

**SAWMILL CREEK CONDOMINIUM ASSOCIATION
ANNUAL MEETING
June 24, 2017**

I. Call the Meeting to Order

The Sawmill Creek Condominium Association Annual Meeting was called to order by Karen Svetlic at 10:01 a.m. on Saturday, June 24, 2017 in the Park Avenue Lofts Conference Room.

Board Members Present Were (*via teleconference):

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

Karen Svetlic, Vice President, #302
Steve Browning, Secretary, #203

Owners Present Were:

Todd & Linda Kirkendall, #100
Kelsey Muir, #201
Rich Whittington, #204
Dan & Kathy McCracken, #210
Rick & Pat Dame, #304
Kabut Simon, #404

John Kosanovich & Michael Jasiak, #116
Steve & Anne Browning, #203
Bobbie & Bill Zanca, #209
Kara & John Bachman, #211
Bill & Deb Goth, #403

Representing Great Western Lodging were Keith Kroepler, Jeff Cospolich, Lindsay Toyne, Brian Juchno and Erin McGrain. Erika Krainz of Summit Management Resources was recording secretary.

II. Roll Call and Proxies

With 12 units represented in person and 28 units represented by proxy a quorum was confirmed.

III. Verification of Notice

Notice of the meeting was sent on May 26, 2017.

IV. Review and Approval of Previous Meeting Minutes

Michael Jasiak made a motion to approve the June 25, 2016 Annual Meeting minutes as presented. Bill Zanca seconded and the motion carried.

V. Marketing, Town of Breckenridge Update and Real Estate Update

Jeff Cospolich reported that the roundabout at Four O’Clock Road was the major Town project this year. It is scheduled to open by the end of next week. The Town plans to build several additional roundabouts in various locations, one each summer for the next four or five years. The roundabout built next year will be on the corner of North Park Avenue and Watson by the gondola transfer station. Parking and transit has been a source of contention between the Town and Vail Resorts for the past several years. The Town has secured a funding stream of \$3.5 million per year from Vail Resorts in lieu of a ticket tax. This funding will be dedicated to parking and transit improvements. A parking structure was originally slated to be built on the F Lot. After numerous studies, it was concluded that a structure in the center of town would exacerbate the traffic issues. The Town implemented pay parking on Main Street with the goal of having 85% occupancy of all parking spots. Other improvements included additional lighting, more heated sidewalks and increased frequency of bus routes. There was a feasibility study for additional gondolas from the satellite parking areas but this will not be likely due to exorbitant costs and because gondolas cannot cross above buildings.

The fun park at the base of Peak 8 is now called “Epic Discovery” and features miniature golf, trampolines and zip lines. On the mountain, the large capital improvement for ski season is that Peak 10’s Falcon 4-person chair will be replaced with a six-person lift.

Real estate inventory is very low and it is still a seller’s market. Many Sawmill Creek owners are remodeling, which will lift values of all units. Town occupancy is down about 10% for the summer. There are more visitors and tax dollars are growing but the number of short term rentals is increasing at a greater pace. The rental market is extremely competitive. Winter occupancy in Breckenridge last winter was down about 5%. The most concerning element is that Breckenridge is losing market share to other destination resorts such as Park City, Telluride and Steamboat. The Colorado population, however, is growing 8 – 9% annually, so visitation is likely to continue to increase.

VI. Financial Report

This report was given by Lindsay Toyne.

A. 2016 Year-End Review & 2017 Budget

Lindsay Toyne reported that the Association ended 2016 with surplus of \$856. She reviewed the significant changes to the 2017 Budget:

1. Insurance – \$6,757 decrease based on the new policy.
2. Admin Expenses – \$240 decrease. There was an \$1,800 expense in 2016 for an appraisal for the new insurance policy.
3. Electric - \$1,984 decrease based on past actuals.
4. Gas - \$791 decrease based on past actuals.

5. Boiler & Hot Tub Mechanical Repair - \$1,850 increase due to anticipated boiler repairs.

B. Profit & Loss as of 5/31/2017

As of May 31, 2017, the Operating account was \$640 favorable to budget. Lindsay Toyne reviewed the significant variances to budget:

1. Snow Removal – \$985 unfavorable to budget. There was \$2,100 spent to haul snow off-site from the property.
2. Repair & Maintenance - \$2,600 favorable to budget.
3. Electricity – \$1,218 unfavorable to budget due to higher usage.
4. Trash Removal – \$429 unfavorable to budget due to a new requirement to use the Summit County landfill.
5. Admin Expenses – \$500 unfavorable to budget due to legal review of the letter to the Town regarding creek dredging.

