

**ONE BRECKENRIDGE PLACE ASSOCIATION  
HOMEOWNER MEETING  
October 28, 2017**

I. Call the Meeting to Order

The One Breckenridge Place Association Homeowner Meeting was called to order by Larry Pithan at 10:02 a.m. in the Park Avenue Lofts Conference Room.

Board Members Participating Was:

Larry Pithan, #12	Brian Southard, #26
Robert Fisher, #17 (via teleconference)	

Homeowners Present Were:

Tim & Mary McAleer, #5	Russell & Loyola Watt, #25
Kasi Southard, #26	Rebecca Jennings, #27

Representing Great Western Lodging (GWL) were Chad Christy, Keith Kroepler, Jeff Cospolich, Lindsay Toyne, Brian Juchno and Erin McGrain. Margot Mayer of Summit Management Resources was recording secretary.

II. Verification of Notice and Establishment of Quorum

Notice of the meeting was sent on September 20, 2017. With 26 proxies received and 5 units represented in person a quorum was confirmed.

III. Approval of Previous Meeting Minutes

Kasi Southard made a motion to approve the October 29, 2016 Annual Homeowner Meeting minutes as presented. Russell Watt seconded and the motion carried.

IV. President's Comments

Larry Pithan reviewed projects that were discussed during the last Annual meeting and noted the following:

1. Dog waste containers have been installed.
2. The Reserve Study was updated and funding is on target. Brian Southard explained that an independent contractor was hired to update the remaining useful life and replacement costs for all line items. The Board reviews scheduled expenditures for the next three years and defers replacements as appropriate. A major upcoming expenditure is the roof. The Study is available for owners to review at the GWL office.
3. Heat tape will be discussed during the Property Manager's Report.
4. An appraisal of the property value was completed. The replacement value was estimated at \$21,750,000 and the insurance value was \$17,000,000, which included a

rider for guaranteed replacement. It is very unlikely that all buildings would need to be replaced at the same time.

5. The Board reviewed and updated the Rules & Regulations, which are posted on the website.
6. Last year, Robert Fisher had proposed and volunteered to create a newsletter to keep members informed about what is going on with the Association. Two newsletters were sent and Robert Fisher will continue sending them. Larry Pithan thanked Robert Fisher for his work.
7. A total of \$200,000 was moved from the Reserve account into a passbook account. The six-month CD will earn 1.35% interest. Investments will be laddered to ensure there is always money available to cover potential capital expenditures.
8. The Association pays dues to the Upper Village Pool Association. Robert Fisher volunteered to attend their meetings and to review how the money is being spent. Dues are expected to increase by at least 5% for 2018. Chad Christy said the agreement with the Upper Village Pool Association goes back many years and the way it was deeded makes it impossible to get out of the contract. Larry Pithan said the pool is a valuable amenity. Mary McAleer asked about if the parking lot can be used as overflow parking for the Association. Chad Christy said that they have limited parking and strictly enforce use of the parking area.

## V. Financial Reports

### A. *2017/2018 Budget Overview*

The Association ended the fiscal year \$1,400 unfavorable to budget. There were savings in Repair & Maintenance (\$4,300) and Snow Removal (\$5,600), which helped to offset a budgeting error in Landscaping from the previous year. The contractor made an error and did not bill for all service. The Board agreed to pay the difference, which includes an additional month of landscaping this year. Landscaping was \$600 unfavorable to budget and the Utilities account was \$600 favorable to budget.

The landscaping contract was signed for three years in an effort to keep costs flat. GWL has had a good relationship with the contractor for ten years. The contract includes a set price for cutting, fertilization and pruning. Raking is charged at time spent plus materials. The contractor has estimated about 30 hours every year and probably needs an additional 10 to 12, which are billed at \$45/hr. GWL asked the Board to approve the additional time since it was not budgeted.

