

RED CANYON TOWNHOME ASSOCIATION
ANNUAL MEETING MINUTES
Wednesday, January 30, 2013, 6:00PM
Eagle Public Library

MEMBERS PRESENT: Walker (16 Chelsea), Carlson (47 Chelsea), Lavery (29 Chelsea), Lavery (65 Chelsea), TMDC (81 Chelsea), Resa-Mueller (70 Christian), Lavery (22 Christian), Brasington (18 Christian), Lavery (22 Christian), Lavery (57 Christian), TMDC, Inc (55 Christian), Lavery (49 Christian), Juergens (69 Chelsea), Farquharson (59 Chelsea), Jahnigen (78 Chelsea), Brasington (53 Christian), Lavery (49 Christian), Woods (47 Christian), Barnicoat (39 Christian), Hannon (35 Christian), Lavery (33 Christian), RCT (31 Christian), Lavery (29 Christian), Brasington (23 Christian), Lavery (19 Christian) and Lavery (17 Christian)

MEMBERS REPERESNTED BY PROXY: Boucher (37 Chelsea), Weber (57 Chelsea) Bricker (55 Chelsea), Woods (60 Chelsea), Nieto-Bulen (62 Chelsea), Gilbert (32 Chelsea) and Thomas (51 Christian)

ALSO PRESENT: Dan McNeill, Managing Agent and Sara Thurston McNeill, Secretary to the Meeting

- I. Roll Call. With 33 of 76 units represented either in person or by proxy (43% of the membership), a quorum was established. According to the Bylaws, 40% of the membership must be present in person or by proxy to form a quorum.

- II. 2012 Annual Meeting Minutes. These minutes were previously distributed to all owners and posted on the website at hoa.mcneillproperties.com for review. Michael Lavery had some changes to the Roll Call section of the minutes. There was MOTION: TO APPROVE THE MINUTES OF THE 2012 ANNUAL MEETING OF THE MEMBERSHIP OF THE RED CANYON TOWNHOME ASSOCIATION WITH MICHAEL LAVERY'S ADJUSTMENTS TO THE ROLL CALL. The motion was duly seconded and carried unanimously.

- III. Financial Review. Brandi Resa, the association's accountant, prepared and presented the 2012 year-end financial reports to the membership. According to the Balance Sheet, the association ended 2012 with \$285,495 in assets, including \$10,590 in accounts receivable and \$260,747.69 in reserves.

The Profit and Loss Statement reveals that the association ended the year with a net deficit of \$6740.31 in the Operating Account on annual budgeted expenses of \$123,552. Cost overruns were experienced in the line items of

Maintenance—General (due to many roof repairs), Weeding & Clean Up (due to hand watering of newly planted trees before irrigation was installed), Project Management Fees (due to the dumpster enclosures project) and Bad Debt. Dan commented that hopefully the association will not have to incur as much Bad Debt this year since the bank owned properties are being purchased and inventory is being depleted.

The 2012 beginning balance in the Reserve Fund was \$271,412. Funding totaled \$72,048, \$1,152 was added to the Garage Reserves, \$660 was collected for Working Capital and \$525.52 in interest was garnered. 2012 Capital Expenses totaled \$78,309.82 and included \$62,000 for the new dumpster enclosures and \$13,000 for asphalt work. The association borrowed \$6740.31 from the reserves to cover the operating deficit. The year-end balance in the Reserve Fund was \$260,747.69.

Dan then referred to the 2013 Budget. Management fees are to increase 5% in 2013, representing the first increase since MPM was hired in 2008. Accounting fees are to decrease somewhat. The association is currently contributing about 37% of the amount of its annual operating expenses to reserves annually. Total annual income is expected to be \$196,752, total operating expenses are estimated to be \$126,289 and \$70,464 is to be transferred to reserves. Dues are to remain at \$642 per quarter per unit. There being no further questions or proposed changes to the 2013 Budget, there was a MOTION: TO APPROVE THE 2013 OPERATING BUDGET AS PREVIOUSLY RATIFIED BY THE BOARD OF DIRECTORS. The motion was seconded and carried unanimously.

Management provided attendees a Budget Explanation Sheet that details the components of each line item and a Dues Comparison that compares the regular assessments at Red Canyon with other, similar homeowner associations.