VII. Property Manager's Report

This report was given by Brian Juchno.

A. 2016/2017 Completed Projects

1. There is now a commingled bin for single stream recycling.
2. Repaired heat tape on the north building.
3. Repaired the boiler at a cost of \$3,000.
4. The previously installed grate system assisted in the dredging of the sediment under the bridge.
5. Worked with the Town on financial assistance for dredging the sediment. The Town Engineer walked the property about three weeks ago. A weir was built to catch some of the sediment at the top of the property. The cost for maintenance was about \$9,000, mainly for hauling the material offsite. This expense has historically been paid from Operating but was paid from Reserves this time.
6. Installed additional LED lighting on the north building walkway along the stream.

B. Upcoming Projects

1. Continue landscaping commitment by the dam.
2. A roofing contractor will be inspecting the roof. There were a couple of leaks this year. The contractor will provide an estimate of the remaining useful life and recommendations for repairs. The roof is scheduled for replacement in 2 – 3 years.
3. Stainless steel panels will be installed in the elevator cab.
4. Paint touch up will continue to be done as needed.

Owners asked questions about the following items:

1. Onsite Employees - Jeremy is the on-site Manager. Several owners commented that he does a great job.
2. Roof Replacement Assessment - There is some money in the Reserve Fund. Brian Juchno will ask the roofing contractor to provide a cost estimate for replacement.
3. Hot Tubs – The tubs are still on a peroxide system but some additional chemicals are being used along with the UV system to kill bacteria. The UV lighting was replaced with an updated system.
4. Garage Insulation and Cold Floors in First Floor Units - New R33 – R36 insulation was installed a few years ago after a leak. There are also heaters running in the winter.
5. Modernize Stairwell to Garage – The existing timber treads are not code compliant. The stairwell would have to be completely redone in order to replace all the treads.

Karen Svetlic recognized Brian Juchno and the GWL staff for their proactive approach.

VIII. Old Business

- A. *Town Support for Dredging*
Brian Juchno is waiting for the Town to respond.
- B. *Insurance Appraisal*
The insurance appraisal was completed last year.

IX. New Business

- A. *Cable Television*
Sawmill Creek has been in a partnership with Pine Ridge and received cable service through Four O’Clock Cable. A new system was implemented and problems with the reception, boxes, guides and remotes ensued. The system was designed for a hotel application with standardized televisions rather than for condominiums. Pine Ridge no longer wants to be in the cable business. The Board is working with Pine Ridge to find a solution and has identified two options (Comcast or Resort Internet) that could provide functional remotes and boxes and an active program guide. The Board is waiting for more information before making a decision. The change will be relatively quick. DirecTV knows they are in violation of FCC regulations related to transmitting across a road. The internet is not included in the new service options at this point, but can provide a bundle with internet if desired. An owner commented that the current internet connection was insufficient for work and recommended that the Board consider options. Owners were encouraged to report problems to management when they occur.

B. Wildlife

An owner commented that there was a problem with raccoons in the stairwells, possibly due to improper disposal of garbage. Brian Juchno said the lids are taken off the dumpsters at this time of the year to accommodate unit remodels. They will be replaced this week. Ammonia spray is being used to deter the raccoons. Owners were reminded to put all garbage in the dumpster and to inform their renters of the rules.

X. President's Comments

Karen Svetlic commented that GWL has done a fabulous job putting the documents on the website. The Board amended the House Rules. There is a new rule related to flooring, with specific standards for underlayment.

XI. Election of Directors

The term of Larry Pithan expired. He indicated his willingness to serve another term. There were no other nominations from the floor. Karen Svetlic made a motion to close nominations and to elect Larry Pithan by acclamation for a three-year term. Michael Jasiak seconded and the motion carried.

XII. Set Next Meeting Date

The next Annual Meeting was set for Saturday, June 23, 2018.

XIII. Adjournment

A motion was made to adjourn at 11:09 a.m. The motion was seconded and carried.

Approved By: 
Board Member Signature

Date: 7/24/2017