

Red Canyon Townhomes Association
Board Meeting Minutes
Thursday, November 21, 2013, 6:00PM
Eagle Public Library

MEMBERS PRESENT: Chris Juergens, Michael Lavery, Gene Walker, Kobus Swanepoel, Andy Gould and John Hannon

MEMBERS NOT PRESENT: Tanya Barnicoat

ALSO PRESENT: Dan McNeill, Managing Agent, Deborah Hannon (35 Christian Court), Kat Jahnigen (78 Chelsea Court), Dennis Beaudin (41 Chelsea Court), Peggy and Mitch Brasington (57 Chelsea Court, 30 Chelsea Court, 18 Christian Court, 53 Christian Court and 23 Christian Court), Elizabeth Woods (47 Christian Court), Brandi Resa, CPA, and Sara Thurston McNeill, Secretary to the Meeting

- I. Roll Call. With six of seven Board members present, a quorum was established. Dan called the meeting to order shortly after 6:00PM.

- II. Homeowner Forum. Several homeowners attended the meeting to discuss various topics. Kat Jahnigen presented the Board with several ideas for storage of personal items either on existing decks, in external storage closets adjacent to units or in free standing sheds. She also asked the Board to consider allowing holiday decorations for other holidays such as Halloween, Independence Day, etc. She suggested that the association hold more community events such as pot luck dinners or cookouts and consider establishing a “welcome wagon” to introduce new residents to the community. She asked management to consider adding an article to the newsletter that profiles different homeowners at Red Canyon. Finally, she thought the creation of a “Help Committee” would be a great asset to the community. This would include residents who volunteer their time to help neighbors during challenging circumstances, such as the birth of a baby, a medical crisis or other situations where people need assistance. The Board and management thanked Kat for her thoughtful suggestions and encouraged her to attend the annual meeting in January and offer to serve on the Board of Directors. Management will present some options to the Board for changes to the Rules & Regulations regarding storage of personal items on decks and holiday decorations. Another article can certainly be worked into the Spring newsletter.

Dennis Beaudin incurred fines for a renter that kept a dog in their unit. The Beaudins responded to the infractions by claiming that the renter’s dog was a service dog, permitted under the Rules & Regulations. Upon further investigation, the dog is actually used by the tenant for work, and is not

considered a service dog. The Board garnered a legal opinion on the matter, and it was determined that work dogs are not permitted at Red Canyon, per the Declarations and Rules & Regulations. Dennis asked for some relief from the \$500 in fines that accrued during the investigation period. There was a MOTION: TO REDUCE THE FINES TO \$50. The motion was duly seconded and carried unanimously.

Peggy and Mitch Brasington asked the Board to consider doing another survey of residents to see if enough support could be garnered to amend the Declarations to allow renters to have pets at Red Canyon. She thought the recent survey done by another homeowner was "convoluted" and difficult to respond to. Carryn Nicolas surveyed the owners in August and determined that 34 owners were in favor of the amendment, 20 owners were NOT in favor; 18 owners did not respond at all. Management sent a survey to all owners in 2009 to determine if there was enough support to amend the Declaration at that time. There was not. 67% of the owners or at least 51 owners must be in support of a change. Dan will mail Peggy the recent survey results so that she can continue the "campaign" to change this clause in the Declaration.

Elizabeth Woods addressed the Board with concerns that she and her family are being unfairly targeted by MPM's Code Enforcement Officer, having recently received (erroneous) violation notifications for parking in a guest spot and having an RV on site. Dan will work with Elizabeth and Jennie Lewis to come to a resolution to Elizabeth's concerns. She also suggested that on site inspections occur during the evening hours occasionally, as this is the time that most parking violations seem to occur.

Gene Walker brought his concerns about tenant access to a neighboring unit. His neighbor rents out the lower level of her home, and the tenant accesses his room through the back door, creating privacy issues for him and leaving a muddy path through the landscaped areas adjacent to his unit. Although his neighbor is within her rights to rent out a room in her home, a separate access is not permitted. Management will contact this owner to ensure that her tenant accesses the home primarily through the front door of the unit.

- III. Financial Review and 2014 Budget Presentation. Brandi Resa prepared and presented the year-to-date financial reports (as of September 30, 2013). According to the Balance Sheet, the association currently has \$340,547 in total assets, including \$9747.06 in accounts receivable and \$18,696.20 in prepaid insurance premiums. Brandi commented that legal counsel is making headway with the largest delinquent account since the property has gone into receivership. The balance in the Reserve Fund is \$260,748 and per direction, the garage reserves will no longer be tracked separately due to the accounting necessary on the management company side, accounting side, and the breakdown of project

costs. Garage owners will still contribute towards the reserves above the normal contribution towards reserves.

The Profit and Loss Statement reveals that the association is currently about \$607 under budget in operating expenses. Cost savings have been garnered in the line items of Snow Removal—Loader, Icicle Removal and Irrigation Emergency. Cost overruns have been experienced in Weeding & Clean Up, Irrigation Maintenance, Maintenance General and Dog Waste Pick Up.

Brandi then presented the proposed 2014 Operating Budget, indicating that there are no significant changes over last year except that garage owners will no longer pay extra dues towards operating expenses as there are no identifiable operating expenses contributable to the garages. Total estimated Operating Expenses in 2014 are expected to be \$125,857. After some discussion, there was a MOTION: TO APPROVE THE 2014 OPERATING BUDGET AS PRESENTED. The budget is hereby attached to and incorporated into these minutes.

