

**ANCHORAGE WEST CONDOMINIUM ASSOCIATION
HOMEOWNER MEETING
July 26, 2008**

TOWN OF DILLON UPDATE

Susan Fairweather, the Marketing Manager for the Town of Dillon, provided an update on summer projects and events. There will be a Town of Dillon Update meeting in June 2009 for all Dillon homeowners. She distributed a survey for owners to express their preference for date and time.

The 0.5% sales tax increase was passed and as a result a number of streets will be reconstructed. It will bring in about \$20 million in revenue. Recreation paths were included in the language and there will be bike lanes added wherever possible.

Town Counsel approved a condition study to determine if there can be an Urban Renewal Authority for the Town of Dillon to revitalize the downtown area. The Study will be done by the Leland Group. They are currently working on determining the boundaries. The results of the Study will not affect property values, but will trigger financing that can be used for the rebuilding.

The Air Force Band will be performing at the amphitheater on July 3, 2009.

The Town website has information on the Marina Master Plan. The Parks and Recreation Committee has prioritized improvements for Marina Park, including a new playground, new picnic shelters, parking lot realignment, a new pavilion, new restrooms at the end of Lodgepole Street and improvements to the amphitheater. A schedule of amphitheater concerts can be found on the website www.lakedillonfoundation.org.

An owner commented that the docks seemed to be closer to Anchorage West this year. Susan said the long range plan is to move the docks away from Anchorage West area.

I. CALL TO ORDER

The meeting was called to order at 9:30 a.m. by David Lippa.

Board Members Present Were:

David Lippa, Acting President, Unit 84
Jim Sebben, Treasurer, Unit 63
Peter Tamblyn, Secretary, Unit 136
Melissa Barrett, Director, Unit 101

Homeowners Present Were:

Ron Kohen, Unit 61	Dixie Zukerman, Unit 63
Harry Speedy, Unit 64	Donald & Marie Logan, Unit 65
Richard & Julie Esser, Unit 66	Tom Keesling, Units 74 and 82
Jack Ross, Unit 81	Larry & Pat Kendall, Unit 83

Bruce Douglas, Unit 91
Joel Bergsma, Unit 102
Tim Aylott, Unit 106
Chris and Diane Durkin, Unit 112
Dan & Kathy Watters, Unit 114
Gordon & Kristen Abrams, Unit 122
Richard O'Brien, Unit 126
Julie Tamblyn, Unit 136
Judy and Jim Collins, Unit 143
Edward Akerlund, Unit 146

Len & Jane O'Connor, Unit 94
Paul Dowling & Ana Quintana, Unit 105
Peter & Karen Jorgenson, Unit 111
Dale Hill, Unit 113
John Lobus, Unit 115
David Wright, Unit 123
Lynn Dentel, Unit 133
Al and Carolyn White, Unit 142
Ron & Marcia Pfister, Unit 145

Representing Summit Resort Group were Peter Schutz and Kevin Lovett. Erika Krainz of Summit Management Resources was recording secretary.

II. ROLL CALL AND CERTIFICATION OF PROXIES

With thirty units represented in person and five proxies received a quorum was reached.

III. APPROVE PREVIOUS MEETING MINUTES

Joel Bergsma made a motion to approve the minutes as of the July 21, 2007 Homeowner Meeting as presented. Gordon Abrams seconded and the motion carried.

IV. OFFICER'S REPORT

David Lippa reported that the meeting minutes are no longer being mailed out. They are available on the Association page of the Summit Resort Group (SRG) website www.summitresortgroup.com. The boilers are still an ongoing issue and work continues to correct the problems. There was a problem with the sewer line under the hot tub but the Town took responsibility and the contractor was able to make repairs without having to move the hot tub or pool. There has been some turnover of the on site Manager position.

V. FINANCIAL REPORT

Jim Sebben provided the financial report.

A. 2007/2008 Fiscal Year End Financials

As of May 31, 2008 there was \$11,980 in the Operating account and \$21,678 in the Reserve account.

The new boilers provided a savings of about 26% on heating costs, but the price for gas also increased. The gas price was locked in June for one year at \$10.50/decatherm (\$12 including delivery) for 70% of the usage. The market price for gas is currently about \$14/decatherm. He anticipates it should be possible to save another 10% with adjustments to the boilers.

Hooking up the pool and hot tub to the new boilers cost more than expected due to code issues. New filters and an automatic pool sweeper were added. There were numerous boiler problems this past winter. There was also an issue with sporadic hot water delivery and a temporary fix has been put in place. The contractor is

repairing several boiler items at no cost. An owner wondered why the designing engineer did not foresee these issues. Jim Sebben said the Board was working with the engineer on this issue. A third party will be overseeing the process. The Board wants to avoid litigation and to get the problems fixed in the best way possible. It is believed there is more than enough capacity to generate hot water but it just is not being distributed properly. The goal is to have everything fixed before winter but some issues will require shut down of the system. Banging pipes are on the list of issues to be addressed. David Lippa asked owners to contact SRG regarding any problems so there can be a central accumulation point. There are known issues with zone valves locking up and discoloration of the vent caps,

The Reserve balance projection indicates there will be a cash flow problem at the end of the year and in two years when painting has to be done. It is likely there will need to be a Special Assessment this year.