- IV. Manager's Report. Dan distributed the completed 2012 Projects List to those present, indicating that the list is compiled annually during the Spring Walk Through. The Board prioritizes projects, putting fire/life/safety issues at the top of the list. The list is then circulated to all owners for comments and additions.

Dan McNeill noted that the Board is working toward updating the Reserve Study. The Study is a tool that will be used by the Board and management to plan for future capital projects.

Dan asked all owners to review and follow the recommendations in the recently updated Risk Management Checklist in order to avoid damages and costly insurance claims. If you suspect a unit in your building is vacant, contact management to ensure that the home is properly heated. Furthermore,

there are many helpful tips on energy and water conservation in the checklist, along with state regulations for carbon monoxide detectors.

The Insurance Claims Procedures sheet was also given to all present. Dan reminded all owners to make sure their individual interior insurance policies are up to date to ensure that all contents and upgrades to developer-installed finishes are covered. Management encourages all owners to have their insurance agents contact the insurance carrier for the association (American Family Insurance at 970-949-4465) to ensure that there are no gaps in coverage. Dan also recommended that every owner add Loss Assessment coverage to their policy to cover any costs associated with paying a deductible or for loss of rental income.

For code enforcement issues, owners should contact Jennie Lewis, Code Enforcement Officer for McNeill Property Management. Her services are included in the management contract of the association, and she may be contacted directly at 970-904-0519. Dan reminded all present that tenants are NOT permitted to have pets at Red Canyon, per the Declaration. All residents were reminded to look for children playing in the parking areas and to obey all speed limits. If a resident wishes to make an anonymous complaint, they can do so through the website at hoa.mcneillproperties.com. An email will be sent directly to Jennie's phone.

The membership discussed to possibility of going to a parking permit system at Red Canyon. There are two assigned parking spots per unit and some guest parking spots that may not be used by residents. The Board will discuss the proposed parking permit system at their next meeting; there was a suggestion to issue three permits per unit if three vehicles are listed on the Owner Information Sheet.

- V. Other Business. The key pad man-door handles on the new dumpster enclosures are not operating correctly and will be replaced shortly. There are different codes to access each dumpster; they will be changed every six months. There are some punch list items remaining to be completed in spring, so \$3000 of the final payment to the contractor has been withheld. Management was able to renegotiate a more favorable contract with Waste Management whereby saving the association money and providing on-site recycling.

Phase 2 of the entry sign project was completed this past summer. Next summer, retaining walls and flower beds are planned.

Snowfall so far this season has been lower than average, so management has redirected its efforts to ice removal, including the removal of icicles and chipping ice from walkways where there are drainage issues. One owner

requested that when walkways are shoveled, the snow be stored on the grass instead of between cars in the parking areas.

Dan reported that Energy Smart Colorado is rebating homeowners for up to \$500 per unit for attic insulation upgrades. The attic spaces at Red Canyon currently have about ten inches of blown fiberglass insulation for an R-value of 25 to 30. An additional eight inches of cellulose insulation, insulating and weather stripping the attic hatch door, and sealing of the recessed can lights in the ceiling and will increase the R-value to 50 or greater. Chris Juergens received a letter from a local insulation company, offering to complete this work at a cost of about \$995 per unit if several owners contract for the work to be completed. After the rebate, the cost to each owner will therefore be \$495; natural gas consumption could be reduced by 15 to 20%. Management will distribute this information to all owners.

The association has been monitoring two buildings on Christian Court for settlement. Measurements are taken each spring and fall, and have been taken for the past two years. No new settlement has been detected.

The Board will be considering the mud jacking of some stoops and entries this summer.

Sewer line clean outs are currently being done twice per year.

- VI. Board Member Elections. The current Board members are Chris Juergens, John Hannon, Michael Lavery, Andy Gould, Gene Walker, John Carlson and Kobus Swanepoel. Chris, Andy, Gene and John Carlson each have one year left in their terms. John Hannon's, Michael's, and Kobus' terms are expiring, and John Carlson is resigning with one year left in his term. Therefore, four seats are up for election. John Hannon, Michael Lavery and Kobus Swanepoel all offered to serve another two year term, and there was one nomination from the floor: Tanya Barnicoat. There being no further nominations, there was a MOTION: TO ELECT THE SLATE AS PRESENTED. The motion was seconded and approved unanimously.
- VII. Adjournment. There being no further business to come before the membership, the meeting adjourned at approximately 7:05PM.

Respectfully submitted,

Secretary to the Meeting