

RED CANYON TOWNHOME ASSOCIATION
ANNUAL MEETING MINUTES
Thursday, January 24, 2019, 6:00PM
Eagle County Building, Garden Level Classroom

MEMBERS PRESENT IN PERSON: Allen (49 Christian), Barnwell (49 Chelsea), Carlson (47 Chelsea), Cholmondeley (76 Christian), Duett (22 Christian), Flock (16 Christian), Giarratano (27 Christian), Gilbert (32 Chelsea), Hahn (43 Christian), Hannon (35 Christian), Hodapp (45 Christian), Krauss (51 Christian), Lens (33 Chelsea), Powell (55 Christian), Resa (70 Christian) and Sheptak (37 Christian)

MEMBERS REPERESNTED BY PROXY: Adams—Martinez (72 Christian), Beaudin (41 Chelsea), Bricker (55 Chelsea), Dorman (50 Chelsea), Furtado (74 Christian), Kovacik (78 Chelsea), Langraff (47 Christian), Lavery (29 Chelsea, 81 Chelsea, 57 Christian, 17 Christian, 19 Christian, 29 Christian, 31 Christian), Le (67 Chelsea), Lengal (35 Chelsea), Pope (41 Christian), Raile (15 Christian), Richards (59 Christian), Rogers (78 Christian), Schweitzer (18 Christian), Stern (53 Chelsea), Trickel (63 Christian), Woods (60 Chelsea) and Zenor (65 Chelsea)

ALSO PRESENT: Dan McNeill, Managing Agent, Brandi Resa, Bookkeeper, Mariah Raiche of McNeill Property Management and Sara Thurston McNeill, Secretary to the Meeting

- I. Roll Call. With 41 of 76 units represented either in person or by proxy, a quorum was established. According to the Bylaws, 40% of the membership (or 31 units) must be present in person or represented by proxy in order to achieve a quorum. Dan called the meeting to order just after 6:00PM, certified the proxies, and the attendees took turns introducing themselves to the membership.

- II. 2018 Annual Meeting Minutes. These minutes were previously distributed to all owners and posted on the website at hoa.mcneillproperties.com for review. There being no suggested changes, there was MOTION: TO APPROVE THE MINUTES OF THE 2018 ANNUAL MEETING OF THE MEMBERSHIP OF THE RED CANYON TOWNHOME ASSOCIATION AS PRESENTED. The motion was duly seconded and carried unanimously.

- III. Financial Review. Brandi Resa, the association's bookkeeper, prepared and presented the 2018 year-end financial reports to the membership. According to the Balance Sheet, the association ended 2018 with \$631,086.85 in total assets, liabilities and equity including \$107,616.54 cash in the bank, \$355,268.18 in CDs, \$50,409.51 in an annuity fund, \$17,984.25 in prepaid insurance premiums and

\$512,157.02 allocated to Reserves. Accounts receivable was <\$1039.36>. Brandi explained that there were some small balances due but are now fully paid.

The Profit and Loss Statement reveals that the association ended the year with a net surplus of \$15,105.29 in the Operating Account on annual budgeted expenses of \$156,750. The biggest savings were achieved in the Snow Removal Loader and Irrigation System line items. Brandi noted the financials presented are in draft form; interest has not been posted yet there may still be some small invoices to pay. Once interest information is received, she will finalize the year-end reports. These will be used to prepare the tax returns.

The association incurred \$24,000 in capital expenses in 2018, including \$15,341.89 for crack-filling, seal coating, and line painting of the parking lots, \$3876.80 for a large-scale pruning project, \$3661.46 for two new overhead doors for the trash enclosures and \$1237 for tree removal / planting.

Brandi then presented the 2019 Budget. No dues increase is planned for the coming year. Total operating income will be \$156,906 and an additional \$103,230 will be the reserve contribution. The annual pet fees have been added to the income portion of the budget. Owners can volunteer to pick up pet waste in lieu of payment of the annual fee (\$100 per dog). Interested owners should contact Susan Flock in 16 Christian Court.

Management distributed a Budget Explanation Sheet that details the components of each line item. In addition, the 2018 Projects List can be tied directly to the expenses in the Building Maintenance and landscaping line items. Management also provided attendees with a Dues Comparison that compares the regular assessments at Red Canyon with other, similar homeowner associations in Eagle.