Dan then presented the Board with the updated Reserve Study. The Reserve Study is a tool that the Board and management use to plan for future capital projects and budget accordingly. In order to avoid future special assessments to cover the cost for roof replacement, painting, landscaping improvements and asphalt overlay, a small increase in the of regular dues is indicated. Brandi presented four options to the Board:

- OPTION #1: \$10 per month increase per unit which yields a \$10,000 shortfall in reserves in 2023
- OPTION #2: no increase in dues which yields a \$154,000 shortfall in reserves in 2023
- OPTION #3: \$34 per month increase per unit which yields a \$744 surplus in reserves in 2023
- OPTION #4: \$21 per month increase which yields a \$2000 shortfall in reserves in 2023

After some discussion, there was consensus among all present at the meeting that a \$10 increase in dues would not be too much of a hardship for the membership in the coming year, and would go a long way towards funding future capital projects. There was a MOTION: TO INCREASE DUES AT RED CANYON IN 2014 TO \$224 PER MONTH PER UNIT (\$239 PER MONTH FOR UNITS WITH GARAGES) WITH \$80,592 GOING TO RESERVES. The motion was duly seconded and carried unanimously.

- IV. Manager's Report. Dan distributed the updated 2013 Projects List, compiled during the Spring Walk Through in May. It is now substantially complete. The last leaf raking of the fall season has been done. Gutters have been cleaned and roof inspections have been done. The deck staining project got off to a bit of a late start due to a calculating error by the first subcontractor chosen. All decks have now been stained and sealed.

Dan referred to the 20 page list of code violations that has been compiled for 2013. Dan will speak to Jennie about balancing the level of enforcement at Red Canyon in order to send a positive, yet effective message to all residents, while maintaining and enhancing property values.

- V. Other Business. The 2014 Annual Meeting was scheduled for Thursday, January 23, 2014, at 6:00PM. The meeting will be held in the downstairs community room at the Eagle Public Library.

Michael Lavery presented the Board with a proposal to assign an additional parking spot to his unit at 49 Christian Court. This spot was originally assigned to 49 Christian Court at developer turn-over but was re-assigned after a seal coat and restriping of the asphalt. The unit currently has one assigned surface spot and a garage; the garage, however, is currently being used by the Hannons. Each unit at Red Canyon should have two assigned surface parking spots, or one assigned spot plus a garage. After a lengthy discussion where each Board member had a chance to weigh in with his opinion on the matter, there was a MOTION: TO DENY THE REQUEST BY MICHAEL LAVERY TO RE-ASSIGN ANOTHER SURFACE PARKING SPOT TO 49 CHRISTIAN COURT. The motion was seconded and carried with four Directors voting FOR the motion. Michael Lavery and John Hannon abstained from voting.

- V. Adjournment. There being no further business to come before the Board, the meeting adjourned at approximately 7:45PM.

Respectfully submitted,

Secretary to the Meeting

Red Canyon Townhomes
 2014 OPERATING BUDGET
 Updated as of November 20, 2013

Expenses	2013 YE Projected	2014 Budget	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Accounting	5,305	5,400	450	450	450	450	450	450	450	450	450	450	450	450
Tax Preparation	316	400	0	0	0	400	0	0	0	0	0	0	0	0
Insurance	20,232	20,604	1,675	1,675	1,675	1,675	1,675	1,675	1,675	1,675	1,675	1,843	1,843	1,843
Mowing	9,000	9,000	0	0	0	1,500	1,500	1,500	1,500	1,500	1,500	0	0	0
Tree replacement/spraying	3,501	2,500	0	0	0	0	0	2,500	0	0	0	0	0	0
Weeding & Clean Up	7,000	7,500	0	0	0	0	1,500	1,500	1,500	1,500	1,500	0	0	0
Dog Waste Pickup	3,750	3,720	310	310	310	310	310	310	310	310	310	310	310	310
Pest Control	2,500	2,400	0	0	0	400	400	400	400	400	400	0	0	0
Irrigation Maintenance	6,434	6,000	0	0	0	0	1,000	1,000	1,000	1,000	1,000	1,000	0	0
Irrigation Emergency	0	2,000	0	0	0	0	0	2,000	0	0	0	0	0	0
Legal Fees	440	1,000	84	84	84	84	84	84	84	84	84	84	84	76
Collection Fees	1,714	425	0	0	0	0	0	425	0	0	0	0	0	0
Maintenance General	17,000	15,000	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Roofing	0	1,200	0	0	0	200	200	200	200	200	200	0	0	0
Other/project mgmt/consult	1,000	3,000	167	167	167	167	167	167	1,167	167	167	167	167	167
Management Fees	16,380	16,380	1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365
Office Supplies	1,700	1,560	130	130	130	130	130	130	130	130	130	130	130	130
Snow Removal - Plowing	7,500	3,500	583	583	583	0	0	0	0	0	0	583	583	585
Snow Removal - Shovelling	0	5,500	916	916	916	920	0	0	0	0	0	0	916	916
Snow Removal - Front Loader	0	500	500	0	0	0	0	0	0	0	0	0	0	0
Snow Removal - Icicle	352	1,500	500	500	0	0	0	0	0	0	0	0	0	500
Trash Service	13,500	13,500	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125
Electricity	1,750	1,740	145	145	145	145	145	145	145	145	145	145	145	145
Contingencies	0	1,528	0	0	0	0	0	0	0	0	0	0	0	1,528
Bad Debt Expense	7,704	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	127,078	125,857	9,200	8,700	8,200	10,121	11,301	13,726	14,301	11,301	11,301	8,451	8,368	10,390

Note:
 This equates to \$138 per month per unit or \$1,656 per year per unit.
 This does not include garage owners paying extra for operating as there are no identifiable operating costs of the garages.

