

**SAWMILL CREEK CONDOMINIUM ASSOCIATION
ANNUAL MEETING
June 30, 2018**

I. Call the Meeting to Order

The Sawmill Creek Condominium Association Annual Meeting was called to order by Larry Pithan at 10:00 a.m. in the Park Avenue Lofts Conference Room.

Board Members Present Were (*via teleconference):

Larry Pithan, President, #212	Karen Svetlic, Vice President, #302
John Bachman, Treasurer, #211*	Steve Browning, Secretary, #203

Owners Present Were:

Linda Kirkendall, #100	Kathy & Lee Terry, #112
Joan Wright, #114	Anne Browning, #203
Jim McCarthy, #207	Bobbie & Bill Zanca, #209
Bob & Terri Logsdon, #210	Phil & Bryanne Wallace, #301
Mike Svetlic, #302	Rick & Pat Dame, #304
Duane & Sabrina Hefley, #312	Ken Wilson, #314
Deborah Goth, #403	Kurt Friesen, #405

Representing Great Western Lodging were John Bliszc, Steve Wahl, Dan Allen, Chad Christy, Ian Patterson, Josh Marquis, Keith Kroepler, Jeff Cospolich, and Erin McGrain. Erika Krainz of Summit Management Resources transcribed the minutes from recording.

Brian Juchno was a guest at the meeting.

II. Roll Call and Proxies

With 16 units represented in person and 14 units represented by proxy a quorum was confirmed.

III. Verification of Notice

Notice of the meeting was sent on May 25, 2018.

IV. Review and Approval of Previous Meeting Minutes

Deb Goth motioned to approve the June 24, 2017 Annual Meeting minutes as presented. Mike Svetlic seconded and the motion carried.

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

Jeff Cospolich reported that as of May 31, 2018, overall occupancy for the town was up about 2% and the average daily rate was up 3%. Great Western Lodging revenues are up for the summer due to an increase in the length of stay and higher rates. Occupancy is generally flat but there was an uptick in June. May was not a good month for new reservations, most likely based on concerns about dry conditions and wildfires.

There are no major construction projects in the heart of town this summer. The largest capital project to date is the North Water Treatment Plant. Construction of a \$50 million water treatment plant is underway and planned for completion in 2020. It will provide a second source of water for Breckenridge.

The parking structure that has been discussed for several years was close to being built on F Lot but at the April Town Council Meeting, the project was stalled based on concerns about costs and CDOT approvals. The Town believes the gondola lot would be the best location for a parking structure.

A roundabout will be built on the corner of South Park and Upper Village Road in the summer of 2020. There are no roundabouts planned for next summer.

At the ski area, the Fun Park has been rebranded as Epic Discovery with a \$189 day pass. A zipline from the top of Peak 8 to Peak 9 will be built later this summer. At its highest point, it will be 800' above the valley floor. No major capital projects are planned on the mountain this year. The Falcon chair was replaced last year with a six-seater.

The Town Council granted final approval for a luxury hotel at the base of Peak 8. The application still needs to go through the Planning Department. The developer has pledged additional shuttles, 50 units of workforce housing and a \$125,000 contribution for preservation of Cucumber Gulch.

VI. Financial Report

A. *2018 Budget Overview*

John Bliszczy reviewed the 2018 Proposed Budget as compared to the 2017 Budget.

1. Management Fee – no change.
2. Insurance – budgeted for a \$1,404 increase. The policy was recently received and there was no increase so there will be some savings.
3. Elevator R&M - \$1,000 increase for repairs and inspections.
4. Boiler & Hot Tub Mechanical Repair - \$1,050 increase.
5. Utilities - \$5,714 increase.
5. Total Expenses - \$6,741 increase, mainly due to Utilities.

Bill Zanca motioned to approve the 2018 Budget as presented. Kurt Friesen seconded and the motion carried.

B. Profit & Loss as of May 31, 2018

As of May 31, 2018, the Operating account was \$5,968 favorable to budget. John Bliszczy reviewed the significant variances to budget:

1. General Maintenance & Repair – \$1,030 unfavorable to budget due to timing of projects.
2. Boiler & Hot Tub Mechanical Repair - \$4,100 favorable to budget due to timing of major Reserve projects.
3. Snow Removal – \$2,267 favorable to budget due to low snowfall.

C. 2017 Year-End Results

The Association ended 2017 with a \$4,009 net profit, which was transferred to Reserves.

Joan Wright motioned to approve the transfer of the 2017 Operating surplus of \$4,009 to Reserves. Lee Terry seconded and the motion carried.

VII. Property Manager's Report

This report was given by Dan Allen.