B. Proposed Operating Budget 2008/2009

The proposed Operating Budget for 2008/2009 includes a \$13/unit/month dues increase, primarily to cover the increased gas cost.

Carolyn White made a motion to approve the 2008/2009 Budget including the \$13/unit dues increase. The motion was seconded and carried.

VI. OLD BUSINESS

A. Lake Side Window and Sliding Glass Doors

Peter Tamblyn provided the presentation. There is \$3,000 – 4,000 in the Reserve schedule to replace the doors and windows on the lake side for improved energy efficiency and appearance. There will need to be a substantial bidding process for this project so he suggested taking an owner vote now to determine if owners would be willing to spend the funds in two years. David Wright commented that he had installed new windows ten years ago and he would not want to have to pay for new windows again. Another owner felt it should be an individual owner responsibility, since some windows would only need new glass. Another owner pointed out that per the Bylaws, the windows are an Association expense.

An owner commented that some Association projects in the past have not been very successful. He also thought individual owners could replace the windows for less than the bids received. Peter Tamblyn said the scope of work could account for the price variation.

A motion was made to amend the Bylaws to assign responsibility for the glass to the individual owners. Chris Durkin seconded. Melissa Barrett pointed out specifications could be provided for the windows but policing the installations would be difficult. An owner noted it was in everyone's best interest to change out all the windows to reduce gas consumption.

The motion was rescinded.

A motion was made to table further window discussion until next year but to have the Board continue to research the options. The motion was seconded. In discussion an owner suggested doing a survey to determine which units already have insulated glass. Another owner proposed adding closing the dampers to the Manager's list of responsibilities. An owner recommended an incremental window repair/replacement plan. The motion carried.

B. Landscape Committee Proposal

David Wright said had received a high bid from Neils Lunceford for the landscaping last year. The Landscaping Committee reviewed it and decided some of the suggestions were not practical due to the amount of snow. He said the Committee would be requesting \$215/unit (\$10,000 total) for the project. It will be spent on work to the three levels behind the upper building in the next year. Once that project is completed, the owners can vote to allocate \$10,000 more for additional work over the next two or three years. Committee members are Jack Ross and David Wright and he invited other owners to participate.

Letters have been received from owners expressing their preferences for everything from xeriscaping to a full lawn; it will not be possible to please everyone. The plan is to move fifteen plants on the upper terrace to the outer border of bricks and to add grass, rocks and perennials along with a drip system for the most efficient use of water.

An owner commented that she was concerned about future maintenance. Peter Schutz explained that management had been waiting for direction from the Landscaping Committee, so much of the regular work such as weeding has not been done. If the landscaping is improved there will be a future cost for ongoing maintenance above and beyond the regular management responsibilities. Kevin Lovett acknowledged there had been some staffing issues but SRG has now hired an outside contractor at SRG expense to handle the landscaping work. Peter Schutz said he had an excellent Manager candidate who he was ready to hire and once confirmed by the Board, the Manager will be put in place and get started on catch up.

Lynn Dental said historically the Association has spent a lot of money on the terraces. The main problem has always been maintenance. Lynn made a motion to table any changes to the landscaping until next year after this summer's maintenance can be evaluated. The motion was seconded. In discussion, David Wright said he objected to tabling the discussion.

Jack Ross said the Committee planned to change the top terrace to grass, to move some shrubs and to add some rock features. The Committee developed RFP's and obtained bids ranging from \$3,100 – 7,500 from three contractors. They have been working with the low bidder who has worked with SRG before and comes highly

recommended. The proposal addresses the top terrace only for about \$4,000 (\$80/unit). That figure does not include anything for a drip irrigation system.

David Wright made a motion to approve a \$10,000 Special Assessment (\$215/unit) for the landscaping project. Jack Ross seconded. In discussion, an owner said there should be a Board fiscal policy for addressing projects by priority; he felt the hot water boiler is more important. An owner asked what would be done if the motion did not pass. Peter Schutz said weeding would be done by SRG. The motion did not carry with fourteen in favor and eighteen opposed.

Ron Pfister made a motion to remove the aspen trees that are now blocking views in the center area between the buildings and to avoid planting any other trees expected to grow over 6' in that area. The motion was seconded and carried.

