

Spinnaker at Lake Dillon

Annual Owners Meeting

June 11, 2019

The meeting was called to order by President Sue Pilcher at 6:33 PM. Board members in attendance were Stanley Turner, Secretary Skip Spensley, Mark Stevenson, Treasurer Susan Bauer, Vice-President David Swenson, and Property Manager Deborah Polich.

A motion to approve the minutes of the last Annual Owners Meeting on June 19, 2018 meeting was made, seconded, and approved unanimously.

Deborah Polich provided the property report. The spring maintenance week was just completed. Rather than waiting until maintenance week, most maintenance is done continually by Felipe rather than contracting out services. Eusebia remains with the Spinnaker in her 18th year and may retire at the end of 2019. A new employee Jocelyn has recently joined the staff to train as Eusebia's replacement. Linda is back and is a part of the summer front desk staff. The carpet replacement has been completed in all interval units. Kitchen and bathroom remodels had been completed several years ago. The north wall stucco has been repaired. More stucco repairs and improvements are planned to be done annually. A new garage door has been installed. The interior rope to open the door has been replaced with an automatic opening system when your vehicle approaches the door. The entryway flowers will be put out when the weather gets warmer as we have had a late winter in the mountains. Numerous favorable comments regarding the units have been received from owners and Interval International guests. Adding a guest coffee service and a sitting area in the ski locker room off of the lobby is planned. Stanley Turner is heading the committee considering the remodel of the lobby, ski locker and office area to create a more open and inviting entry. A contract with Comcast has been approved to upgrade the TV service and WI-Fi internet to each unit. Comcast will bring a new feed to the building in from the road and install new wiring in the building to the units at no cost. There is no timetable yet from Comcast for the wiring work needed before the service is added. The office phones will also be replaced with Comcast phone service. At the completion of the project, the unit phones will be removed as most guests have their own and will be replaced with a phone on each floor by the elevator.

The Association currently owns 31 of the 1,050 weeks. This is a favorable percentage compared to similar properties. Most advertised "get out of your time share" are scams. The Board continues to review and work on unit exit strategies to best serve the Spinnaker and all owners. There are continued sales of weeks. The improvements and operations of the Spinnaker by the Board is focused on attracting new owners and to enhance the experience of existing owners. Past due accounts are sent to the attorney for collection. The credit card payment option added last year has improved payments and collections.

President Sue Pilcher provided the financial report. A financial summary was included with the meeting information and available at the meeting. The bad debt expense at 6% is lower than

similar projects but is still not acceptable. An allowance for bad debts is continually being updated for the financials in order to reflect the actual reserves of the Association. The Association has a financial audit done every two years. The operating budget for the fiscal year 2019/2020 was increased to cover the operating expenses. Maintaining the existing assessment for the fourth year is accomplished by reducing the amount allocated between the assessments and the reserves. The assessments over the last eight years reflected an average annual increase of 1.85%. Most of the increase was early in the period for the interval unit remodeling. The reserves are being analyzed to determine if the reserve balance is adequate to fund future projects. There was a discussion if assessments could be reduced in the future, maintaining funds for continued operating costs increases, and maintaining significant reserves. It was mentioned to consider having a professional reserve study done. There was a clarification of the total 2019/2020 annual assessment of over \$700,000 that is allocated approximately \$550,000 to operations and \$150,000 to reserves. There was a discussion of increasing rental activity via more web presence. A significant amount of rental activity is from repeat guests. Bonus time use by existing owners has increased significantly.

Stanley Turner provided a summary of improvements planned to upgrade the Spinnaker website including new pictures, improved content, and a modernization of the appearance.

The Spinnaker has created several committees. They are reserve financial planning, rental rates, website/internet, major remodel planning, and unit exit strategy which are open to all owners interested in serving. A committee signup sheet was available at the meeting.

For the election of Board members, a whole owner has 50 votes and interval owners have 1 vote per week. Per the documents of the Association, voting is cumulative meaning one vote is times the number of positions available and the vote can be spread between candidates or applied to a single candidate. There are two terms on the Board expiring. Sue Pilcher was nominated for another term on the Board. David Klaversma, Week 203-31, indicated an interest in serving on the Board and was nominated. As there were no other nominations for the two open positions, Pilcher and Klaversma were elected by unanimous acclamation for three-year terms.

The meeting was adjourned at 8:07.