners present.

Paul Davis asked if the Association was paying for all the time being spent by contractors on repairs to the Building A elevators. Margie Wood explained that the elevators were under warranty and the work was covered under the contract. Paul said he had a contact at Otis Elevator and he thought they might be able to do a better job. Norm Stein said the elevator warranty would be voided if the contract was switched. Paul was encouraged to email any suggestions for an alternative contractor to Earl Haworth for review.

VII. 2009/2010 OPERATING BUDGET

Candy Ramage said there was \$40,000 less in expenses in the 2009/2010 Budget as there is no painting budgeted for 2010. She suggesting contributing that extra amount to the Reserve Fund but noted this will be an owner decision. Tony Karahalios said the Board would vote and provide a recommendation to the owners in the Annual Meeting packet. The final budget will be voted on and approved by the owners.

John McCallister suggested putting the \$40,000 into a painting fund instead of into the Reserve Fund. The Board will take this suggestion under consideration.

Candy reviewed the individual line items in the 2009/2010 Budget:

1. Bank Service Charges – reduced to \$300 by reclassifying the \$9/month Alpine Bank fee.
2. Directors/Annual Meeting Expense – increased to \$300.
3. Filing Fee – no change. The fee is for filing the non-profit status, which is required annually.
4. Insurance – 5% increase over projected actuals.
5. Legal Fees – kept at \$10,000 in case there are Maggie Placer legal issues. Norm Stein said he met with the Town Planner, Mr. Springer, Dan Ulmer and other Board members Wednesday night to get an understanding of the property lines and the easement right of way for Highway 9. The Board contends the map is drawn incorrectly. The Town Planner agreed that the Association would not be forced to do anything to the wall. Mr. Springer may have access to Highway 9 from his property with a right turn in and out only.
6. Miscellaneous G&A – no change. This line item is for the Manager's bonus.
7. Office Expense – no change. This line item is for website hosting and updates, supplies, Manager's email and dues coupons.
8. Property Taxes – no change from this year's actuals.
9. Postage and Delivery – the postage rate will increase May 11th. Tom O'Lear recommended a slight increase to \$350 to cover registered letters.
10. Printing and Reproduction – based on projected year-end actuals.
11. Secretarial – based on projected year-end actuals. This line item is for meeting minutes.
12. Alarm/Security Expense – based on \$28/month with new contract. It covers the Clubhouse minutes.
13. Cable – assumes 6.5% increase in February 2010.

14. Management Fee – assumes 3% cost of living increase. Bruce Linster noted that this fee did not account for the cost of the Manager's unit. The management contract renews in 2010.
15. Snow Removal – increased to \$8,000.
16. Telephone – based on projected year-end actuals. Margie Wood recommended eliminating the business phone line for \$1,200. Dan Ulmer will work on getting a cell phone with internet access.
17. Trash Removal – based on projected year-end actuals.
18. Gas and Electric – no change.
19. Sewer Service – no change based on current rate.
20. Water – no change.
21. Painting - \$6,000 for painting the Clubhouse.
22. Building Repair/Maintenance – \$10,000 based on projected year-end actuals.
23. Clubhouse Repair/Maintenance – based on estimate from Manager.
24. Elevator Repair/Maintenance – 9% annual increase per the contract. Debbie Linster recommended looking for another contractor when the warranty expires because the current contractor appears to be incompetent.
25. Grounds Maintenance – no change.
26. Insurance Deductible - \$2,500 recommended. This line item was not budgeted in the past.
27. Pool/Hot Tub Repair/Maintenance - \$4,000 based on the Manager's recommendation and year-end projected actuals.
28. Mortgage Payable – based on the schedule. Norm Stein and Dan Ulmer will meet with the bank to determine if the construction loan and mortgage loan can be rolled together and refinanced at a lower rate.
29. Interest Expense on Mortgage – based on the schedule.
30. Loan – based on the schedule.
31. Interest Expense on Loan – based on the schedule.

Tony Karahalios asked Candy Ramage to provide more detail (assumptions) for each account.

The Reserve Budget was reviewed. The balance as of June 2009 should be approximately \$4,996 with \$44,014 in contributions to be made. Potential projects include:

1. Clubhouse Roof - \$3,500, carried forward from the previous year.
2. Clubhouse Refurbishing - \$3,000.
3. Balcony Project – There are nine decks remaining to be repaired at a total cost of approximately \$20,000. Unit BG3 should be added to the list of decks to be done.
4. Clubhouse Siding Repair - \$10,000 for repairing the exterior of the Clubhouse.

There was discussion about the broken skylights in the pool. Ann Evison was asked to get bids for replacement.

With no dues increase and a \$40,000 Reserve contribution, the projected year-end balance would be (\$6,385). A 1.5% increase would result in a zero based budget.

Debbie Linster challenged the Board to actually decrease the budget by \$40,000 since there will not be painting done, which would equate to about \$50/unit/month. Tony Karahalios said the Board would make a recommendation on the budget to the owners, most likely including an increase. Debbie recommended presenting three different options, i.e. \$50/unit/month decrease, no change and \$50/unit/month increase. She requested a column be added for each line item indicating the percentage of the total. She would also like to discuss the Maggie Placer and the issue of additional density at the Annual Meeting. Tony said the Town Planner has been invited to the Annual Meeting to discuss these issues. Bruce Linster questioned if a 3% cost of living increase for the Management Fee was reasonable given the economic conditions. The Board said this would be discussed.

