

**SAWMILL CREEK CONDOMINIUM ASSOCIATION
ANNUAL MEETING
June 15, 2013**

I. Call the Meeting to Order

The Sawmill Creek Condominium Association Annual Meeting was called to order by Larry Pithan at 10:02 a.m. on Saturday, June 15, 2013, in the Park Avenue Lofts Conference Room.

Board Members present were:

Larry Pithan, President, #212
John Bachman, Treasurer, #211

Karen Svetlic, Vice Pres., #302 (via teleconf.)
Steve Browning, Secretary, #203

Owners present were:

Michael Jasiak, #116
Scott Benson, #204
Geraldine & Tom Stronawski, #201
Jodi & Kurt Krantz, #103

Molly & Kathy Logsdon, #210
Pam Pithan, #212
Jack Goth, #403

Proxies were received from:

Gary Wigelsworth, #102
Randal Smith, #107
Stephanie Martinez, #109
S. Lee Terry, Jr., #112
Lynda Monaco, #202
Gregory Rosa, #208
Garret Scherkenbach, #216
Patricia Dame, #304
Jeffrey Aron, #308
Ken & Kristin Wilson, #314
Libby O'Brien, #401
Joe Friesen, #405
Gary Vander Haagen, #408

Stephen Scavatto, #105
Sue Parker, #108
Paul Allen, #111 & #309
Edward Rogers, #115
Thomas Kohler, #205
Todd Burnidge, #214
Bryanne Wallace, #301
James Way, #307
Janet Burgess, #310
Pamela Swift, #315
Rose Mary Cook, #404
Nancy Berrang Wilbanks, #407

Representing Great Western Lodging (GWL) were Chad Christy, Keith Kroepler, Jackie Gottschalk, Jeff Cospolich and Brian Juchno. Erika Krainz of Summit Management Resources was recording secretary.

II. Roll Call and Proxies

With 10 units represented in person and 26 units represented by proxy, a quorum was confirmed.

III. Verification of Notice

Notice of the meeting was sent in accordance with the Bylaws.

IV. Review and Approval of Previous Meeting Minutes

In the attendance roster, Kathy Svetlic should be changed to Karen Svetlic.

Jack Goth made a motion to approve the June 23, 2012 Annual Meeting minutes as amended. Mike Jasiak seconded and the motion carried.

V. Town of Breckenridge and Marketing Update

Jeff Cospolich said despite the low snowfall in the early winter, business was ahead of last year by the end of the season. The challenge will remain next year after two consecutive seasons without early season snow. The summer numbers are ahead of last year.

New terrain on Peak 6 will open next season with above tree line bowl skiing. The Bergenhof has been torn down and a timeshare property will be built on that parcel.

The gondola and Peak 8 Fun Park open this weekend and the town is hosting the Kingdom Days event. An agreement has been reached to open the gondola in mid-June for the next three years. It will be running through Oktoberfest weekend. There will be eleven rodeo weekends this summer. Breckenridge will once again be hosting a stage of the US Pro Cycling Challenge bike race. Improvements have been made on Main Street and Highway 9 widening continues between Farmer's Corner and the Agape Church. The Twin Tunnel project may impact Front Range business; the construction should be completed by Thanksgiving. Guests are being informed of the highway construction seven days before arrival.

It is too early to tell what next winter will hold. The ski area will be hosting the Dew Tour again, which provides good national television coverage.

Jack Goth asked if Breckenridge would ever be built out. Jeff responded that there was a Master Plan for the gondola lot that may come in to play as the economy improves. There is also an initial feasibility study for development of the F Lot. There is still some pressure to get a hotel property in town. There will not be any development, restaurants or parking on Peak 6. There will be two chairlifts with access via Peak 7.

VI. Financial Report

This report was given by Keith Kroepler.

