

SAWMILL CREEK CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING
Great Western Lodging conference room, and via teleconference
Breckenridge, CO
June 24, 2011

I. Call the Meeting to Order

The Sawmill Creek Condominium Association annual meeting was called to order by Larry Pithan at 2:35 p.m. on June 24, 2011.

Board Members Participating Were:

Larry Pithan	John Bachman
Karen Svetlic (via teleconference)	Jack Goth (via teleconference)

Representing Great Western Lodging were Keith Kroepler, Jackie Gottschalk and Brian Juchno. Erika Krainz of Summit Management Resources transcribed the minutes from recording.

II. New Business

A. *2011/2012 Dues*

Larry Pithan said that based on preliminary budget projections for next year, the current dues structure will not cover the expenses. He anticipated a \$50/month dues increase would be necessary. He recommended notifying the owners about this projected increase at the Annual Meeting. Karen Svetlic noted that the Reserve Fund balance was about \$90,000 and the annual contribution was about \$50,000; she questioned if an increase was necessary. Larry responded that the stream and pond were going to be significant future expenses. The last time the pond was dredged, the cost was \$40,000. He thought the Board might want to consider eliminating the pond and estimated the cost for doing so could be around \$100,000.

Jack Goth asked for an explanation of the significant increases to the budget. Keith Kroepler said the biggest ticket items were electricity and insurance. The insurance premium increased due to approximately \$100,000 in claims. He noted that in the 2011/2012 proposed Budget, Repairs and Maintenance was reduced to \$6,900 from the \$18,000 actual expense, and Boiler and Pool Mechanical Repairs was reduced to \$1,500 from the \$10,400 actual expense, which he felt was unrealistic. Increasing the dues by \$50/month would make it possible to budget these accounts more realistically. It also might be possible to reduce the Landscaping line item slightly. Pool chemical costs have increased as well. It is no longer possible to buy peroxide

with a concentration of over 50%, so larger quantities of peroxide have to be purchased. The actual cost for the product has also gone up.

Jack Goth said he was in favor of the \$50/month increase but he was also concerned about drawing from the Reserve Fund if this amount was not adequate to cover actual costs. He said he would like to avoid a Special Assessment; Karen Svetlic said she would prefer not to increase dues and to levy a Special Assessment if needed. Larry Pithan pointed out that the dues needed to be adequate to cover regular operating costs.

B. Reserve Study

Larry Pithan said there was a firm in Summit County that could provide a professional Reserve Study at a cost not to exceed \$3,100. He said this Study would provide more accurate information for the required Reserve funding levels. The Board authorized having a Reserve Study completed this summer. The expense can be paid out of Reserves.

Brian Juchno commented that the ice on the back decks of the north building needed to be addressed in the next few years. The ice builds up and floods some of the units. The solution may be to add heat tape and gutters.

C. Board of Directors Appointment

Tom Kohler's term expires this year and he has indicated that he would like to step down from the Board. There was general consensus that a five member Board would be adequate. The Bylaws only specify that the Board must be between three and six members. John Bachman made a motion to change the Board constitution from six to five members. Karen Svetlic seconded and the motion carried.

Jack Goth is resigning from the Board. The Board needs to formally accept his resignation and assign someone to serve the remainder of his term. Larry Pithan said Steve Browning had expressed interest in serving on the Board.

John Bachman made a motion to accept Jack Goth's resignation "with regret." Larry Pithan seconded and the motion carried. Jack commented that he had enjoyed serving on the Board for the past 20 years and that it had been a pleasure to work with Great Western Lodging.

Karen Svetlic made a motion to appoint Steve Browning to serve the remainder of Jack Goth's term. The motion was seconded and carried.

D. *Election of Officers*

John Bachman made a motion to retain the same Officers:

Larry Pithan –	President
Karen Svetlic –	Vice President
John Bachman –	Secretary/Treasurer

Larry Pithan seconded and the motion carried.

E. *Maintenance Issues*

The Board will tour the property after this meeting. Karen Svetlic commented that the stair area was missing some stones. Larry Pithan suggested addressing this at the same time as the pond project. Karen proposed converting the pond to a stream and creating a park or picnic area on the reclaimed land. Brian Juchno noted that changing the pond to a stream would reduce or eliminate the expense of periodic dredging. This project will require approval from the Town and possibly the Army Corps of Engineers.

Brian Juchno said Great Western Lodging will be touching up the railing this summer using in-house labor.

The planting area in front of the property sign has been expanded and several compliments have been received about the overall appearance of that corner.

III. Adjournment

A motion was made to adjourn at 3:40 p.m. The motion was seconded and carried.

Approved By: _____

Board Member Approval

Date: _____