

Red Canyon Townhomes Association
Board Meeting Minutes
Thursday, October 27, 2022, 6:00PM
Via Zoom

MEMBERS PRESENT VIA VIDEO CONFERENCE CALL: Mario Giarratano, Susan Flock, Deborah Hannon, Skylar Hertzfeld and Daniel Milchev

BOARD MEMBERS NOT PRESENT: Michael Lavery and Chad Roberts

ALSO PRESENT VIA VIDEO CONFERENCE CALL: 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 via Zoom, a quorum was established. Dan McNeill called the meeting to order shortly after 6:00PM.

- II. Minutes of the July 27, 2022, Board of Directors Meeting. These minutes were drafted by management and distributed to the Board within a week of that meeting. They were redistributed last week with the meeting reminder. There being no suggested changes, there was a MOTION: TO APPROVE THE MINUTES OF THE JULY 27, 2022, BOARD OF DIRECTORS MEETING AS PRESENTED. The motion was duly seconded and carried unanimously.

- III. Financial Review and 2023 Budget Presentation. Brandi Resa, Bookkeeper, prepared the current (as of August 31, 2022) financial reports and Dan McNeill presented them to the Board. According to the Balance Sheet, the association currently has total assets, liabilities and equity of \$780,777.66, including \$348,093.52 cash in FirstBank, \$375,942.17 in certificates of deposit at Community Banks of Colorado and TIAA, \$57,072.46 is being held in an annuity and there is \$2566.84 in prepaid insurance premiums. Accounts receivable totaled <\$2899.33>, primarily representing prepaid dues. Brandi noted that one owner currently owes for the third quarter.

The Profit and Loss Statement reveals that eight months through the year, the association has total income of \$104,070.96 (compared to budgeted income of \$104,874.04). Operating expenses total \$124,473.95, based on budgeted

expenses of \$105,358.00. Therefore, the association is over budget by about \$19,116. Overages have been experienced in Weeding, Trash Removal, Snow Loader and Maintenance General.

The 2022 beginning balance in Reserves was \$731,977.52 (including garage reserves). Year-to date funding totals \$66,202. 2022 capital expenses total \$62,588.78 and include \$23,601.45 for deck work, \$7725 for an extensive pruning project, \$840 for roof repairs, \$2025.93 for planting bed upgrades, \$733.33 to remove a tree, \$11,605.82 to rebuild a collapsed window well and broken window, and \$16,057.25 for snow roof shoveling and ice dam removal. The ending balance in Reserves is \$735,590.54. There is an additional \$22,800 in working capital reserves.

Dan and Brandi then presented the proposed 2023 budget to the Board. Increases are expected in most line items, primarily due to inflationary pressures (labor and gas) and a significant increase in the insurance premium. The Board reviewed each line item, and some adjustments were made. \$191,375 in total income is planned with \$86,842 going to reserves (not including garage reserve income and interest income).

There was a MOTION: TO APPROVE THE 2023 BUDGET AS DISCUSSED INCLUDING A 10% INCREASE IN DUES. The motion was duly seconded and carried unanimously.

2023 dues for Units without Garages will be \$907.50 per quarter

2023 dues for Units with Garages will be \$970.20 per quarter

The 2023 approved budget is attached hereto and incorporated into these minutes.

- IV. Manager's Report. Dan reviewed the Reserve Study with the Board. 2023 capital projects under consideration include roof consulting work (to plan the roof replacement project, currently scheduled for 2024-2025), dryer vent cleaning, some tree planting and landscaping upgrades, and legal work to amend the Declarations. This last project is intended to amend the insurance requirements for the association, shifting more of the burden of coverage to individual owners. By going to "bare walls" coverage, the Board and management hope to achieve a more favorable rate for the annual insurance premium.

Management is garnering a bid from Vail Valley Waste for trash removal. The intent is to avoid the fuel surcharges currently being assessed by Waste Management. The Board could also consider removing on site recycling altogether since residents more often than not contaminate the recycling bin with plastic bags.

Management sent the 2023 MPM Contract to the Board for review, and they approved it with the increased fees, to be set for two years. Mario will sign it on behalf of the Board.

- V. Other Business. The 2023 Annual Meeting was scheduled for Thursday, January 26, 2023, at 6:00PM MT. The meeting will be held at the Eagle Library and there will also be a zoom link for those who choose to attend remotely.

There will be discussion regarding the pending insurance amendment to the Declarations.

- VI. Adjournment. There being no further business to come before the Board, the meeting adjourned at approximately 7:10PM.

Respectfully submitted,

Secretary to the Meeting

| | | Jan - Dec 23 |
|--------------------------------|--|-------------------|
| Ordinary Income/Expense | | |
| Income | | |
| | Garage Operating | 864.00 |
| | Interest Income, Operating | 300.00 |
| | Operating Assessment | 189,311.00 |
| | Pet Fee | 900.00 |
| | Total Income | 191,375.00 |
| Gross Profit | | 191,375.00 |
| Expense | | |
| | 401 Accounting & Payment Fees | 4,200.00 |
| | 405 Tax Preparation | 475.00 |
| | 410 Insurance | 34,500.00 |
| | 420 Spring/Fall cleanup | 9,000.00 |
| | 421 Lawn Care/Mowing | 11,000.00 |
| | 422 Landscape maint - weeding | 9,000.00 |
| | 423 Tree Spraying | 4,000.00 |
| | 424 Pet Clean Up | 1,900.00 |
| | 426 Pest Control | 2,500.00 |
| | 430 Irrigation System | 9,000.00 |
| | 440 Legal Fees | 500.00 |
| | 441 Collections | 100.00 |
| | 450 Maintenance - General | 22,000.00 |
| | 452 Playground | 1,000.00 |
| | 459 Project Mgmt Fees | 2,500.00 |
| | 460 Management Fees | 22,800.00 |
| | 461 Office Supplies | 1,100.00 |
| | 472 Snow Removal | 5,000.00 |
| | 473 Snow Removal - Shoveling | 7,000.00 |
| | 474 Snow Removal Loader | 2,500.00 |
| | 475 Roof/icicles/chipping | 10,000.00 |
| | 480 Trash Removal | 24,000.00 |
| | 481 Trash Controllable | 4,800.00 |
| | 485 Electric | 2,000.00 |
| | 490 Contingencies | 500.00 |
| | Total Expense | 191,375.00 |
| Net Ordinary Income | | 0.00 |
| Other Income/Expense | | |
| Other Income | | |
| | Capital Reserve Income | 86,842.60 |
| | Garage Reserve Income | 1,872.00 |
| | Interest Income, Capital | 5,600.00 |
| | Total Other Income | 94,314.60 |
| Other Expense | | |
| Capital Reserves - Projects | | |
| | Cap - Concrete/ent work | 5,000.00 |
| | Cap - Dec Amendment | 5,000.00 |
| | Cap - Dryer Vent Cleaning | 4,215.00 |
| | Cap - Roofs | 25,000.00 |
| | Cap - Sod, Flower Beds, Landscap | 1,000.00 |
| | Cap - Tree Planting/Removal | 2,552.00 |
| | Total Capital Reserves - Projects | 42,767.00 |
| | Total Other Expense | 42,767.00 |
| Net Other Income | | 51,547.60 |
| Net Income | | 51,547.60 |