

RED CANYON TOWNHOME ASSOCIATION
ANNUAL MEETING MINUTES
Thursday, January 25, 2024, 6:00PM
Via Zoom.us

MEMBERS PRESENT VIA VIDEO CONFERENCE CALL: Lavery (29 Chelsea, 57 Christian, 17 Christian, 19 Christian) Medrano – Bruno (32 Chelsea), Salomone (43 Chelsea), Barnwell (49 Chelsea), Dorfman (50 Chelsea), Weidner (51 Chelsea), Moneypenny—Roberts (61 Chelsea), Lam (63 Chelsea), Austin (83 Chelsea), Flock—Gaberial (16 Christian), Giarratano (27 Christian), Malenke (31 Christian), Hannon (35 Christian), Sheptak (37 Christian), Pope (41 Christian), Hertzfeld (43 Christian), Hodapp (45 Christian), Powell (55 Christian) and Bartholomew (72 Christian)

MEMBERS REPERESNTED BY PROXY: Beaudin (41 Chelsea), Bricker (55 Chelsea), Skellion (57 Chelsea), Gilman—Stoxen (59 Chelsea), Bowman (60 Chelsea) Zenor (65 Chelsea), Le—Chellman (67 Chelsea), Gibson (69 Chelsea), Adams (73 Chelsea), Adams (76 Chelsea), Purevska—Milchev (15 Christian), Adamek (22 Christian), Rochelle (25 Christian), Landgraf (47 Christian), Kay (63 Christian), Cholmondeley (76 Christian) and Rogers (78 Christian)

ALSO PRESENT VIA VIDEO CONFERENCE CALL: Will Hymes, Managing Agent; Brandi Resa, Bookkeeper; and Sara Thurston McNeill, Secretary to the Meeting

- I. Roll Call. With 39 of 76 units owners either in present by Zoom or represented by proxy (51.3%), a quorum was established. According to the Bylaws, 40% of the membership (or 31 units) must be present or represented by proxy in order to achieve a quorum. Will Hymes called the meeting to order just after 6:00PM, certified the proxies, and the attendees took turns introducing themselves to the membership, indicating their address.

- II. Review and Approval of the Minutes from the 2023 Annual Meeting. These minutes were drafted by management and distributed to the membership prior to the meeting. They are also posted to the website: mcneillproperties.com. There being no suggested changes, there was a MOTION: TO APPROVE THE MINUTES OF THE 2023 ANNUAL MEETING OF THE RED CANYON TOWNHOMES ASSOCIATION AS PRESENTED. The motion was seconded and carried unanimously.

III. Financial Review. Brandi Resa, the association's bookkeeper, prepared the draft of the December 2023 financial reports and presented them to the membership. According to the Balance Sheet, the association ended 2023 with \$805,177.94 in total assets, liabilities and equity including \$113,693 cash in the bank, \$604,228.63 in CDs, \$59,094.22 in an annuity, \$28,203.75 in prepaid insurance premiums and \$700,686.89 allocated to Reserves. Accounts receivable was <\$41.66>.

The Profit and Loss Statement reveals the association ended the year with a net surplus of \$3,671.39 in the Operating Account. Overruns were experienced in the line items of Lawn Care / Mowing, Weeding, Irrigation System, Maintenance—General, Snow Removal and Snow Shoveling. Savings have been achieved in Tree Spraying, Snow Loader, Snow Roof and Trash Removal (due to a favorable renegotiation of the contract with Waste Management).

The 2023 beginning balance in Reserves was \$731,978 (including garage reserves). 2023 funding totaled \$92,574.86 (not including all of the interest expected). 2023 capital expenses totaled \$59,044.68, including \$2,231 for restoration work from a leak from a boiler, \$2,589.57 for legal fees related to the Declaration Amendment Regarding Insurance Coverage, \$1,649.99 for the rebuilding of a window well (and replacement of the window), \$5,825.97 to excavate and replace the irrigation system pump, \$13,533.92 for parking lot crack filling and patching, line painting and repainting of the assigned unit numbers on the curbs, \$8,291 for pruning and grounds work, \$240 to update the reserve study, \$6,057.50 for consultant fees related to the roof replacement project, \$165 for tree removal and \$14,470.73 for partial siding and trim replacement and touch up painting. The 2023 year-ending balance in Reserves is \$730,243.89. There is an additional \$22,800 in working capital reserves.

Will then presented the 2023 Budget to the membership. Dues were kept flat for 2024 in anticipation of a special assessment to fund the roof replacement project. Increases are expected in Accounting, Insurance, Lawn Care / Mowing, Weeding, Pest Control and Snow Removal, representing about \$3000 more in operating expenses over 2023. The reserve contribution will be reduced to cover the anticipated increase in operating costs.

2024 dues for Units without Garages are \$907.50 per quarter

2024 dues for Units with Garages are \$970.20 per quarter.

