

RED CANYON TOWNHOME ASSOCIATION  
ANNUAL MEETING NOTES – NO QUORUM  
Wednesday, January 22, 2020, 6:00PM  
Eagle Public Library

MEMBERS PRESENT IN PERSON: Brady (29 Christian), Cholmondeley (76 Christian), Giarratano (27 Christian), Gilbert (32 Chelsea), Hahn (43 Christian), Hannon (35 Christian), Hodapp (45 Christian), Krauss (51 Christian), Ligouri (79 Chelsea), Powell via telephone (55 Christian) and Sare—Mejias (77 Chelsea)

MEMBERS REPERESNTED BY PROXY: Allen (49 Christian), Bricker (55 Chelsea), Farguhar (71 Chelsea), Gilbert (32 Chelsea), Le—Chellman (67 Chelsea), Lens (33 Chelsea), Nichols (59 Chelsea) and Resa (70 Christian)

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

- I. Roll Call. With 19 of 76 units represented either in person or by proxy, a quorum could not be 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 explained that without a quorum, he would run through the items on the Agenda and provide general information to those present. The attendees took turns introducing themselves to the others in the room
  
- II. 2018 Annual Meeting Minutes. These minutes were previously distributed to all owners and posted on the website at [hoa.mcneillproperties.com](http://hoa.mcneillproperties.com) for review.
  
- III. Financial Review. Brandi Resa, the association's bookkeeper, prepared and the 2019 year-end financial reports and Dan McNeill reviewed them with the members. According to the Balance Sheet, the association ended 2019 with \$593,871.26 in total assets, liabilities and equity including \$61,834.95 cash in the bank, \$359,895.39 in CDs, \$51,997.44 in an annuity fund, \$19,370.25 in prepaid insurance premiums and \$591,124.74 allocated to Reserves. Accounts receivable was <\$387.48>, representing prepaid dues.

Dan noted that the year-end financials are still in DRAFT form since accrued interest is not reflected. There may also be some minor adjustments in various expenses.

The Profit and Loss Statement reveals that the association ended the year with a net surplus of \$19,739.20 in the Operating Account on annual budgeted expenses of \$156,906. The biggest savings were achieved in the Maintenance General line

item. Dan explained that the membership should transfer the 2019 year-end net excess, along with previous years' operating surplus (approximately \$19,000) to reserves. There was consensus among those present to do so.

The association contributed \$97,358 to reserves through regular dues in 2019 and incurred \$165,148.70 in capital expenses in 2019, including \$149,336 for a comprehensive exterior painting project (including the staining and sealing of all decks, rails and caps), \$13,280.50 for asphalt crack-filling and patching and removal of two landscaping islands on Chelsea Court with asphalt replacement, \$1606.70 for a large-scale tree pruning project and \$925 to plant some new trees. There is an additional \$22,800 on deposit in working capital reserves.

Dan then presented the 2020 Budget. No dues increase is planned for the coming year. Total operating income will be \$156,806 and an additional \$97,358 will be the reserve contribution. The garage owners will contribute an additional \$1872 to reserves to cover capital projects for the garage buildings, such as painting.

Management distributed a Budget Explanation Sheet that details the components of each line item. In addition, the 2019 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 reviewed the updated Reserve Spending Plan with those 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 2020 include roof inspections and repairs, replenishment of the surface material of the tot lot, fence repairs, and continued tree removal, pruning and replacement and dryer vent cleaning (representing about \$36,760 in planned capital expenses).

Asphalt mill and overlay, along with drainage improvements and concrete walkway work is currently planned for 2025. Roof replacement (with gutter and downspouts additions) is slated to begin in 2022.

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 303-863-7788) 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.

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 Deborah Hannon, Michael Lavery, Susan Flock, Bonnie Hahn, Patty Hodapp and Audrey Powell. Susan, Bonnie, Patty and Audrey have terms that expire at the Annual Meeting. All the incumbents indicated to management that they are willing to serve another two-year term. In addition, Mario Giarratano offered to serve. At the first regular meeting of the Board of Directors, the Board can vote to appoint him to serve out

the remainder of Erin Carlson's term (she resigned last summer when she sold her unit).

- 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.

One owner expressed concerns that her bathroom fan exits into the roof cavity and not an exterior wall. Dan explained that owners should be sure that all fans vent through an exterior wall in order to try and prevent the buildup of moisture inside the structures. He has information about attic exhaust fan systems that help to cool the home in the summer months. Interested owners should email him for more information.

There was a request for more colorful gardens at the entry to the community. The Board will be establishing a committee to do some planning and planting in the coming months.

Finally, there was consensus among those present for the Board to seek an amendment to the Bylaws in the coming year to reduce the percentage of owners required for a quorum at the annual meeting. The quorum requirement is currently 40%; 20% would be a more achievable percentage.

- VII. Adjournment. There being no further business to come before the membership, the meeting ended at approximately 6:45PM.

Respectfully submitted,

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Secretary to the Meeting