Tony Karahalios noted that there was a lot of deferred maintenance when he purchased his unit over four years ago. He discovered there were several years with basically no dues increases and no maintenance was performed during that time. For that reason, the Board had to get a loan to make repairs.

Debbie Linster spoke in favor of Special Assessments instead of dues increases. Special Assessments can be written off on an individual owner's taxes.

Jan Bowman made a motion to approve the 2010 Budget as presented with the addition of the \$10,000 Clubhouse project. Tony Karahalios requested an amendment for further research on the accurate costs to repair the Clubhouse and to put in those numbers before final distribution. Tony Karahalios seconded and the motion carried with Tom O'Lear opposed.

Tony Karahalios made a motion to propose a budget with no dues increase and prior to sending it out, the Board will agree on which items to cut or decrease to reach a zero based budget. Earl Haworth seconded and the motion carried unanimously.

Tom O'Lear made a motion to close the budget discussion until the Board has received revised copies of the current budget with more accurate figures and with further discussion by the Board via email by May 1st. Tony Karahalios requested an amendment of the date to April 20th. Margie Wood seconded and the motion carried.

VIII. OLD BUSINESS

A. Maggie Placer Update

Earl Haworth said the Association will not get any money from the developer of Maggie Placer for access. The \$10,000 in the Legal line item will be used if necessary to try to keep the Town from taking a portion of land that the Board believes belongs to the Association. The Town may think there is an easement. The vellum copy of the map does not match the paper copy. The Town is going to work with the surveyor who drew the map to determine if it is accurate.

The developer presented a proposal to the town for access out of his property onto Highway 9 with a right hand turn. It appears he may have moved the Association property line in order to provide adequate space for a roundabout. The aerial view and his map do not agree.

Earl Haworth said the Association attorney would send one more letter. If the developer is granted access off Highway 9, he will need to be made aware of the consequences for encroachment on the Association's property. John McCallister pointed out it should be possible to plug in the written coordinates of the Association property on a map.

B. Siding Committee

John McCallister said the Siding Committee would be meeting tomorrow in the Clubhouse at 4:00 p.m.

Norm Stein made the following comments:

1. The costs should be based on 71 units, not 72.
2. He asked if the General Contractor Fee was included. Answer: It is but there are names of several contractors to contact.
3. He asked if the architect's fee was included. Answer: It is
4. The architect and siding committee would be willing to look at other options for the railings.
5. He asked if there were any areas that would be vulnerable to freezing. Answer: There are not.
6. He asked how high up the end caps the materials would run. Answer: The stone or cedar will run up 30" to address splashback issues.
7. The Board is concerned about putting solar panels on top of the elevator towers. There will need to be dispensation from Turner Morris for access.
8. He asked if the General Repair category includes any deck repair.
9. He commented that the painting costs may be reduced but not eliminated. It may be possible to lengthen the cycle.

There was general discussion regarding the percentage vote required to change the Declarations. Dan Ulmer explained that the Declarations indicate an 80% majority vote is required but the law has changed since then and per Senate Bills 100 and 89, 67% of the membership has to vote in favor to change the Declarations.

The estimated cost for the project is \$1.1 million with a 20 year estimated life. The finalized figures will be sent to the owners in a letter.

There was discussion about the 2003 meeting minutes which contained a reference to possibly selling the Association land west of the tennis courts. The owners were told that a vote in favor by 50% of the membership plus one vote would allow the sale of the complex to a developer. The owners did not want that to happen in that manner. State law requires a 67% majority.

Earl Haworth said when the loan was presented to the owners, it included a list of projects. The owners approved the projects and the loan with one vote. Dan Ulmer said a ballot was sent to every owner. The bank required approval by 80% of the owners. Bruce Linster commented that per the Declarations, this approval should have been done at a Homeowner Meeting.

Debbie Linster said she wanted to invite the architect to attend the Homeowner Meeting to make a presentation. He will be given a time limit of 15 minutes.

Margie Wood asked if there could be another vote on the density issue. Norm Stein said the Board would need to research the necessary steps. She said she might know someone who might be interested in paying for the facelift in exchange for development rights.

C. Pine Beetle Grant

Dan Ulmer has spoken to the Town and it does not appear that there will be any money available. Norm Stein said he wanted to submit a grant for fire suppression.

D. Board Member Shannon Saramaa Resignation

At the Annual Meeting there will be at least one vacant Board seat. Interested owners should contact Dan Ulmer.

IX. NEW BUSINESS

A. President's Agenda for Annual Meeting

Tony Karahalios said the theme for the upcoming Annual Meeting will be respecting the property of others and taking responsibility. The meeting notice will include a reminder that the Declarations, Bylaws, Rules and Restrictions and other Association documents are available on the website and all owners are responsible for making themselves familiar with them.

X. ADJOURNMENT

Stacy Quarles thanked Ann Evison for her efforts on the Association's behalf over the years.

Jan Bowman made a motion to adjourn at 10:50 p.m. Tom O'Lear seconded and the motion carried.

Approved By: _____ Date: _____
Board Member Signature