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

Will asked the owners if there were any questions or comments about the budget. There were not. Brandi requested that any owners that have questions regarding the financials, please contact her. Her email address is redcanyonco@gmail.com

IV. Manager's Report. Mike Skellion, maintenance manager, sent the following report via email prior to the meeting:

- Snow removal has been going well. We have finally melted out from the last big storm.
- I thought we were going to need to get a front-end loader in here to create more snow storage, but the piles have melted off quite well in the past few days.
- We have a crew on site removing any remaining icicles and ice dams on north facing roofs.
- There have been no reported roof leaks so far this winter season.

Will reviewed the updated Reserve Spending Plan with 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 2024 include the roof replacement project. The Board hired John Cona of Cona-Criterium Engineers to design the specifications of this large-scale capital project, and then take it out to bid. Four competitive bids have been garnered thus far, and a fifth bid is expected to come in early next week. Pricing thus far appears to be favorable; the Board expects that the project can be completed over the course of a few weeks during the summer of 2024 (instead of over two summers). Based upon a budgeted capital expense of \$1,000,000 (including a 15% contingency), the special assessment would therefore come in at approximately \$4000 per unit. Management anticipates that the first payment would be due on May 1, 2024, and the second one would be due on July 1, 2024.

The Board will be meeting in one week to carefully review the bids with the roofing contractor and make a final decision about whether to award a contract to

a roofing contractor and pursue the project in 2024. Once a decision has been made, all owners will be notified of the amount of the special assessment and the due dates.

The next comprehensive exterior paint project is currently slated to occur in 2026. Asphalt mill and overlay and related drainage work is targeted to occur in 2030, along with the replacement of concrete sidewalks and curbs.

The Insurance Information Sheet was distributed to all owners. Homeowners are now required to carry an HO-6 Policy that provides “bare walls in” coverage and includes all interior non weight-bearing walls, fixtures, appliances and equipment, wall finishes, and flooring. This policy should also insure the replacement value of all furnishings and inclusions, including artwork, electronics and recreational equipment. Each owner’s HO-6 policy should also include a LOSS ASSESSMENT rider to cover the cost of any deductible to the HOA’s insurance policy that you may be required to pay (\$5000 per insurable event) and LOSS OF USE in the event your home is not occupiable due to damage. All homeowners should make sure that there are NO GAPS IN THEIR COVERAGE by having your personal lines agent the association’s agent, Mountain West. The Board of Directors and management take no responsibility for any areas of coverage that may have been left out by an owner’s policy.

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. Owners that rent their home on short-term or nightly basis should carry a short-term rental rider that includes additional general liability coverage.

Mountain West agent Ed Sheptak, then addressed the membership and reviewed coverage requirements. He noted that the association went to “bare walls” coverage this past year to enable Red Canyon to stay competitive in the increasingly difficult insurance marketplace. The association’s insurance certificate is on the website, and his contact information is included.

https://mcneillproperties.com/wp-content/uploads/ManagedProperties/red_canyon/redinsurance2023-2024.pdf

During a recent on-site risk management inspection from the insurance underwriter, it was noted that there were many barbecue grills on decks and balconies. In order to maintain the current level of coverage at Red Canyon, NO GRILLS (PROPANE, GAS, CHARCOAL OR ELECTRIC) are permitted at Red

Canyon any longer. Management has informed all owners and is working with residents to assure compliance with this requirement.

Will 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.

For rules and regulations issues, owners should contact Jennie Lewis, Code Enforcement Officer for McNeill Property Management by emailing her at jennie@mcneillinc.com or calling or texting her at 970-904-0519. Photos are very useful when reporting code violations and all reports are kept anonymous.

Will reminded all present that tenants are NOT permitted to have pets at Red Canyon, per the Declarations. 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).

RESIDENTS ARE NOT PERMITTED TO USE GUEST PARKING SPOTS; THESE ARE DESIGNATED FOR BONA-FIDE GUESTS AT ALL TIMES. Owners that rent their Red Canyon home on a nightly basis must ENSURE THAT THEIR TENANTS PARK ONLY IN THEIR ASSIGNED SPOT and not in guest parking spots. Overflow parking is available along Nogal Road during certain 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. Vehicles parked on common area at Red Canyon must move regularly during the winter months to aid in snow removal efforts.

No lock-offs are permitted at Red Canyon. The Town of Eagle does not permit Accessory Dwelling Units at multi-family projects. Residents are reminded that quiet hours at Red Canyon are 10PM to 8AM every day.

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 Mario Giarratano, Skylar Hertzfeld, Deborah Hannon, Michael Lavery, Chad Roberts, Susan Flock and Daniel Milchev. Terms are two years each. Skylar, Susan and Daniel have terms expiring at the meeting and are seeing re-election. Additional nominations were sought from the floor; none were forthcoming.

There was a MOTION: TO RE-ELECT SKYLAR HERTZFELD, SUSAN FLOCK AND DANIEL MILCHEV TO THE BOARD OF DIRECTORS. The motion was seconded, and it passed unanimously.

- VI. Old / New Business. The membership expressed its thanks to management for its careful oversight during the past year, including the work done by Will Hymes on the roof replacement project (thus far) and to Mike Skellion and his staff for on-going maintenance.

- VII. Adjournment. There being no further business to come before the membership, the meeting was adjourned at approximately 6:48PM.

Respectfully submitted,

Secretary to the Meeting