

**ANCHORAGE CONDOMINIUM ASSOCIATION
HOMEOWNER MEETING**

**June 11, 2011
Dillon, Colorado**

Ron Holland, the Mayor of Dillon, provided an update on the Town of Dillon activities. There are 130 events planned for this year. July 4th weekend will be highlighted by a USO Concert on Monday night. The fireworks will be on Saturday night along with an Air Force Academy Band concert. The Town Council has four main goals: the Marina, working with CMC on expansion of the campus, urban renewal and town core redevelopment and possibly moving the Lake Dillon Theater to the old movie theater space by the bowling alley.

Financially, the Town tax revenue has been up 5 – 7% for most months and lodging occupancy has improved. Borders closed but there are three letters of intent for the building.

The Walgreens building has been stabilized and work will start next week to stabilize the hill. The goal is to have the road opened again by next winter. The Town will be contributing \$400,000 toward the \$1.3 million project. The largest project for the Town last year was the Marina at \$2.2 million. The second phase of Marina improvements will include a new Tiki Bar, with an enclosed year-round restaurant and a deck over the lake. Pug Ryans is planning to expand and work will likely start in the fall. The expansion will be on the Post Office side out to the sidewalk with a two-story facility for the brewery. There will also be outside seating and landscaping. This is the first urban renewal project, with the land donated by the Town.

Peter Schutz asked when water and sewer rates would stabilize. Mayor Holland said the rate hikes were required to repair or replace deteriorated infrastructure. The rates are reviewed annually.

An owner asked if Lake Dillon would fill this summer. Mayor Holland said the water level was on the rise and it should be full by early July.

I. CALL TO ORDER

The meeting was called to order at 10:24 a.m. by Larry Bruner.

Board members present were:

Larry Bruner, President, #33
Ned Calonge, #54

Jeff O’Neill, #14
Florrie Katchen, #42

Homeowners present were:

Gail Murray, #11
Allan Meyer, #21
James & Vicky Goodwyn, #24
Janet Stokes, #31
Warren Wood, #43
Bob & Joana Otten, #44

Ronald & Ellen Laub, #12
Alex & Katherine Martinez, #23
James & Dorothy Cover, #26
Candyce Cole, #41
Gerald Lachance, #44
Lavonne & Ken Kaiser, #44

Tom & Laverne Darr, #46
Aivars Ziedens, #55

Susan Calonge, #54

Representing Summit Resort Group were Peter Schutz, Kevin Lovett and Rob Carter. Erika Krainz of Summit Management Resources was recording secretary.

II. PROOF OF NOTICE AND ESTABLISHMENT OF QUORM

Notice of the meeting was sent on May 16, 2011. With 16 units represented in person and six by proxy a quorum was established.

III. APPROVE PREVIOUS MEETING MINUTES

Candyce Cole made a motion to approve the minutes of the June 12, 2010 Annual Meeting as presented. James Cover seconded and the motion carried.

IV. FINANCIAL REPORT

A. Fiscal Year-End Financial Status as of April 30, 2011

Kevin Lovett reported that as of April 30, 2011 the Association had \$6,504 in Operating cash and \$12,694 in Reserves. The Association ended the fiscal year \$1,274 under budget in Operating expenses.

B. 2010/2011 Completed Projects

1. Replaced all sewer lines from all buildings and along the lake side of the building.
2. Removed and replaced the hot tub.
3. Installed a new irrigation system.
4. Added new sod.
5. Installed new electrical wiring.

The total cost of the project was just over \$85,000 but there are a few items remaining to be done. Jeff O'Neill thanked Summit Resort Group for their efforts on this project. Peter Schutz noted that management had donated 50 – 100 hours of project supervision at no cost to the Association. He recognized Kevin Lovett and Rob Carter for their work.

C. Special Assessment

Ned Calonge said the \$85,000 loan for the project will come due August 15th. The Board is proposing a \$100,000 Special Assessment since there are not enough funds to repay the loan out of Reserves.

An owner commented that the Reserve contribution had been increased by \$50 per unit per month two years ago and she wondered where this money had been spent. Kevin Lovett explained that there were a number of expenses incurred over the past years in addition to the sewer line, including recarpeting the pool area, resurfacing the parking lot and replacement of two hot water heaters. The

current Reserve balance is about \$12,600 but it will be reduced to about \$5,000 for some projects this summer.

Aivar Ziedens asked about the status of the roofs. Kevin said there were no roof leaks this past winter but the roofs are aging and replacement will be an expense in the future. The roof will not be replaced until it is necessary to do so. Aivar thought it might be prudent to increase the Reserve contribution by about \$10/unit/month to building the Reserve balance for this project. Ned Calonge said the last bid for roof replacement was approximately \$25,000 per building. When the time comes, the project will be put out to bid to several roofing contractors.

Aivar Ziedens commented that the balcony resurfacing was not done correctly and he thought it would cause the wood to rot. Rob Carter said he had a contractor look at the balconies and he will be providing a bid to correct the issues.

Gail Murray said she had ice buildup over her owner's closet. Kevin Lovett will follow up.

Ned Calonge said historically Special Assessments have been allocated 60/40 between the larger and smaller units. The Board discussed different ways to allocate assessments in the future. An even allocation of the upcoming Special Assessment would equate to \$3,333 per unit, versus a 60/40 split of \$4,000 for large units and \$3,000 for small units.

There was general discussion on this topic with some owners speaking in favor of an equal allocation and others in favor of maintaining the status quo. It was noted that the current method of allocation was tied to the unit sizes in the Declarations and amending the Declarations would be a complicated process. In addition, all owners purchased their units with the knowledge of the expectations that are outlined in the Bylaws.