C. Boiler Update

Jim Sebben made a motion to authorize a \$1,000/unit Special Assessment to cover the costs for upgrading and repairing the hot water boiler system and to help replenish the Reserve Fund balance, with the first half due in September and the second half in December. The motion was seconded. In discussion, an owner commented that there should be good warranties and guarantees on the boiler work. Jim Sebben said there were warranties on the original work and much of the subsequent work has been done at no cost to the Association. A third party engineer will be reviewing the situation. An owner asked how the Special Assessment would be used. Jim explained it would be used in part replenish the \$27,000 in unplanned expenditures from the Reserve last year. About \$21,000 will be used to make the boiler system right, specifically the banging in the pipes. David Lipka pointed out that the work must be completed before winter and the funds are needed to address the known issues, regardless of who ends up paying in the end. If the total amount spent warrants it, legal action will be pursued to get reimbursement. Tom Keesling said he would like to see the entire amount used to perfecting the boiler system before there is any contribution to the Reserve Fund. David Lipka confirmed that the boiler repair was the number one priority. Jim Sebben said one of the main issues was incompatibility between the controller and the boiler. Installing new controllers will cost about \$8,400. The motion carried.

VII. NEW BUSINESS

A. Pool Temperature

Carolyn White made a motion to decrease the pool temperature to 85 degrees instead of the current 91 degrees. Ron Pfister seconded. In discussion, Tom Keesling said 88 was a more comfortable temperature. Carolyn amended her motion to 88 degrees. The motion carried.

B. Boat Lot

Jim Sebben said he had been approached by several owners about the number of boats in the boat lot. The stored boats complicate snow removal and the space could

be used for overflow parking in winter. There are currently about twenty boats being stored. A season of storage at the Marina is about \$800, or \$395 to store a trailer for the summer. The Board has discussed charging owners half the Marina fee for storage. The fee would generate revenue for the Association. It appears there is also some boat storage by non-residents. There is not enough accountability at the moment.

Mr. O'Brien made a motion to prohibit boat storage. There was no second.

A motion was made to charge half of the Marina fee to owners and only to allow boat storage for owners (not rental tenants) with one space per unit. The motion was seconded. In discussion an owner said he opposed charging a fee and suggested a decal for each boat to identify ownership. Another owner felt the boat parking was for the benefit of the owners and it was not fair to charge for it. The motion did not carry with sixteen in favor and eighteen opposed.

A motion was made to require an annual decal for each boat and trailer for identification and to allocate one space per owner. The motion was seconded and carried.

C. *Management Agreement*

The current Management Agreement expires at the end of next month. The Board has been discussing management with some other companies but interest has been low and they have only received one competitive bid.

Dale Hill opened discussion to determine owner satisfaction with management. He felt that if the owners decide to retain the current management, SRG should be put on six month probation. He listed problems such as dog waste on the carpet, a wall that has not been painted and a broken light post. An owner felt this was inappropriate to discuss this in a group forum at this meeting. He said individuals should address the Board directly since management is responsible to the Board, not to each of the owners. David Lippa encouraged owners to contact the Board to let them know about any issues.

An owner said he thought owners had been told to contact management regarding issues. The Board clarified that owners should first contact management but if there is not satisfactory response they should contact the Board.

Owners can find the dates for the Board meetings on the website www.summitresortgroup.com and are welcome to join by teleconference or in person.

Peter Schutz said he was aware that there have been some problems. He reiterated that he has a good Manager candidate who should be able to take care of all issues. David Wright made a comment in favor of the current management. He was on

Board when they were first hired ten years ago. Kevin Lovett has provided an extraordinary amount of help on the landscaping plan.

An owner requested a short list of legitimate owner concerns:

1. Touch up painting on the retaining wall has not been done. (It has now been started.)
2. Weeding terraces.
3. Dog waste in the winter. (This has improved.)
4. Provide a responsible Resident Manager.

Peter Tamblyn said there is a defined list of responsibilities in the contract, which is available for owner review. Peter Schutz said he could post a job description for the On Site Manager on the website.

Al White asked the Board to address if a Resident Manager is really necessary. Melissa Barrett said the feedback from the owners had been that they want an on site Manager for security and overseeing of projects. The Manager's unit could be rented but the income would not offset the value of having on site management. Peter Tamblyn said he contacted a number of other Boards and some Anchorage West homeowners to ask about on site management. About 75% of the polled homeowners were strongly in favor of having a Resident Manager for continuity and familiarity. In a straw poll, the majority of the owners present indicated they felt it was important.

Peter Schutz said he was proposing a new model for the on site Manager. The candidates are a strong couple. They do work elsewhere but will not manage any other Associations. They will live on site and devote 20 – 30 hours/week to the complex.

VIII. RATIFICATION OF BOARD ACTIONS

A motion was made to ratify the actions of the Board over the past year. The motion was seconded and carried.

IX. ELECTION OF DIRECTORS

There were two open Board seats. Jim Sebben was running again and Mel Cohen, Dale Hill and Chris Durkin also expressed interest. Jim Sebben, Dale Hill and Chris Durkin provided a summary of their qualifications and experience. Mel Cohen provided a resume but was not present. There were no other nominations from the floor. Secret ballots were tallied and Jim Sebben and Chris Durkin were elected.

The owners recognized the Board for their efforts on the Association's behalf.

X. ADJOURNMENT

With no further business the meeting was adjourned at 12:05 p.m.

Approved By: _____
Board Member Approval

Date: _____