

Red Canyon Townhomes Association
Board Meeting Minutes
Tuesday, October 3, 2017, 6:00PM
Eagle Public Library

MEMBERS PRESENT IN PERSON: Chris Juergens, John Hannon, Susan Flock and Erin Carlson

MEMBERS PRESENT VIA CONFERENCE CALL: Kat Jahnigen

MEMBERS NOT PRESENT: Michael Lavery and David McMichael

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

- I. Roll Call. With five of seven Board members present in person and via conference call, a quorum was established. Dan McNeill called the meeting to order at just after 6:00PM.

- II. Review and Approval of the Minutes of July 25, 2017, Board of Directors Meeting. These minutes were previously drafted and distributed to the Board for review. There being no suggested changes, there was a MOTION: TO APPROVE THE MINUTES OF THE JULY 25, 2017, RED CANYON TOWNHOME ASSOCIATION BOARD OF DIRECTORS. The motion was duly seconded and carried unanimously.

- III. Financial Review and 2018 Budget Presentation. Brandi Resa, Bookkeeper, prepared the current (as of August 31, 2017) financial reports and Dan McNeill presented them to the Board. According to the Balance Sheet, the association currently has \$543,287.89 cash in the banks, including \$191,552.90 in the checking accounts and \$351,734.99 in certificates of deposit at Community Banks of Colorado and in Everbank. \$50,000 is being held in an annuity and there is \$5965 in prepaid insurance premiums. Accounts receivable totals \$200.21.

One of the CDs at Community Banks matured on September 27th and will automatically roll over on October 4th if the bank is not contacted. After discussion, there was consensus to move the CD into cash and look for a higher yielding option for this balance of \$63,587.13. Erin offered to spearhead this effort.

The Profit and Loss Statement reveals that eight months through the year, the association has total income of \$102,966.76. Operating expenses total \$108,777.97 based on budgeted expenses of \$104,983.36. Therefore, the

association is \$3794.62 over budget. Cost overruns have been experienced in the line items of Legal Fees, Irrigation System, Spring / Fall Cleanup, Snow Shoveling and Snow Removal Loader. Savings have been garnered in the line items of Lawn Care and Pet Clean Up.

The 2017 beginning balance in Reserves was \$431,385. Current year funding totals \$63,317.24 so far. Capital expenses total \$3960 for architectural fees related to the window replacement specifications and decorative painting of the utility boxes. The ending balance in Reserves is \$490,742.24. An additional \$22,800 is on deposit as working capital.

Dan then reviewed the proposed 2018 Operating Budget with the Board. Operating assessments are planned to be \$156,750 and reserve assessments are planned to be \$ 96,786. The Board and management reviewed the proposed budget line item by line item, making adjustments where warranted. There was consensus to add a line item in the Reserve Study for interest earned on savings and another line item for any prior year's operating surplus. After detailed discussion, there was a MOTION: TO APPROVE THE 2018 BUDGET WITH A SMALL DUES INCREASE OF \$6/QUARTER/UNIT WITHOUT A GARAGE (\$825) AND \$18/QUARTER/UNIT WITH A GARAGE (\$882). The motion was seconded and carried unanimously. The approved 2018 budget is hereto attached and incorporated into these minutes.

Pet assessments will remain at \$100 per outdoor pet annually. Note that only owners are permitted to have outdoor pets, with a maximum of two per unit.

IV. Manager's Report. Dan reviewed the Reserve Study with the Board. 2017 capital projects include the completion of the Window and Door Replacement Specifications project, the painting of the utility boxes, some siding replacement, some tree replacement and dryer vent cleaning. Dryer vent cleaning has been done and this was paid out of the operating account. Siding replacement and tree replacement were not needed this year, and so these expenses will be transferred to 2018.

Next year, a total of \$221,201 in capital expenses is anticipated, including \$125,000 for exterior painting of all structures. The Board will assess the need for painting during the Spring Walk Through. The Reserve Study targets 2018 funding at \$101,993, and the Board agreed to keep the reserve contribution at \$97,136 (the same as in 2017) but add in any interest earned and the 2016 year-end operating surplus in order to meet the target funding amount.

The 2017 Projects List was updated and distributed to the Board. The List is now substantially complete. Fall projects that remain include roof inspections and recommended repairs, gutter cleaning and repairs and some paint touch up.

- V. Other Business. The Board then reviewed the proposed changes to the Rules & Regulations. Legal counsel was asked to ensure that this document is compliant with state and federal regulations, especially related to service and emotional support animals for tenants. One change was suggested to the Health Care Provider's Confidential Certification Letter, and there was a MOTION: TO APPROVE THE AMENDED RULES & REGULATIONS OF THE RED CANYON TOWNHOME ASSOCIATION. The motion was seconded and carried unanimously.

Recent complaints about a tenant who is subletting rooms in their home by advertising their rental on an internet website was the next topic of discussion. Although the Declaration prohibits nightly rentals, this tenant appears to be circumventing this rule by advertising a two-night minimum stay. Legal counsel was contacted to provide the Board with guidance on this issue. Possible remedies include creating a rule that prohibits subletting. However, it was pointed out that this would not preclude an owner from renting a room separately. Another possibility would be to amend the Declaration to prohibit rentals of less than 30 days. The Declaration already requires all leases to be writing and for the executed, written lease to be provided to management upon occupancy. Therefore, management was asked to enforce this rule with homeowners whose tenant is currently subletting on a two-night minimum basis. This will be a topic on the 2018 Annual Meeting Agenda,

The 2018 Annual Meeting was scheduled for Thursday, January 25, 2018, at 6:00PM. The meeting will be held at the Eagle Public Library.