- IV. Manager's Report. Dan distributed the updated Reserve Spending Plan to all present. The Plan identifies each common element at Red Canyon and a date and estimated cost for its replacement. The Board and management use the Reserve Spending Plan as a tool to budget for capital projects.

Capital projects under consideration for 2019 include roof inspections and repairs, exterior painting of all structures (along with deck staining and wood siding / trim replacement—as needed), replenishment of the surface material of the tot lot, fence repairs, and continued tree removal, pruning and replacement (representing about \$187,000 in planned capital expenses).

Asphalt mill and overlay, along with drainage improvement and concrete walkway work is currently planned for 2020. Roof replacement (with gutter and downspouts additions) is slated to begin in 2022. Dan commented that Reserves are well-funded at Red Canyon and that currently the Reserve Spending Plan cash flows without the need for special assessments, provided that the membership continues to contribute about 5% to 7% more to reserves each year. Management

recommends that the association work with an engineer to plan and oversee the asphalt work and that an independent project manager be hired to design the specifications, garner competitive bids and oversee the roof replacement project. He also recommended that Mr. Giarratano oversee the painting project next summer, as he did during the last comprehensive painting project.

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. There are many helpful tips on energy and water conservation in the checklist, along with state regulations for carbon monoxide detectors. Owners with exterior hose bibs on their units need to make sure they are properly shut off every fall; contact management if you need assistance with this task. Management schedules dryer vent cleaning every three years.

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 (Assured Partners at 970-945-5593) 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. All owners who rent their units on a long-term basis should require their tenants to carry renters insurance; this requirement should be written into every lease.

Management referred to the Insurance and Maintenance Checklist, compiled by legal counsel for use by the association members several years ago. The list includes each element that the association is responsible to insure and maintain, and each element that individual owners are required to insure and maintain. Owners are asked to give this Checklist to the insurance agent. It is posted on the website: hoa.mcneillproperties.com.

For rules and regulations 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. All residents are reminded that GUEST parking spaces are for short term use only and not for regular use by any resident's vehicle. Dan reminded all present that tenants are NOT permitted to have pets at Red Canyon, per the Declaration. Every owner with a dog must pay a \$100 annual pet fee to cover the cost of pet clean up (stocking bags at the dog stations, emptying trash and replacing dead sod).

Recent code violations at Red Canyon have been primarily related to parking issues. There are enough parking spots for each unit to have two vehicles and only 12 designated guest spots. **RESIDENTS ARE NOT PERMITTED TO USE GUEST SPOTS; THESE ARE DESIGNATED FOR BONA-FIDE GUESTS AT**

ALL TIMES. Overflow parking is available along Nogal Road during the evening hours. The Eagle Police Department patrols along Nogal Road and will occasionally ticket cars that are parked there during the day, especially when snow removal equipment is on site.

All residents are reminded to park in a manner that does not block sidewalks (therefore, oversized trucks should be parked away from walkways). No electrical cords are permitted to cross walkways for safety reasons. Residents are not permitted to smoke on any common or limited common elements, including decks, patios, walkways, and turf areas.

Management distributed a Contact List for all owners. Management, maintenance, snow removal, accounting and code enforcement contacts (emails and phone numbers) are on the List.

- V. Board Member Elections. The current Board members are John Hannon, Michael Lavery, Susan Flock, Erin Carlson, Bonnie Hahn, Patty Hodapp and Audrey Powell. John and Michael have terms that expire at the Annual Meeting. Michael offered to serve another 2-year term and Deborah Hannon also offered to serve. Additional nominations were sought from the floor; none were forthcoming.

There was a MOTION: TO RE-ELECT MICHAEL LAVERY AND ELECT DEBORAH HANNON TO TWO-YEAR TERMS ON THE BOARD OF DIRECTORS. The motion was duly seconded and carried unanimously.

- VI. Other Business. Dan reminded all that there is a process in place for deck enlargement and the forms can be found on the website. In addition, any owners wishing to replace windows and exterior doors can now access the specifications and requirements on the website.

The membership briefly discussed hold a community-wide yard sale at some point in the coming year. There was a request not to hold it on the same date as the Eagle Ranch yard sale. Management will schedule this via email.

One owner requested that the messy crab apple trees be removed and replaced with different species. Management will get a recommendation from a landscape architect on the replacement of these trees.

- VII. Adjournment. There being no further business to come before the membership, the meeting adjourned at approximately 6:55PM.

Respectfully submitted,

Secretary to the Meeting