A. 2017/2018 Completed Projects

1. All Phase Construction dredged the river by the bridge.
2. Gregory Door & Window replaced the back door by the hot tub. It was painted by in-house staff.
3. Craft Waterproofing repaired the chimney cap above Unit 401 that was leaking into the shower ceiling of Unit 301.
4. Summit Services repaired the hot tub boiler and it is now functioning properly.
5. Planted three trees, flowers and plants in the backyard and added irrigation in the planter boxes.

B. Pending Projects

1. Craft Roofing inspected the roof and will be providing recommendations for repairs and replacement. They anticipate the south exposure can continue to be repaired instead of replaced for another year or two. The north exposure has about three to five more years of useful life.
2. All Flooring inspected the carpeting. A bid has been received for replacement.
3. Summit Services has provided a bid for replacing the hot tub heat exchanger. The new equipment will cut the heating time in half.

4. Bundling wi-fi with ResortInternet is being considered for improved customer service.
5. The bad spots on the railings are located on the stairs above the river, the first two floors, the railings in front of the hot tub and the railings in front of the waterfall. A bid is being obtained for transporting the railings to Denver, where they will be sandblasted, weatherproofed and powder coated.

An owner commented that the patio cement is deteriorating. Dan Allen will be getting a bid from Summit Sealants.

C. *Employee Recognition*

Larry Pithan recognized and thanked Brian Juchno for his 18 years of service to the Association.

VIII. Old Business

A. *Update on Stream*

A letter was sent to the Town last year about dredging the stream but the Town did not respond. The Town approached the Association recently about providing access to a culvert that needs repair. The Town may be willing to work with the Association on cost sharing going forward.

IX. New Business

A. *Culvert Repair*

The Town has determined that the culvert below the stream going under the road needs repair. They will clean out the debris and pump in concrete to create a new bottom. They will need access over Sawmill Creek property. They have provided a draft legal agreement and offered \$100 for the easement but the Board does not feel that is the right amount. The water flow will be diverted upstream so the bed will be dry all summer. There should not be much construction noise. Larry Pithan thought there should be some funds provided by the Town in case guests complain about the lack of water and asked to be moved. They will be working Mondays through Thursdays and the project will take three months.

B. *Roof Replacement*

The Reserve Study assumed a roof replacement cost of \$200,000 in 2019, which is close to the bids that have been received. Larry Pithan suggested phasing the project based on condition. It is not known if an assessment will be needed. The first phase would potentially be done in the fall of 2019. Repairs will continue to be made in the meantime.

C. *Exterior Hallway Carpeting*

The carpeting was installed in 2007 with an expected useful life of seven years. The Board discussed the options, which include installing new carpet or an epoxy product like the decks. The areas in the worst condition by the elevators and stairs could be patched with a different carpet to create an accent area to extend the life by a couple more years. It was noted that the contractor did not recommend this approach due to the seams and resulting fraying. The second and third floors are in the worst condition. The replacement should be done while temperatures are at least 55 degrees so the glue adheres properly. The contractor estimates it will take three days. It was agreed that this project should be done next year.

D. *Elevator*

Rick Dame commented that the plates at the bottom of the elevator were a nice touch.

E. *Patio Carpet*

Lee Terry requested a bid for replacing the epoxy patio surface with carpet, which would look better and probably last longer. The barbecue grills would need to be put on mats to protect the carpet. Larry Pithan said it was worth considering.

F. *Smoking*

Ken Wilson said there was a problem with renters and contractors smoking at the property. He said there should be signs in all units indicating it is a non-smoking complex. Ian Patterson noted that the Association cannot dictate behavior in the units or on the balconies since those areas are private property.

X. President's Comments

Larry Pithan said the major renovation was 12 years ago and the building still looks good. The landscaping has matured.

Larry announced that Jeff Cospolich is making a career move and his last day with Great Western Lodging will be Monday. He expressed appreciation for the work Jeff has done on behalf of the Association. Justin DeSola will be his replacement and will start next week. Jeff was presented with a gift in recognition of his efforts.

Larry said it has been a year with many changes for Great Western Lodging. The new group needs to be given a chance to prove themselves. Owners were encouraged to communicate with the management team if they notice things needing attention around the property.

XI. Election of Directors

Larry Pithan said the Board used to be five members but has been operating with four members for the past several years. The Board decided to go back to five members. The term of John Bachman expired. He has indicated his willingness to serve another term. Richard Whittington (Unit 204) was not present at the meeting but also expressed interest in running. There were no other nominations from the floor.

Larry Pithan motioned to close nominations and to elect John Bachman and Richard Whittington by acclamation. There was no opposition and the motion carried.

XII. Set Next Meeting Date

The next Annual Meeting was set for Saturday, June 29, 2019.

XIII. Adjournment

Bill Zanca motioned to adjourn at 11:25 a.m. Kurt Friesen seconded and the motion carried.

Approved By: Larry C Pithan
Board Member Signature

Date: 7-25-18