

CINNAMON RIDGE III CONDOMINIUM ASSOCIATION
ANNUAL HOMEOWNER MEETING
June 30, 2012

I. CALL TO ORDER

The Cinnamon Ridge III Condominium Association Annual Homeowner Meeting was called to order by Mike Black at 9:05 a.m. in the Best Western Dillon Ptarmigan Lodge Meeting Room.

Board Members Present Were:

Mike Black, President, D222

Bob Tomsy, Director, B203

Fred Davison, Director, B302/C312

Mike Pederson, Treasurer, B101/ D124

Kevin Donofrio, Director, C112

Homeowners Present Were:

Sandra Holmstrom, B101/ D124

Lee and Deborah Johnson, B103

Bob Tettero, B204

Joy Black, D222

Max and Nancy Mardick, C211

Michael Preble, C212

Representing Summit Resort Group were Kevin Lovett and Peter Schutz. Margot Mayer of Summit Management Resource was recording secretary.

With eleven units represented in person and eight proxies received a quorum was reached.

II. VERIFICATION OF NOTICE

Notice of the meeting was sent May 30, 2012 in accordance with the Bylaws.

III. APPROVAL OF PREVIOUS MEETING MINUTES

Mike Pederson moved to approve the minutes of the June 25, 2011 Homeowner Meeting as presented; Fred Davison seconded and the motion carried.

IV. PRESIDENT'S REPORT

Mike Black said there would be an Owner's Work Day this afternoon. Owners were encouraged to stay for the hot tub and pizza party afterward. He thanked owners for participating in last year's Work Day, which resulted in nice savings. He thanked Summit Resort Group for a good year of performance, financial management and site maintenance.

V. FINANCIAL REPORT

The financial report was presented as follows:

A. 2011 Year-End Review

As of December 31, 2011 the Association had an Operating balance of \$34,693 with \$19,962 in the Reserve money market account and \$35,190 in the Reserve account.

The December 2011 Profit and Loss statement reflected that the Association ended the year \$1,898 under budget in the Operating account. The surplus was moved into the Reserve account. Max Mardick moved to ratify the transfer of the surplus to the Reserve account; Bob Tettero seconded and the motion carried.

B. 2012 Year-to-Date Review

As of May 31, 2012 the Association had an Operating balance of \$27,366 with \$19,984 in the Reserve money market account and \$33,485 in the Reserve account.

The May Profit and Loss statement reflected that the Association was \$5,599 under budget in Operating expenses, mainly due to savings in snow removal and gas. The Operating Budget has a cushion built in for unforeseen expenses.

VI. MANAGEMENT COMPANY REPORT

Kevin Lovett thanked the Board for their hard work over the past year.

A. Completed Projects

1. Pine Beetle Tree Spraying – The preventative spraying of trees against pine beetles was completed again this year.
2. Insurance – The Association insurance was renewed.
3. Inspections – Annual inspections were completed for the fire systems, boilers and fireplace/chimney.
4. Touch-Up Painting – It was noted that touch-up painting efforts help to postpone a complete repainting of the complex. The black metal fence around the hot tub has been fully repainted.
5. Parking Lot – The parking lot asphalt was patched and crack sealed.
6. Concrete Wall – The concrete wall in front of the B building was stripped of all paint and coated with “Thoroseal”; the Thoroseal application does not need regular maintenance and will hold up longer.
7. Carpet – The common area carpets were cleaned.

B. Capital Projects

1. Hot Tub – Seating and flooring has been replaced in the lower hot tub.
2. Carpet – Carpet nosings and stair treads were installed; special thanks was given to Kevin Donofrio for his work on this project.
3. Decks – C and D unit deck flooring surfaces were stained last Fall.
4. Gutters – Gutters were installed.
5. Roof – Roof inspection and maintenance and repairs were completed.
6. Boiler Room – The floor in Building B Boiler room was replaced.
7. Dumpster Enclosure – The wood siding has been replaced on the front doors of the dumpster enclosure and also around the top of the structure.