Russell Watt said the contractor is inefficient and leaves were raked before the trees were pruned. Brian Juchno said that a different contractor prunes the trees. He explained that there is a short window to get this work done. Chad Christy noted that there are many mature trees on the property and other larger firms would charge much more for these services. He agreed that there may be inefficiency but the work has to be done when the weather permits. Brian Southard noted that leaves were raked but not removed. Once the contractor returned, the leaves had to be raked

again. The Association should only pay if the leaves are cleaned up. Brian Juchno clarified that leaves are raked and a trailer is on site to haul them away. Due to weather conditions, the contractor cannot always guarantee that the work is done immediately. He will contact the contractor to address inefficiencies. Chad Christy offered to obtain bids from other contractors.

General Administrative Expenses were unfavorable to budget and included the appraisal (\$900), the Reserve Study update (\$1,050), the preparation of meeting minutes and the purchase of new checks.

The September water bill was \$4,000 more than expected. The expense was auto debited and finance charges accrued because there was not enough cash in the account. After negotiations with the bank, the fees were reduced from around \$800 to \$210. Going forward, the checking account has been tied to the Reserve account for overdraft protection, which will incur a one-time fee of \$12.50. Brian Juchno explained that there was more hand watering of the non-irrigated areas between driveways and overall more irrigation due to high fire danger. There will be an increase in the water rate as the Town of Breckenridge is planning on building a \$59 million water plant.

Brian Southard asked if there were plans to change the cash flow management. It noted that there is no value in leaving money in the checking account and cash flow issues can arise based on the timing of the bills. Going forward, the overdraft protection should prevent future issues.

*B. 2017/2018 Proposed Operating Budget*

The 2017/2018 Proposed Operating Budget included a 3% dues increase. Contributions to Reserves are 20% of overall dues. Lindsay Toyne reviewed the highlights:

1. Landscaping – \$19,855, which includes the extra payment to reflect actual costs.
2. Electricity – This line item increased slightly to account for newly installed heat tape.
3. Upper Village Pool Association Dues – 6.5% increase.
4. Trash Removal – 8% increase. The Town of Breckenridge mandates using the Summit County landfill, which is more expensive.
5. Insurance – 3% increase. Larry Pithan said competitive bids were obtained.
6. Investment Income – This is a newly created line item, assuming 1.35% interest earned.

Brian Juchno said individual meters for the heat tape system have been installed and owners will be reimbursed either by check or a statement credit after the meters are read at year end.

The budget was proposed to the Board a few months ago. The budget did not reflect actual water expenses. Lindsay Toyne said she will revise the budget and the dues will either increase or other expenses will need to be adjusted. The Board will approve the budget after revisions are made.

*C. Management Contract Discussion*

Chad Christy said that GWL's contract states that all contractor fees may be marked up by 10%. He said he has never marked up these fees but was not sure how much longer he can continue based on the amount of time required to oversee contractors. He said GWL is under more pressure to increase the level of service and ultimately, GWL is managing the Association at a loss.

Brian Southard said the Board has discussed clarifying GWL's contract. Chad commented that the Board originally brought this up in March, and that he has been open and awaiting discussion ever since.

Chad Christy said the contract and all business accounting is available for review by any and all owners during normal business hours (Monday - Friday, 9:00 a.m. – 5:00 p.m.). The contract is ten years old and he would welcome the opportunity to further define and renegotiate the contract. Brian Juchno noted that the contract cannot be made available to the public to protect contractor and subcontractor rates. GWL often receives preferred rates. Chad Christy said GWL strives to protect the owners' investments and he has never been accused of lack of transparency. A great deal of information is posted on the website, for both owners and realtors.

**VI. Property Manager's Report**

*A. Completed Projects*

1. This year resealing the asphalt driveways and road way was scheduled. Through the bidding process, GWL was able to save \$5,000 on the budgeted repair cost in the Reserve Study by hiring a new contractor. GWL also had the condition of the asphalt evaluated for useful life. The contractor indicated the asphalt had 7 - 10 years of life with some minor maintenance in the next few years. The cost for full replacement for the asphalt is estimated to be \$93,000. The project should be reevaluated in 2020.
2. The installation of heat tape and meters on four units was completed last year and the remaining seven units were completed this year. There were savings of \$1,300 compared to the original bid. Even though there will be less maintenance, operating cost will be slightly higher.
3. GWL performed the touch up painting of the complex in house this spring at a cost of \$1,500. The main focus was around the entrance stairs and door ways. Since the exterior upgrades, these are the only areas that are showing any wear mostly due to the traffic in and out of units.