A. *2013 Budget Overview*

The Association ended 2012 with a loss of \$2,441. The proposed 2013 Budget includes no dues increase. He noted that the Board worked with Neil Garing Insurance and purchased the new insurance policy through Fireman's Fund. The premium will be \$44,000. The coverage assumes a replacement value of \$22 million, which equates to \$250/sq.ft. There was also a slight decrease in the budget for Electricity. The 2013 Budget was approved as presented.

Mike Jasiak suggested contacting USAA Insurance since there are a number of owners who served in the military. Keith Kroepler will talk to the insurance agent about this option.

B. *Profit & Loss at 5/31/2013*

As of May 31, 2013, the Operating account was \$959 favorable to budget.

C. *Approval of Finance Report*

Mike Jasiak made a motion to approve the Financial Report as presented. Jack Goth seconded and the motion carried.

VII. Property Manager's Report

This report was given by Brian Juchno.

A. *2012/2013 Completed Projects*

1. We have painted the spa area and replaced the sand filters in the hot tubs. This was part of the reserve in 2012.
2. Some buckling siding has also been repaired.
3. Our focus will be to continue maintenance and upkeep of the building. The remodel is holding up very well.
4. GWL also repaired the boiler.

B. *Pending Projects*

1. Since the winter ran so late we will plant flowers after Father's Day and improve some other areas of landscaping.
2. We know there are better lighting options out there and we will look into energy savings options for exterior hallway lighting.
3. To reduce service calls about the grills being out of propane, we will be connecting the grill in the common area to the main gas line.
4. The Board has approved the painting of the south side of the building and touch up on some other areas as needed.

Mike Jasiak commented that the channel lineup did not include NBC Universal Sports. He was told the channel selections could be changed. Brian Juchno said the cable company is owned by Pine Ridge and this Association. He will talk to Mitch Weiss at Pine Ridge about the channel options.

C. *Reserve Study*

Larry Pithan said the Association was in a good financial position. The next big project will be roof replacement in 2019 at a cost of about \$202,000. The current Reserve balance is \$81,000. The Reserve Study is posted on the website. The balance is projected to be about \$119,000 by the end of 2013.

VIII. Old Business

A. *Flood Insurance*

FEMA did some remapping of the flood zones. Some of the rating agencies have determined that Sawmill Creek is in the flood zone but the Association obtained a ruling from Core Logic that the property is not in a flood zone. The Board is waiting for FEMA to provide the finalized maps.

Stephanie Martinez notified the Board that she was told the building was in the flood zone when she refinanced. The Bylaws state that the Association must have flood insurance if the property is in a flood zone. Since the Board obtained a ruling that the property is not in a flood zone, no flood insurance will be purchased until there is further clarification from FEMA. The cost would be \$12,000 annually with a \$25,000 deductible.

The 100-year flood level is right under the bridge and it was the closest to that level two years ago. The water level would need to be 18" over the bridge in order for the water to get into the office and spa area. The Board feels there is minimal risk and the owners present supported this approach.

Options are being explored for replacing the concrete on the bridge with a removable grate to make it easier to clean out the area underneath. Brian Juchno noted that the stream redesign had reduced the amount of silt buildup.

IX. New Business

A. 2014 Dues Increase

Since the lower insurance bid was received, the Board determined that there may be no need for a dues increase in 2013. The Board will be reviewing the year-end projections to determine if there is a need for a 3 – 5% dues increase in 2014.

X. Election of Directors

The terms of Steve Browning and Karen Svetlic expired. Both indicated their willingness to serve additional terms. There were no other nominations from the floor and both candidates were elected by acclamation.

Jack Goth recognized the management staff at Great Western Lodging for their work at the property.

XI. Set Next Meeting Date

The next Annual Meeting was set for Saturday, June 28, 2014.

XII. Adjournment

Jack Goth made a motion to adjourn at 10:58 a.m. Mike Jasiak seconded and the motion carried.

Approved By:


Board Member Signature

Date: July 5, 2013