C. Pending Projects

1. Siding Replacement – As a test, several years ago some siding was replaced with hardiplank. The siding has held up well. Additional sections of siding are currently being replaced with this same product.
2. Drainage Work – Drainage work along the sidewalk to the hot tub is planned to be completed during the owner work session to follow this meeting.

D. Reminders

1. Kevin Lovett encouraged owners to keep the woodwork around their unit windows treated to prevent premature wood and window failure. Owners should also keep window cranks lubed and screws tightened.
2. Kevin Lovett requested that owners and guests display their parking passes in their vehicles.

VII. OLD BUSINESS

A. HDTV

Kevin Lovett, in response to recent inquiries from some owners about the possibility of upgrading to HD service, investigated if there were options to upgrade with the current cable service provider, Resort Internet. He reported that the Owners do have the option of upgrading their service to HD. The installation costs \$100 and an additional cost direct to the owner of \$8 per month. An HDDVR is available at a direct cost of \$200 for the installation and \$15 per month per unit.

An owner asked if it was possible to get pay-per-view. Kevin Lovett said he would check with Resort Internet. Another owner mentioned that the wireless system supports Netflix when set up through a game box.

An informational mailer will be sent to all owners advertising the possible HD upgrades.

VIII. NEW BUSINESS

A. Reserve Fund

Mike Black reported that the Board has been working on an enhanced financial strategic plan focusing on how to build up and maintain the health of the Reserve Fund. In order to develop a balanced Operating Budget for the current year, a greater portion of the dues revenue needed to be allocated toward the Operating expenses and a lesser amount allocated to the Reserve account than what has been contributed over the past few years. This reduction in the Reserve contribution resulted in a decline in the current balance as well as a year over year projection of a continued declining Reserve balance. The long standing goal is to maintain a balance in the Reserve account at approximately \$60,000. During strategic financial planning discussions, the Board gave consideration to various options to reverse slight downward trend in the Reserve balance and to maintain the health of the Reserves going forward. The last increase in dues was in 2007. Partly because of the national and local economic conditions, until recently there not a need for a dues increase. Additionally it was felt that it was acceptable to let the Reserve balance dip for this current year while the economy makes its slow recovery.

In order to work toward the Reserve goal however, the Reserve plan projections needed to include an increase in the dues by \$20 per month per unit. This increase alone will not fully cause the trending rate of the Reserve account balance to recover to where it should be. There may also be the need for a Special Assessment of approximately \$750

per unit at the beginning of next year. The exact amount will be determined as the year end financials are closed out.

Going forward, annually, in order to work toward stability and predictability for the ownership (which was an underlying consideration by the Board during the financial planning discussions) revenue increases, perhaps in the range of 1% to 2%, will be evaluated and implemented if found to be necessary.

Fred Davison moved to increase dues by \$20 per unit per month for a standard unit and the 3 bedroom units to be prorated by the additional bedroom, effective September 1, 2012; Bob Tomsy seconded and the motion carried.

B. D Building Boiler

Property Management continues to monitor the D Building boiler. It has outlived its estimated life. The Owners discussed the importance of being proactive and replacing the boiler before it fails.

C. Hot Tub Covers

As the current hot tub covers age, they acquire holes which allow the covers to take on water and become heavy. The owners agreed to purchase and install a lighter cover on the upper hot tub to see how it holds up.

D. Recycling Bins

The recycle bins often overflow during the winter season. Kevin Lovett will add another container during the months of December through March.

IX. ELECTION OF BOARD OF DIRECTORS

Bob Tomsy and Mike Pedersen's terms expired this year. Bob Tomsy was appointed to the Board during the year and elected to not run again. Nomination forms were sent to all owners along with the April 2012 monthly dues statement and voting ballots were sent to all owners May 30, 2012. The ballots were tallied during a break and Mike Pedersen and Max Mardick were elected.

X. NEXT MEETING DATE

The next Annual Meeting will be held on Saturday, June 29, 2013.

XI. ADJOURNMENT

A motion was made to adjourn the meeting at 10:17 a.m. The motion was seconded and carried.

Approved By: _____ Date: _____
Board Member Approval