

SAWMILL CREEK CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING
June 25, 2004
Breckenridge, CO

A Board of Directors meeting was held on June 25, 2004, via conference call. Board members present via conference call included Jack Goth, Joe Friesen, Karen Svetlic and Brian Erley. Board members present in person included Larry Pithan and Orville Cook. Chad Christy, Keith Kroepler and Brian Juchno were present from Great Western Lodging. Items discussed were as follows:

I. CALL TO ORDER

The meeting was called to order on June 25, 2004, at 1:00 p.m.

II. REVIEW 2003 YEAR-END FINANCIAL REPORT

A. Profit and Loss Budget vs. Actual, 2003

1. There was a net income of \$19,964.26 primarily due to a savings in the building insurance.
2. Flood insurance was added to the budget, which was \$6,000.00 for the complex.
3. Line item 8345 – Electric; was up from the budget due to a cost increase.

B. Profit and Loss Budget vs. Actual, Year to Date

1. Line item 8345 – Electric; is up again from the budget due to a cost increase.
2. Line item 8360 – Trash; is up due to payment of the June invoice in May.
3. Overall, the association is tracking ahead

C. Balance Sheet, as of May 31, 2004

1. Line item 1200 - Accounts Receivable; is at a negative balance due to some owners who pay dues in advance.
2. Line item 1025 – Reserve Fund; currently totals \$120,223.85. 15% of the association monthly dues are placed into the Reserve Fund each month.

III. UPDATE ON PROJECTS

A. Pond Dredging

1. Clearwater bid - \$32,000.00. They will check out the bottom of the pond, remove 3 to 4 feet of debris material. The disposal of the materials has been the biggest concern. There is only one yard in Summit County to dispose of the dredging and they are located in

Silverthorne. The bridge will need to be removed, then the pond dredged and then the bridge replaced.

B. Bridge

1. A portion of the steel that is used to support the concrete top skin of the bridge rusted and fell into the river in March.
2. GWL is diligently looking for an engineering firm to look at the steel and the bridge to determine whether the steel is re-usable. The engineer should be able to give us designs that can be taken to the town for approval and then the bridge can be re-built.
3. Brian has been talking with several engineering firms. Anchor Engineering from Denver has inspected the bridge and will be emailing a proposal on what should be done regarding the concrete, re-lining of the concrete and any structural issues. The proposal will be received within the next few days. Brian Juchno already has contractors lined up to bid on the concrete and welding.
4. The end of August to beginning of September will probably be the best time to begin this project due to the traffic on Park Avenue.

C. Snowmelt System for the bridge surface

1. Having to re-build the bridge gives the association the opportunity to complete a snowmelt system to eliminate freezing in the winter.
2. When the boiler was installed for the new hot tub room, it was oversized so that it could handle the load of the snowmelt system.
3. Initial estimates to complete this project are \$10,000.

D. Concrete Stairs across from the elevator

1. The stairs are disintegrating and this project needs to be budgeted for.
2. Since the stairs are in a similar area, the concrete work may be able to be incorporated with the bridgework.

E. Elevator

1. The elevator maintenance company inspected the elevator and stated that it was in worse condition than was thought last year, but it still is not at the point of replacement.
2. The door is the main problem. Due to major temperature fluctuations, the exterior door swells and sticks. It was recommended to have a stainless steel door installed. Also in the proposal is a new control system as well as a hydraulic pump, which is what drives the elevator up and down. The proposed expense would be about \$45,000.00.
3. The service contract with the elevator will most likely be cancelled by Thyssen in 2 years if the work is not done to the elevator. They won't want to maintain a unit that is ancient and in need of major repairs. Chad Christy suggested that the service contract be negotiated once the work is completed.

****Jack Goth made a motion to approve the dredging of the pond (\$32,000.00) and the bridge repair, contingent upon the approval of the final cost of the bridge repair. The snowmelt system on the bridge will also be approved with the approval of the bridge repair. Brian Erley seconded the motion. All were in favor and the motion passed.***

IV. EXTERIOR BUILDING RENOVATION

- A. All board members previously received copies of the 3 exterior renovation schemes.
- B. The building is over 20 years old and is reaching a point where the exterior materials have fulfilled their useful cycle. The thought is if the existing materials need to be replaced, why not look into updating the look of the complex.
- C. The first the owners will hear of the possible renovation will be at the annual meeting tomorrow. Chad Christy stated that the board should come up with some sort of a concept to present to the owners since it was discussed at last year's annual meeting.

Karen stated that she wasn't very impressed with each scheme separately, but once she started to combine them, she saw a lot of different things that she liked about them.

Orville Cook stated that if the balconies were opened up and the rest of the building kept as is, not changing the architecture of the exterior as much, the building could really be improved at possibly a lesser cost.

Larry Pithan feels that regardless of what the expense is going to be, it will still be an expense and the association needs to inform the owners of it so they can begin to budget for it.

It was suggested that the association take out a loan for the remodel and incrementally raise the dues to pay for the loan or have smaller special assessments. Chad Christy stated that the association can borrow short term, but he is not sure about anything long term.

****Brian Erley motioned that the Board of Directors approach the subject of the exterior remodel with the owners at the annual meeting tomorrow, June 26, 2004. Joe Friesen seconded the motion, all were in favor and the motion was passed.***

V. NEW BUSINESS

- A. Deck and concrete by the pond
 - 1. Currently there are steps that lead down to the pond and there is no use for them.
 - 2. Suggestion: build a wooden deck to cover the stairs, place a picnic table and a grill there and it could be a picnic area.

- a. Concerns: liability and cleaning up after the picnickers.
 - 1. Brian and Great Western do not feel that is an issue. They are already always cleaning trash out of the pond; they don't have a problem with cleaning up a picnic area.
 - b. Noise from people drinking and hanging out
 - 1. No noise after 10 p.m., but anytime before that, there isn't any way to really police that.
 - 3. Could tie this into the exterior building renovation as well
 - 4. Build a fence at the entryway and lock it after 10 p.m. to prevent people from using the picnic area after hours.
 - 5. The board does not like the idea of a deck and picnic area, Chad Christy suggested that they tabled this issue until the potential exterior renovation is discussed further.
- B. Bike Storage in the front garage area
- 1. The storage cage is complete with a padlock.
 - 2. It can fit 18-20 bikes.

VI. REVIEW OF ANNUAL MEETING AGENDA

- A. The agenda is pretty straightforward: Financials, Projects, New Business.
- B. There are 2 Board positions up for re-election this year, Jack Goth and Karen Svetlic, both have agreed to rerun for these spaces.

VII. ADJOURNMENT

The meeting was adjourned at 2:30 pm.