

**LAKE DILLON CONDOMINIUMS
ANNUAL HOMEOWNER MEETING**

**August 6, 2016
Dillon, Colorado**

Tom Breslin and Brad Bailey from the Town of Dillon provided an update. Financially the Town is in very good shape. Sales tax in 2015 was up 12% over 2014 and is up 10% this year to date. There is \$3.1 million allocated for capital projects this year, which will include a Master Plan for the amphitheater, stairs from Lodgepole Street to the bike path and reconstruction of Lodgepole Street from the marina to the intersection with Lake Dillon Drive. This year the bike path was resurfaced. There is \$500,000 allocated each year in 2019 and 2020 for improvements to the Town Park. There is also a Master Plan for the Dillon Cemetery. All Master Plans are on posted on the website. The next Community Chat will be November 9th at 5:30 p.m. at Town Hall. Weekday discounts for locals and homeowners at the marina are being considered.

Dillon events and offerings include free concerts on Friday and Saturday nights, dance nights every Tuesday and Wednesday, the Historical Society museum on LaBonte, the Farmer's Market every Friday morning, the Brew Fest, Movies on the Water three times during the summer with the next one scheduled on August 21st, the Arts Festival and the Regatta. The highest airshow in the world was held over Lake Dillon on June 11th. The Vuelta bike race will be next weekend and the first ever triathlon will be hosted the weekend after Labor Day in partnership with the Denver Water Board. The Town will provide road closure information. Individuals interested in volunteering should contact Town Hall.

The Town is negotiating with potential new tenants for Sports Authority, Natural Grocers and the empty lots by the movie theater.

I. CALL TO ORDER AND ROLL CALL

The meeting was called to order at 10:17 a.m. in the Lake Dillon Condominiums meeting room.

Board members present were:

Forrest Scruggs, President, Unit 209
Scott Roper, Member, Unit 207
Timothy Murphy, Member, Unit 103

Walt Spring, Treasurer, Unit 202/301
Julie Hummel, Member, Unit 110
Jeanne Berggren, Unit 107/108

Owners present were:

Julia Markley, Unit 102
Shawna Lincicome & Al Straub, Unit 111
Sean & Diane Wittowski, Unit 212
Kedar Morarka, Unit 210
Richard & Bessie Braesch, Unit 303
Richard & Dona Padrnos, Unit 306

Bill Hummel, Unit 110
Alison McCormack, Unit 201
Wendy Spring, Unit 202/301
David & Diane Love, Unit 302
Rex Degner, Unit 305
Sue Donalson, Unit 304

Proxies were received from Units 105, 109, 112, 203, 205, 206 and 208. With 17 units represented in person and seven proxies received a quorum was reached.

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

II. PROOF OF NOTICE

Notice of the meeting was sent July 6, 2016.

III. APPROVE PREVIOUS MEETING MINUTES

Al Straub made a motion to approve the minutes of the August 8, 2015 Annual Meeting as presented. Timothy Murphy seconded and the motion carried.

IV. TREASURER'S REPORT

Walt Spring reported that as of July 31, 2016 the Operating cash balance was \$3,062 and the Reserve balance was \$90,253. Significant variances to budget were reviewed to include:

1. Repair & Maintenance - \$3,582 unfavorable to budget due to repairs for a zone valve leak.
2. Legal & Accounting - \$1,375 unfavorable to budget due to expenses associated with the "name change" Declaration Amendment
3. Transfer to Reserves - \$6,480 unfavorable to budget. The Association is three months behind in Reserve contributions. Contributions will be made as operating cash increases

The Capital Reserve Budget was reviewed. Projects scheduled in the Reserve Study for 2016 were presented to include:

1. Stair replacement of both sets of stairs in the parking lot - \$10,668.
2. Property Maintenance - \$1,250 (for lakeside wooden post painting).
3. Heating Room Ventilation - \$25,000.
4. Miscellaneous Projects - \$3,000 (for heating system air bleeder replacement).

The 2016 year-end Reserve balance is projected to be \$61,469. The reserve account balance remains positive until complete boiler system replacement / redesign expense becomes necessary. The current boiler system consists of 2 boilers, working in a redundant system; in the event that one of the boilers fails, the other boiler should support the building with heat and hot water until repairs are made. The cost estimate to replace both of the boilers and redo the entire boiler room is \$130,000; if the decision is made to replace both boilers and redesign the entire boiler room, additional funding options may be necessary

V. PRESIDENT'S REPORT

Forrest Scruggs reported that Kevin Lovett has done a wonderful job. Kevin was recognized by the membership.

VI. MANAGING AGENT'S REPORT

Kevin Lovett and the membership recognized Aaron Hofmeister and the Board for their work on behalf of the property. Kevin then reported on the following:

A. Completed Projects

1. Revised the governing documents.
2. Washed the exterior windows.
3. Painted the wooden posts on the lake side.
4. Continued vole extermination in winter and mouse extermination in summer.
5. Registered the Association with CRRE.
6. Renewed the insurance policy with Farmer's. Owners were reminded to carry insurance for their unit contents. The Association policy has a \$5,000 deductible.

Kevin Lovett commented that all Association documents are posted on the website.

B. Pending Items

1. The heating system air bleeder valves will be replaced in the early fall in efforts to reduce the knocking noise caused by air in the lines. Notice will be sent to all owners regarding the schedule.
2. Both sets of parking lot stairs will be replaced in the fall. Both sets of stairs will be equipped with handrails.

