

SWAN POINT AT LAKE ELKHORN CONDOMINIUM ASSOCIATION, INC.

August 14, 2007

www.swanpoint.org

Present: Randy Lappert, President; Barbara Boyd, Vice President; Kathy Bestany, Secretary; Ferd Lazarus, Treasurer; Tom Alizio, Gracie Bradford and Tom Lee, Board Members; Mike Klein, WP&M Real Estate Group; Ann Wing, Grounds Committee Chair
Swan Point residents Pam Brown, Jean Doke, Pat McInnis, and Iten Icgoren.

Meeting was called to order at 7 p.m.

Minutes of July were approved by email and posted on the Swan Point website.

MANAGEMENT REPORT

Delinquency/Attorney report was reviewed.

Mike Klein received a contract from the Owen Brown Interfaith Center for the monthly rental of a room for 20 people for the Swan Point board meetings and a large room for the Swan Point annual meeting. Annual fee is \$702. He is waiting for a return phone call from the property manager of the Owen Brown Community Center to see if rooms can be rented for the Swan Point meetings.

Rental licenses have been received from 7415, 7395 and 7411 Swan Point Way. Because the lease for 7411 appears that the owner is renting the unit room by room, Howard County was contacted and verified that the license is for the entire unit and not a rooming license, the county has scheduled an inspection for August 21.

Grounds management and snow removal proposals have been received from RAR and McFall & Berry. Fertilization proposals have been received from TruGreen ChemLawn and ProGrass Lawn & Ornamental Care.

Board members will meet with representatives of the above named companies within the next two weeks to interview them and walk the property with them before making a final selection. Selection of grounds management/snow removal company will be made after meeting with the representatives.

Because Chapel Valley failed to prune the property, the amount allocated for pruning will be deducted from payment.

Mike Klein presented a draft of the Capital Reserve Study by Becht Engineering. The purpose of the reserve study is to estimate the amount of money that must be funded to replace those common element components that will require replacement before the end of the useful life of the components. The reserve study develops a recommended basic annual contribution based upon current replacement costs with both assumed inflation rates (3 percent) and interest rates (5 percent).

The reserve study lists the common element components with the replacement cost, present age, remaining useful life, typical life, basic annual contribution, present funding, and required funding. The study concludes that Swan Point has underfunded the reserve fund—currently the reserve fund is \$110,000; the reserve fund needs to be \$344,307. The reserve fund is underfunded by approximately \$234,000. Board concluded that for many years contributions to the reserve fund were minimal in order to keep the monthly fees low. Because the community is over 25 years old, many common element components will need to be replaced. For example, the reserve study noted that the seven small timber retaining walls have a remaining life span of one year (many are rotting) and will have to be replaced with keystone at a cost of \$35,000.

The additional \$234,000 and the money borrowed from the reserves to pay the snow removal bill will be contributed over a 10-year period.

Mike Klein asked board members to send him any reserve fund items that were not included; for example, the infrastructure for the rain gardens, so that these can be included in the final report by Becht.

Board members directed Mike Klein to provide copies of the final reserve study to all Swan Point owners.

Board members reviewed each line item of the proposed budget for 2008. Board increased the legal fees by \$500, postage by \$200 and website maintenance by \$200 to cover incidental fees associated with registration of the name. Board budgeted \$30,000 for snow removal to lessen the possibility of having to have a special assessment or borrow from the reserves as was done this year. The board approved the proposed budget. The monthly fee estimate is \$159. Final budget figures will be done after the board meets with the landscape contractors and the board members will vote on the budget at the annual meeting..

GROUNDS COMMITTEE REPORT

The committee submitted a list of nine proposed projects based on the criteria of resolving drainage issues and enhancing the view of properties from the roadways. Since only \$20,000 was budgeted and the proposed projects total \$27,390, the committee knows that completion may require several years.

SWAN POINT ARCHITECTURAL COMMITTEE (SPRAC) REPORT

Owner of 7231 Harbor Lane has power washed the deck to remove the redwood stain that had been applied without filing an application. A letter was sent from WP&M advising the homeowner that redwood deck stains are not allowed in the community. Homeowner submitted an application to SPRAC to stain the deck with a clear seal. Board commended his efforts and requested that WP&M send a letter to the homeowner stating that the issue is resolved.

An application for a small retaining wall at 7205 was submitted again for approval. The construction of the wall did not follow the description of the original application. Board members are asked to look at the wall and submit their approval/disapproval to Randy.

ANNUAL MEETING

The annual meeting will be held Tuesday, September 25 at 7 p.m. at the Owen Brown Interfaith Center. Board members running for reelection are asked to submit their biographical information to Mike Klein this week. Mike will send out the materials for the meeting 30 days before.

Meeting was adjourned at 9:30 p.m.

Respectfully submitted,

Kathy Bestany
Secretary