

The Reserve on the Eagle River
Board Meeting Minutes
Monday, February 20, 2017, at 6:30 PM
The Reserve Clubhouse

BOARD MEMBERS PRESENT: Susan Ferrari, Deb Forsline, Linda Guerrette, Marilee Horan and Brian Woodell

NOT PRESENT: Andrew Abraham and Jess Frieze

ALSO PRESENT: Dan McNeill, Managing Agent, Chris Dudar, Garage Feasibility Committee Chairperson and Sara Thurston McNeill, Secretary to the Meeting

HOMEOWNERS PRESENT: Charlie Scott (Unit B-204) and Brian Forsline (Unit G-201)

I. Roll Call. With five of seven Board members present, a quorum was established. Deb Forsline, President, called the meeting to order shortly after 6:30PM.

II. 2017 Board of Directors Scope of Work. Deb distributed the scope of work to be addressed by the Board in 2017, breaking out tasks month-by-month. In February, the Board is to determine the length of each Director's term, finalize the Parking Rules & Regulations and appoint the Parking Committee members.

It was determined that Brian, Linda, and Andrew have terms that expire at the 2017 Annual Meeting and that Marilee, Susan, Jess and Deb have terms that expire at the 2018 Annual Meeting.

The Parking Lot Committee shall be comprised of Susan, Brian and Linda. They will prepare a draft of a map that designates the trailer storage areas and the areas allotted for unassigned passenger vehicle parking.

The Board requested that Deb add "Preliminary 2018 Operating Budget Review" to the tasks for August.

III. Review and Approval of the Minutes of the January 16, 2017, Board of Directors Meeting. These minutes were drafted and circulated to all Board members for review and comment via email prior to the meeting. Some

suggested changes were incorporated and then re-circulated to the Board. There being no further suggested changes, there was a MOTION: TO APPROVE THE MINUTES OF THE JANUARY 16, 2017, BOARD OF DIRECTORS MEETING AS PRESENTED. The motion was seconded and approved unanimously.

IV. Homeowner Forum. Charlie Scott attended the meeting in order to hear more about the Garage Survey sent to all homeowners and had several questions for the Board and Chris Dudar, Committee Chairperson.

V. Garage Committee Report. Chris Dudar then addressed the Board and noted that the recently sent survey was (at least partially) completed by 108 homeowners. He reviewed the survey results with the Board. 59% either strongly agreed or agreed that garages would be a benefit to the Reserve on the Eagle River community. 63% of the respondents would be willing to pay between \$25,000 and \$35,000 for a single car garage. The respondents were equally divided about where to locate the garages (either in the back lot where trailers are currently located, in the back lot adjacent to vacant land or somewhere else). The Board discussed these results and reviewed the 41 comments returned. Some of the respondents took the opportunity to comment on the recently revised Parking Rules & Regulations.

Chris did some further research on construction options, since at least a few homeowners thought that a “bare bones” garage should cost less than \$25,000. He found a construction company called Morton Builders (a national firm with locations in several states) that can build, ship and erect a pre-fabricated garage building of six single car garages for about \$115,000. The design includes a garage door, cement shingle siding and an asphalt shingle roof. The cost does not include the cement slab, any “dirt work” or electrical wiring.

Dan recommended that the Board finalize the proposed Amended & Restated Declaration prior to further discussion of the construction of garages. The Board agreed that A&R Declaration should contain language that allows the association build garages on common area at some point in the future. Most felt that it would be fair to have any homeowner wishing to purchase a garage pay a “conveyance fee” to the association (up and above the cost of the actual garage structure) for the land on which the garage would sit. The garage could be conveyed via a fee simple deed to any owner at The Reserve or it could be “attached” to the deed for a particular condominium. Dues for each garage owner would need to cover the maintenance associated with these structures, the amount of which would need to be determined.

Chris offered to draft a cover letter highlighting the survey results for the Board’s review. It will then be sent to the membership along with the summary of results.

VI. Financial Review. Kay Cheney, bookkeeper for the association, prepared the current financial reports (as of January 31, 2017) and Dan McNeill presented them to the Board.

According to the Balance Sheet, one month through the year, the association has \$143,030.36 in the regular checking account and \$126,374.88 in the liquid asset replacement account. Assets, liabilities and equity total \$306,550.38, including \$19,529.80 in prepaid insurance premiums and \$162,167.44 in reserves. There are currently two owners who are over 90 days in arrears; demand letters have been sent and if no payment plan is set up within the next month, these accounts will be turned over to legal counsel for collections.

The Profit and Loss Statement reveals that the association incurred operating expenses of \$35,475 so far this year, compared to budgeted expenses of \$37,475. Snow Removal is slightly over budget; all other line items are tracking at or under budget one month through the year.