Ron Laub made a motion to continue to allocate assessments in accordance with the Bylaws. Lavonne Kaiser seconded and the motion carried with nine in favor and three opposed.

Gerald Lachance made a motion to pay off the \$85,000 loan and any extra amount through a Special Assessment instead of a dues increase, and to use the percentage basis for allocation, equating to \$3,000 for small units and \$4,000 for large units. Ron Laub seconded and the motion carried.

Larry Bruner made a motion to have the Special Assessment due by August 1st so that funds are received in time to pay the loan when it comes due on August 15th. Ned Calonge seconded and the motion carried.

D. Proposed 2011/2012 Operating Budget

Kevin Lovett said the 2011/2012 Operating Budget as written included no dues increase. There were some minor adjustments to various line items.

A question was raised about an automatic filling hot tub. Kevin Lovett responded that this feature was outside the realm of a self contained hot tub and it would triple the price. There is a sleeve for the hose to facilitate filling, which could potentially be heated for winter use. Right now the hot tub does not have to be refilled very often. Rob Carter said the tub was operating well and the new hot tub does not lose water like the old hot tub did.

Alan Meyer made a motion to approve the 2011/2012 Operating Budget as presented. James Cover seconded and the motion carried.

V. MANAGING AGENT'S REPORT

Kevin Lovett thanked the owners and the Board for their patience during the sewer line project. The owners recognized Rob Carter for his work around the property.

A. Completed Projects

1. Completed annual inspection of fire extinguishers, chimneys and boiler.
2. Completed spring cleanup, aerating, fertilizing and irrigation startup.
3. Monthly vote remediation is ongoing.
4. Touch up painting is underway.

An owner noted that the light post on the parking lot side by Building 1 was blown over last year and should be repaired. Management will follow-up.

Aivar Ziedens said there was still a problem with water accumulating and causing an ice hazard by his unit. The asphalt should be trenched and a grate added to reduce liability. Rob Carter will cut some trenches to allow for water flow.

A question was raised about frozen pipes. Kevin Lovett said there were some record cold temperatures this past winter and there were some frozen pipes. Rob Carter said all leaks were the result of the actions by an owner. Warren Wood suggested having the insurance agent attend the next Annual Meeting to provide an explanation of potential liabilities for owners. Peter Schutz said the individual owner policy kicks in when the owner is negligent. The Association policy is primary with \$2 million basic liability and a \$5 million umbrella. Owners are encouraged to ensure interior contents with the same insurance company. Rob has a list of units with leaky doors and windows. The owners of the affected units will be notified in writing.

Rob Carter asked the owners to stay off the new grass until further notice while it is being established.

B. Future Capital Projects

1. 2012 – \$9,000 for hot water heater and \$7,500 for common area carpet replacement.
2. 2013 – \$130,000 for roof and eaves replacement.
3. 2014 – \$20,000 for pool resurfacing.
4. 2015 – \$45,000 for painting and siding repairs.

VI. OLD BUSINESS

An owner said there were cracks in the new sidewalk by the pool. Kevin Lovett said he discussed this with the concrete contractor. The cracks are the result of pouring in less than ideal conditions. Kevin will look at patching them.

Warren Wood said there was an individual who was climbing over the fence to use the hot tub. He suggested adding some signage warning of video surveillance and installing “dummy” cameras.

VII. NEW BUSINESS

A. Flagpole

Larry Bruner said the flagpole by the pool area was taken down when the sewer work was being done. Since no owners are interested in having it in front of their unit, he proposed that it not be reinstalled. Aivars Ziedans made a motion not to reinstall the flagpole and to try to sell it on Ebay. Ron Laub seconded and the motion carried. It may be possible to sell or donate it to the Marina.

B. Hot Tub Steps

Gerald Lachance thanked Candyce Cole for all her work at the property. He also recognized Larry Bruner for negotiating an excellent deal on the hot tub. Gerald said he had designed a step system for the new hot tub and he volunteered to build it. He would use Trex for the steps and treated lumber for the understructure and the cost would be \$200 – 300. The Board authorized construction of the steps and that he be reimbursed for the expense.

C. Bicycle Racks

Warren Woods requested additional bike racks. Rob Carter said there would be a location to install one more rack. Kevin Lovett was directed to purchase one more rack.

D. Railroad Tie Wall

An owner asked that the railroad tie wall be straightened. It was hit by the snowplow.

E. Pets

Owners should be reminded of the pet prohibition in the pool area. It might be necessary to add a sign. Ron Laub requested addition of a pet pick up bag by the dumpster enclosure.

F. Unit Remodeling

Warren Woods asked if there was a rule regarding interior remodeling. He did not think it was fair for owners to remodel on weekends because it negatively affects the surrounding occupants. Larry Bruner said he thought there was a rule in place prohibiting work on the weekends. Kevin Lovett will send a reminder to all owners.

G. Management and Board Recognition

Ned Calonge and the owners recognized Jeff O'Neill and Larry Bruner for their efforts on the Association's behalf. He also recognized Rob Carter, Kevin Lovett and Peter Schutz. Florrie Katchen thanked Candyce Cole for her work on the flowers and baskets.

VIII. RATIFY THE ACTIONS OF THE BOARD

Dorothy Cover made a motion to ratify the actions of the Board for the past year. The motion was seconded and carried.

IX. SET NEXT MEETING DATE

The next Annual Meeting was set for Saturday, June 9, 2012.

X. ADJOURNMENT

Dorothy Cover made a motion to adjourn at 11:56 a.m. Candyce Cole seconded and the motion carried.

Approved By: _____ Date: _____
Board Member Signature