C. Rental Report

Kevin Lovett reviewed the rental report. Owners were reminded to make their owner use reservations as early as possible.

VII. OLD BUSINESS

There was no Old Business.

VIII. NEW BUSINESS

The following New Business items were discussed:

A. Hot Tub Evaluation and Discussion

Kevin Lovett said the current hot tub is currently functioning but it is aging. The two main issues are item 1., the condition of the hot tub shell, which never looks really clean because of the patches and item 2., the lack of ventilation in the room, which results in moisture accumulating in the wall. A contractor has provided a plan for installing a ventilation system at a cost of approximately \$25,000. The Board created a list of possible options for the hot tub and room.

1. Option 1 - Remove the hot tub at a cost of \$3,000 and do not replace it. This would save \$1,600 in operating costs annually and the capital replacement expense every 20 years. On the downside, the lack of a hot tub could negatively affect rentals.
2. Option 2 - Install a ventilation system at a cost of \$25,000 and replace the shell and mechanicals as needed at an estimated cost of \$45,000 for a total of about \$70,000. Replacing the shell will entail removing a section of the exterior wall. There is \$70,000 in the Reserve Budget for hot tub replacement and a ventilation system so this option could probably be done without a Special Assessment. Option 2A would be to install a ventilation system and to recoat the existing hot tub shell. Kevin Lovett is researching if recoating is a viable option and if so, what it would cost.

3. Option 3 - Complete redesign of the Clubhouse area and relocation of the hot tub at an estimated cost of \$200,000 – 250,000. An architect was hired to provide some renderings. The most feasible location would be in front of the meeting room with a glass enclosure. Since there is only \$70,000 in the Reserve budget, this option would entail a Special Assessment of approximately \$5,000 for single units and \$10,000 for double units. The project would probably take about three months to complete.

Owner comments were as follows:

1. An owner suggested locating the hot tub in the upper parking lot. Walt Spring explained that this would block access to the fire lane and result in the loss of several parking spaces, which are already below the number required by the Town.
2. An owner asked if the hot tub could be put on the lawn on the lake side. Walt Spring said the lawn belongs to the Town. That location would also block the view from units on the first floor. The Town would have to put the sale of the land out for a vote. There could also be noise issues for the adjacent units. An exterior hot tub would have to be fenced and controlling access would be difficult.
3. An owner suggested approaching Coeur du Lac about paying to use their outdoor tub.
4. An owner commented that having the hot tub in front of the building would provide a nice view of the sunset.
5. An owner said a redesign could improve the property values. Kevin Lovett thought it would at least have a positive effect on rentals.
6. An owner recommended getting a bid for a hot tub with a salt water sanitation system. These types of systems require less maintenance and are healthier for the skin.

Dave Love made a motion to keep a hot tub. Diane Wittowski seconded and the motion carried with one owner opposed.

Dave Love made a motion to investigate Option 3 further, including an expenditure of up to \$10,000 for engineered drawings and research of hot tubs with salt water sanitation systems. Scott Roper seconded and the motion carried with six owners opposed.

There was agreement to table installation of the ventilation system. A mailing will be sent to all owners in January 2017 with the drawings, assessment amount, a cost comparison for replacement of the hot tub in the same location or the complete redesign and a ballot for an owner vote.

Owners requested exploration of larger hot tubs, especially if it will be relocated, and that there be sensitivity to light pollution that could affect the units near the proposed location in front of the building.

B. *Pet Rules*

Kevin Lovett stated that only owners are allowed to have pets. Owner family members, friend and rental guests may not bring pets. Violations should be reported to the management office along with the unit number of the violating party if possible.

An owner asked about the current rules for service dogs. Kevin Lovett said it is illegal to discriminate against renters with service dogs or to charge an extra deposit for service dogs. Kevin did not know if owners could prohibit all animals in their unit due to allergies. He will follow up with the attorney.

C. *Smoking in Units*

The Association Smoking Policy is posted on the website. There is a \$500 fine for smoking in units. A portion of any fine collected is used to mitigate the odor and the remainder is credited to the Association. Owners were asked to report marijuana smoking to the management office and to provide the unit number. Kevin Lovett will make sure the fine is listed in the rental agreement. An owner suggested putting a sign on the back of the unit door or to place tent cards on a table to ensure renters are aware of the policy and fine.

D. *Unit Damage from Renters*

An owner commented that there had been several incidents of damage by renters in her unit over the years but the renters were never charged and she was never informed of the damage. Kevin Lovett will communicate with the cleaning crew. He encouraged owners to report damage to the management company. An owner commented that there are varying numbers of towels provided by housekeeping.

IX. ELECTION OF OFFICERS

The Board seats of Scott Roper, Ken Lehman, Jeanne Berggren and Julie Hummel were up for election and all four were willing to run again. There were no nominations from the floor.

Richard Padrnos made a motion to elect the four incumbents by acclamation. Bill Hummel seconded and the motion carried.

X. SET NEXT MEETING DATE

The next Annual Meeting will be held August 12, 2017 at 10:00 a.m.

XI. ADJOURNMENT

Diane Wittowski made a motion to adjourn at 11:41 a.m. Al Straub seconded and the motion carried.

Approved By: _____ Date: _____

Board Member Signature