The 2017 beginning balance in the Replacement Reserve Account was \$136,164.39. 2017 Funding totals \$9669.99 from regular assessments and \$5206.16 was added from the Irrigation Special Assessment. 2017 capital expenses total \$3892 for new gutters. The 2016 year-end operating surplus was \$15,018.90 and once added to reserves the balance in the Replacement Reserve Account will be \$171,837.43.

Dan noted that there is an additional \$69,242.22 in working capital reserves.

There was a MOTION: TO APPROVE JANUARY 2017 FINANCIAL REPORTS AND TO TRANSFER THE 2016 YEAR-END OPERATING SURPLUS OF \$15,018.90 TO RESRVES. The motion was duly seconded and carried unanimously.

VII. Manager's Report. Mike Skellion submitted the following report via email prior to the meeting:

- The driveway is finally clear of ice with all of the warm temperatures lately.
- The roofs are free of ice and snow as well.
- Heat tapes have been turned for the time being. If the snow starts to accumulate again, we will turn them back on.
- Heat tapes at Building B and N need to be replaced. The costs will be based upon a final bid from Karbowski Gutters
- A carpenter is scheduled to make door repairs in Building K tomorrow
- Several landscape lights have gone out lately. The underground electrical lines are failing and will have to be replaced in the spring.

- PSI addressed a leaking sink in Unit F-102 and Interstate Restoration was brought in mitigate the moisture damage. The owner will need to replace the piping under the sink.

Dan commented that with the change to “walls in” insurance coverage (from developer-conveyed coverage) in the Amended & Restated Declaration, the association’s exposure to these types of incidents will be significantly reduced.

Dan summarized recent snow removal efforts. The front-end loader has been required two times so far, along with one roof shoveling. He hopes that with the warm and dry weather in February, the association can make up some of the snow overages in January.

Capital projects planned for the coming months include the remainder of the irrigation system replacement project and the entryway garden and landscaping. Deck support posts and joists will be inspected and replaced on an as-needed basis (with the ones in the poorest condition being address first) per an engineered design. Heat tapes will be replaced on an as-needed basis and the governing documents revision project should be completed.

Recent code violations include bike storage in common hallways. The current R&Rs DO NOT ALLOW for ANY storage of personal items in the common hallways. The Amended & Restated Rules & Regulations need to address how best to deal with these storage issues.

VIII. Committee Reports. Kerry Wallace drafted and distributed a comprehensive set of Parking Rules & Regulations for the Board’s review prior to the January Board meeting. The Board reviewed several changes proposed by Jess and other members of the Board. After detailed discussion, there was a MOTION: TO ASSESS A MONTHLY FEE OF \$25 PER TRAILER UNLESS THAT TRAILER IS ONE OF THE REGISTERED VEHICLES PERMITTED UNDER THE ALLOTMENT OF ONE VEHICLE PER BEDROOM. The motion was duly seconded and carried unanimously. In this manner, if the owner of a two bedroom unit has one passenger vehicle and one trailer properly registered with management, then no monthly fee will be assessed. If that owner purchases a second passenger vehicle, then the \$25 trailer storage fee will apply.

The following rationale was employed for designating and charging fees for trailers:

1. To assure one parking space per bedroom per unit is always available for all current residents, per The Reserve governing documents;
2. This requires limiting the number of trailer spaces available, as an amenity, when the legally registered vehicles assigned to the current resident’s unit exceeds one per bedroom. No more than one trailer per

unit is allowed on The Reserve property and, then, only on a space-available basis and only in designated areas.

3. To provide additional income to the association. The Reserve does not have enough space to provide trailer parking to all units. Trailer parking is a use of the common elements that is currently allowed above and beyond the equitable parking space allotment. Therefore, charging a fee for trailer storage is equitable.

Management will work with legal counsel to get all of the other changes discussed incorporated into the document in a timely manner, then distributed to the membership.

The Board is awaiting the final draft of the Amended & Restated Declaration from legal counsel, Kerry Wallace. A special membership meeting is still targeted for May.

- IX. Other Business. Dan McNeill reported that a local developer approached him recently, expressing his interest in pursuing the development of vacant land on the north side of the property (adjacent to the railroad tracks). After meeting with Dan, the developer withdrew his interest because he did not believe that pursuing it would be economically feasible at this time.

The Board agreed that any discussions regarding any future development at The Reserve would be open, transparent discussions and on the Agenda. No developers have been invited to submit development proposals to the Board at this time.

Dan was directed to contact Eagle River Water & Sanitation District to ask them to paint their building on The Reserve property.

- X. Adjournment. There being no further business to come before the Board, the meeting adjourned at approximately 8:35PM.

Respectfully submitted,

Secretary to the Meeting