

Red Canyon Townhomes Association
Board Meeting Minutes
Thursday, October 19, 2023, 5:30PM
Via Zoom

MEMBERS PRESENT VIA VIDEO CONFERENCE CALL: Mario Giarratano, Skylar Hertzfeld, Daniel Milchey, Chad Roberts, Susan Flock, Deborah Hannon and Michael Lavery

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 all seven Board members present via Zoom, a quorum was established. Will Hymes called the meeting to order at approximately 5:38PM.

- II. Review and Approval of the Minutes of the July 27, 2023, Board Meeting. These minutes were drafted by management and distributed to the Board within a week of the meeting. They were redistributed last week. There being no suggested changes, there was a MOTION: TO APPROVE THE MINUTES OF THE JULY 27, 2023, BOARD OF DIRECTORS MEETING AS PRESENTED. The motion was duly seconded and carried unanimously.

- III. Financial Review and 2024 Budget Presentation. Brandi Resa, Bookkeeper, prepared the current (as of August 31, 2023) financial reports and she and Will Hymes presented them to the Board. According to the Balance Sheet, the association currently has total assets, liabilities and equity of \$835,232.64, including \$70,214.84 in checking at FirstBank, \$97,653.33 in an interest bearing savings account at FirstBank, \$602,072.50 in certificates of deposit at Alpine Bank, Community Banks of Colorado and TIAA, \$59,094.22 in an annuity and there is \$3454.66 in prepaid insurance premiums. Accounts receivable total \$2743.09. Brandi reported that there are about three late-paying owners at Red Canyon, but they are communicating with her.

Brandi will get more information on the annuity for the Board's consideration.

The Profit and Loss Statement reveals that eight months through the year, the association has total income of \$129,168.74 (compared to budgeted income of \$127,683.32). Operating expenses total \$127,586.08, based on budgeted expenses of \$132,126.32. Overages have been 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. Management was able to renegotiate a favorable trash contract. Therefore, the association is \$4443.00 under budget at this point in the year.

Chad Roberts suggested that the association consider increasing the deductible on its insurance policy from \$5000 per event to \$50,000 per event, whereby requiring owners to carry a larger loss assessment rider on their HO-6 policy. This could save the association money on its renewal next September.

The 2023 beginning balance in Reserves was \$731,978 (including garage reserves). Year-to date funding totals \$57,895.33. 2023 capital expenses total \$38,823.76 so far, including \$2231 for restoration work from a leak from a boiler, \$2589.57 for legal fees related to the Declaration Amendment Regarding Insurance Coverage, \$1649.99 for the rebuilding of a window well (and replacement of the window), \$3005.97 to excavate and replace the irrigation system pump, \$13,026.50 for parking lot crack filling and patching, line painting and repainting of the assigned unit numbers on the curbs, \$1850 for pruning and grounds work and \$14,470.73 for partial siding and trim replacement and touch up painting. The ending balance in Reserves is \$776,489.24 There is an additional \$22,800 in working capital reserves.

Will then presented the proposed 2024 budget to the Board. No dues increase is planned for the coming year. Each line item was discussed. Increases are expected in Accounting, Insurance, Lawn Care / Mowing, Weeding, Pest Control and Snow Removal. Decreases are expected in Trash. The Project Management line item was removed. After detailed review, there was a MOTION: TO APPROVE THE 2024 BUDGET WITH NO DUES INCREASE. The motion was duly seconded and carried unanimously.

The 2024 Budget is attached hereto and incorporated into these minutes. Income will total \$194,725 with \$91,315 going to reserves (including garage reserves and interest income). 2024 quarterly dues will be as follows:

Units without Garages will be \$907.50 per quarter

Units with Garages will be \$970.20 per quarter

- IV. Manager's Report. Will Hymes reviewed the capital spending plan with the Board. The next large-scale capital project facing the association is roof replacement. The Board has hired John Cona of Criterium Cona Engineers to design the specifications for the roof replacement project and undertake the request for proposal process. He hopes to have the bid comparison sheet to the Board by the beginning of December. At that point, actual costs for the project can be determined.

For the purposes of planning, management has identified \$1,520,000 in roof replacement costs, spread over two years. Using existing reserves of \$775,000, this will require a special assessment of approximately \$12,500 per unit, spread out over two years. Once actual costs for the project are identified, this amount may vary. The association can also seek a bank loan for all or part of the project, and homeowners are free to establish a home equity line of credit with their lender to help cover these costs.

After the roof project is complete, the association will have about \$200,000 left in reserves. A comprehensive exterior painting project is also identified in the capital spending plan in 2025, but the Board is hoping that painting can be delayed for a few more years so that reserves can be built back up.

Mike Skellion, Maintenance Manager, submitted the following report via email prior to the meeting along with the updated Projects List:

- The team did a good job working through the items on the Projects List this year and completed the majority of tasks.
- The replacement of rotten wood including trim boards, fascia boards, and siding were the bulk of our work at Red Canyon this year.
- The parking lot work was completed last month, including patching bad areas of asphalt, crack filling and restriping, and repainting parking spots on the curbs.
- I distributed photos of a very large cottonwood tree leaning over Chelsea Court. I think removal is in the best interest of the association at this point.
- There are a lot of leaves on the ground already, but many are still on trees. I think in another 10 days most of the leaves will be on the ground. I will coordinate a team to come through and clean roofs and gutters and remove all the leaves on the ground.

V. Other Business. Will reviewed the legal opinion letter from Altitude Law regarding how to deal with homeowners who have undertaken exterior modifications without prior Board approval. The attorney recommends the following:

“If the Board chooses to allow the fence to remain, we recommend the Board require the Owner (or Owners) who installed it to formally submit a request for approval to the Executive Board, in addition to entering into a written maintenance, license and indemnity agreement. The agreement, once signed, shifts the obligation to ensure compliance with applicable zoning, building and other codes to the Owner(s), at the Owners’ expense.”

After discussion, there was a MOTION: TO HAVE LEGAL COUNSEL DRAW UP THE AGREEMENT FOR REVIEW BY THE BOARD. ALL THE COSTS TO DO SO WILL BE BOURNE BY THE OWNER(S) SEEKING APPROVAL OF THEIR CHANGES AND THE FULLY EXECUTED AGREEMENT WILL BE RECORDED AGAINST THE DEED OF THE PROPERTY. The motion was duly seconded and approved unanimously.

The Board discussed the risk management assessment conducted by the insurance company’s underwriter earlier this year. With regard to propane barbeque grills, the report states that the use of these devices increases the likelihood of fire and personal injury and recommends that all residents discontinue the use of gas grills on decks and balconies; they are permitted on ground level, at least 10 feet away from buildings. However, if residents move their grill to ground level ten feet from their home, it will be on common area. After discussion, there was consensus to ALLOW ELECTRIC GRILLS ONLY ON DECKS AND BALCONIES. Management will communicate this to all residents, giving them until December 1, 2023, to comply.

Will Hymes will contact the Town of Eagle to find out when they plan to inspect and clean out the main sewer lines that serve the Red Canyon community.

The Board requested that management redistribute parking permits to all residents, and asked that greater attention be paid to the guest parking areas that are being used by residents. It was duly noted that these spots are for BONA FIDE GUESTS of residents only and NOT RESIDENT PARKING.

The 2024 Annual Meeting was scheduled for Thursday, January 24, 2024, at 6:00PM MT. The meeting will be held via Zoom.

- VI. Adjournment. There being no further business to come before the Board, the meeting was adjourned at approximately 7:00PM.

Respectfully submitted,

Secretary to the Meeting

