

Red Canyon Townhomes Association
Board Meeting Minutes
Thursday, June 6, 2024, at 4:30PM
Via Zoom

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

BOARD MEMBERS NOT PRESENT: Daniel Milchev

ALSO PRESENT VIA VIDEO CONFERENCE CALL: Sara Thurston McNeill of McNeill Property Management and Brandi Resa, Bookkeeper

- I. Roll Call. With six of seven Board members present via Zoom, a quorum was established. Mario Giarratano called the meeting to order shortly after 4:30PM.

- II. New Management Company Proposals Review. Mario opened up the meeting to a discussion about new management companies. The three potential companies are Epoch Property Management, BOLD Property Management Solutions, and Integrity Property Management. Mario spoke with Jessica & Greg who are owners of Integrity and walked the property with them.

Chad provided some background on Integrity Property Management. They purchased B&R's book of business. He was familiar with the person who provided their reference. They manage Quail Run in Gypsum which is similar in size to Red Canyon. He touched on the importance of management fee, repair rates, and capital projects fee. He shares Michael's concern of the 5% fee for managing capital projects in light of all the work that has already been done on the Roof Replacement Project.

Multiple board members agreed we would like to avoid using Bold based on various reasons.

There was a MOTION by Deborah: TO ACCEPT to move forward with Integrity Property Management. The motion was seconded by Michael and a vote was taken. All Six Directors voted FOR the motion. The motion passed. Michael did want it noted that he would like us to negotiate their capital projects fee to manage the roofing project.

Sara McNeill assured the Board that MPM will work to effect a smooth transition to Integrity one Red Canyon has a signed contract in place. Mario will let the other two companies know we have gone in a different direction.

Brandi was contacted by Integrity and plans to continue the bookkeeping for Red Canyon with the new management company.

At this point in the meeting, Sara McNeill excused herself due to a previous commitment.

- III. Owners Representative for Roof Replacement Project. The Board then moved on to a discussion about the owners agent for the upcoming roofing project. Chad discussed the other owner's representatives that he reached out to in regard to bidding the project. All other companies declined to bid the project based on their current workload and scope of project. With no other companies bidding on the project, Chad brought up the possibility to negotiating Mario's contract.

Michael stated that he feels Mario is well qualified for the job and that he is very comfortable with him steering this project. He stated he thinks it is an advantage that he is an owner and is on site; Michael thinks a fee of 3% of the Bull Dog contract is a fair price.

Both Susan and Chad reiterated that we feel we have done our due diligence in seeking out other owner's reps to bid out the job. With no other companies wanting to take on the role both appreciated Mario's willingness to negotiate the project.

There was a MOTION by Skylar: TO ACCEPT Mario for the owners rep at 3% of the Bull Dog contract price. The motion was seconded by Chad, and a vote was taken. Five Directors voted FOR the motion; Mario abstained from voting. The motion passed.

- IV. Special Assessment Discussion. The Board then discussed the pending special assessment. Brandi provided some financial information to the Board. In light of the fact that a comprehensive exterior painting project would need be done following roof replacement, she favors a larger special assessment this year rather than having to do another special assessment in the future. Additionally, she mentioned that the garage owners' portion of these capital project costs would need

to be factored in. Currently we have about \$730,000 in capital reserves (including \$171,672 in cash (checking and savings), \$611,848 in certificates of deposit and \$61,842 held in an annuity).

Mario suggested postponing the roofing project based on the delays we have experienced thus far. He pointed out that while we have done a lot of work on this project, it may be easier to table the project until 2025. He pointed out this would give the association more time to build reserves and also get the new management company familiar with our property before embarking on a large-scale capital project.

Skylar pointed out that most owners are aware of the project and the related special assessment and have had time to prepare for it. Chad stated that he would feel most comfortable with a \$4000 per unit special assessment, given the cost of roof replacement and the subsequent painting that will be needed.

The Board then discussed the garage owners' special assessment. Brandi stated that currently there is about \$30,000 in garage reserves. Mario pointed out that per our Declarations, garage owners must be responsible for the expense to replace their roofs.

Skylar mentioned that as a garage owner she did expect to have to pay more and would be in favor of garage owners having an additional special assessment. At this point in the meeting, Skylar excused herself due to another commitment.

There was a MOTION by Michael: TO LEVY a \$1000 per unit special assessment for garage owners for the roofing project. The motion was seconded by Mario, and a vote was taken. The motion passed unanimously.

There was a MOTION by Susan: TO LEVY a \$4000 special assessment per unit for all owners for the roofing project. The motion was seconded by Chad, and a vote was taken. The motion passed unanimously.

The first installment of \$ 2000 will be due and payable on or before July 15, 2024, and the second installment of \$2000 will be due and payable on or before October 15, 2024. Garage owners will pay \$2500 per installment and the due dates are the same.

Michael excused himself from the meeting. Brandi requested that Susan and Deb begin the process of liquidating the CDs at Everbank as soon as possible. Funds

will need to be transferred from the FirstBank money market account to the regular checking account to pay the Bulldog Roofing deposit for the purchase of materials.

V. Other Business. No other business to discuss.

VI. Adjournment. There being no further business to come before the Board, the meeting was adjourned at approximately 5:56PM.

Respectfully submitted,

Secretary to the Meeting