Management was directed to distribute a door-to-door memo to all residents with trash and recycling reminders in an effort to cut the cost of this line item in the operating budget. Management was also asked to send an email reminder to all owners for the following risk management items:

- All bathroom, kitchen and dryer vents should be vented through an exterior wall and not into an attic or crawlspace cavity
- Owners that have an exterior hose bib connected to the unit must make sure that this is winterized properly prior to freezing temperatures.

- VI. Adjournment. There being no further business to come before the Board, the meeting adjourned at approximately 7:20PM.

Respectfully submitted,

Secretary to the Meeting

Red Canyon Townhomes Owners Association, Inc.
Profit & Loss Budget Overview
 January through December 2018

5:27 AM
 10/05/17
 Accrual Basis

	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	TOTAL
Ordinary Income/Expense													
Income													
Garage Operating	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	576.00
Operating Assessment	13,014.50	13,014.50	13,014.50	13,014.50	13,014.50	13,014.50	13,014.50	13,014.50	13,014.50	13,014.50	13,014.50	13,014.50	156,174.00
Total Income	13,062.50	13,062.50	13,062.50	13,062.50	13,062.50	13,062.50	13,062.50	13,062.50	13,062.50	13,062.50	13,062.50	13,062.50	156,750.00
Gross Profit	13,062.50	13,062.50	13,062.50	13,062.50	13,062.50	13,062.50	13,062.50	13,062.50	13,062.50	13,062.50	13,062.50	13,062.50	156,750.00
Expense													
401 Accounting Services	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	4,200.00
405 Tax Preparation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	450.00
410 Insurance	2,083.37	2,083.33	2,083.33	2,083.33	2,083.33	2,083.33	2,083.33	2,083.33	2,083.33	2,083.33	2,083.33	2,083.33	25,000.00
420 Spring/Fall cleanup	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,500.00
421 Lawn Care/Mowing	0.00	0.00	0.00	0.00	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	1,750.00	10,500.00
422 Landscape maint - weeding	0.00	0.00	940.00	945.00	945.00	945.00	945.00	945.00	945.00	945.00	945.00	945.00	8,500.00
423 Tree Spraying	0.00	0.00	0.00	0.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	3,000.00
424 Pet Clean Up	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	1,500.00
426 Pest Control	100.00	100.00	100.00	100.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	3,000.00
430 Irrigation System	0.00	0.00	0.00	0.00	1,430.00	1,430.00	1,430.00	1,430.00	1,430.00	1,430.00	1,430.00	1,430.00	10,000.00
440 Legal Fees	83.37	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	1,000.00
441 Collections	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	300.00
450 Maintenance - General	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	24,000.00
452 Playground	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	900.00
459 Project Mgmt Fees	333.37	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33	333.33	4,000.00
460 Management Fees	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	16,800.00
461 Office Supplies	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	1,500.00
472 Snow Removal	312.50	312.50	312.50	312.50	312.50	312.50	312.50	312.50	312.50	312.50	312.50	312.50	3,750.00
473 Snow Removal - Shoveling	541.67	541.67	541.67	541.67	541.67	541.67	541.67	541.67	541.67	541.67	541.67	541.67	6,500.00
474 Snow Removal Loader	500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	500.00
475 Roofrictes/chipping	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	4,000.00
480 Trash Removal	1,125.00	1,125.00	1,125.00	1,125.00	1,125.00	1,125.00	1,125.00	1,125.00	1,125.00	1,125.00	1,125.00	1,125.00	13,500.00
481 Trash Controllable	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	5,000.00
485 Electric	145.00	145.00	145.00	145.00	145.00	145.00	145.00	145.00	145.00	145.00	145.00	145.00	1,740.00
490 Contingencies	610.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	610.00
Total Expense	11,350.87	10,690.83	10,180.83	15,165.83	14,165.83	14,165.83	14,165.83	14,165.83	14,165.83	17,105.83	11,185.83	10,240.83	156,750.00
Net Ordinary Income	1,711.63	2,371.67	2,881.67	-2,103.33	-1,103.33	-1,103.33	-1,103.33	-1,103.33	-1,103.33	-4,043.33	1,876.67	2,821.67	0.00
Other Income/Expense													
Other Income													
Capital Reserve Income	7,884.95	7,885.55	7,885.55	7,885.55	7,885.55	7,885.55	7,885.55	7,885.55	7,885.55	7,885.55	7,885.55	7,885.55	94,626.00
Garage Reserve Income	180.00	180.00	180.00	180.00	180.00	180.00	180.00	180.00	180.00	180.00	180.00	180.00	2,160.00
Interest Income, Capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,100.00	4,100.00
Total Other Income	8,064.95	8,065.55	8,065.55	8,065.55	8,065.55	8,065.55	8,065.55	8,065.55	8,065.55	8,065.55	8,065.55	12,165.55	100,886.00
Other Expense													
Capital Reserves - Projects	0.00	0.00	0.00	0.00	0.00	221,201.00	0.00	0.00	0.00	0.00	0.00	0.00	221,201.00
Total Other Expense	0.00	0.00	0.00	0.00	0.00	221,201.00	0.00	0.00	0.00	0.00	0.00	0.00	221,201.00
Net Other Income	8,064.95	8,065.55	8,065.55	8,065.55	8,065.55	-213,135.45	8,065.55	8,065.55	8,065.55	8,065.55	8,065.55	12,165.55	-120,315.00
Net Income	9,776.58	10,437.22	10,947.22	5,962.22	6,962.22	-214,238.78	6,962.22	6,962.22	6,962.22	4,022.22	9,942.22	14,987.22	-120,315.00