**B. Pending Projects**

1. Using the Reserve Study as a guide, there are no large projects for the upcoming year. The Board asked GWL to obtain bids for the painting of windows and chimney caps. This project will be discussed under New Business.
2. With no large projects pending, GWL will focus on any preventative maintenance items that surface over the upcoming year.
3. The rocks will be touched up.
4. Four trees have been identified for removal by a crane by the end of next week.
5. There will be additional leaf clean up by GWL.

**VII. Old Business**

There was no Old Business to discuss.

**VIII. New Business**

**A. *Painting Windows and Chimney Caps***

Brian Southard said the Board gave directive to obtain bids to paint windows and chimney caps. The bid came in at \$93,000, including chimney caps and all roof penetrations for \$14,000. Even though the contractor would like to do the job in one phase, the Board decided to do the project in two phases. Phase 1 includes painting all the chimney caps and half of the windows, starting mid-May, with completion by the end of June. South and west facing windows get more exposure and should be included in Phase 1. Chimney caps should be painted every 3 - 5 years and south facing windows every 7 years.

Windows will be painted one building at a time and the membership will be notified ahead of time. There was discussion about spending the money on painting versus full replacement of the windows. Pros and cons were discussed and the majority of owners were in favor of painting. The cost to paint a window averages \$80 - \$120, which is less expensive than replacement. Chad Christy said this painting may take the windows to the end of their useful life. According to Association Bylaws, windows are an owner responsibility. The Board will discuss this project further during their Board meeting.

**IX. Board Member Election**

Brian Southard's term expired and he indicated his willingness to serve again. Ballots and biographical information for the owners interested in serving on the Board were sent to the membership.

The candidates were Brian Southard and Kevin Briley. The ballots were tallied and Brian Southard was elected.

X. General Discussion

A. *Annual Meeting Date*

Brian Southard asked if holding the meeting at another time of the year would increase attendance of the membership. Rebecca Jennings did not think it mattered since the properties are second homes for most owners.

B. *Lodging Company Advertising*

Russell Watt said he had asked the Board to advertise his Lodging Company to attract more clientele by installing a sign at the building. His request was denied. He reiterated his request. Chad Christy said installation of signs was governed by both the Association rules and Town codes, including a requirement for a permit.

There was a small GWL sign installed at the building and Brian Southard asked about the purpose of the sign. Brian Juchno explained that every complex has a sign with the name of the Association management company so guests know who to call for assistance when needed. The sign is a courtesy to guests and is required by the Fire Department in case of an emergency.

C. *Board President Resignation*

Larry Pithan said he has served as President of the Board for many years. GWL has managed the Association for ten years and it is their desire to make the property a premier property. The Board has worked well with GWL. Over the last year he has found he is the minority opinion on the Board. He intends to resign at a Board meeting. There is one year remaining for his term. He thanked the membership for the opportunity to serve on the Board.

Brian Southard thanked Larry Pithan for his service.

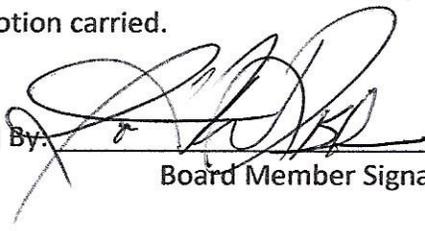
XI. Set Next Meeting Date

The next Annual Meeting was tentatively set for October 27, 2018.

XII. Adjournment

Russell Watt made a motion to adjourn at 11:48 a.m. Rebecca Jennings seconded and the motion carried.

Approved By:



Board Member Signature

Date:

12/5/2017

**BOARD CONTACT INFORMATION**

**Larry Pithan, President:** [pithanlc@kjww.com](mailto:pithanlc@kjww.com)

**Brian Southard, Vice President:** [twodrs@hotmail.com](mailto:twodrs@hotmail.com)

**Brian Southard, Secretary/ Treasurer:** [bdsouthard60@gmail.com](mailto:bdsouthard60@gmail.com)