

The Reserve on the Eagle River
Board Meeting Minutes
Monday, September 21, 2015, at 6:30 PM
The Reserve Clubhouse

BOARD MEMBERS PRESENT: Scott Ashburn, Jess Frieze, Deb Forsline, Marilee Horan

NOT PRESENT: Peter Lord and Lauren Immel

ALSO PRESENT: Dan McNeill, Managing Agent and Sara Thurston McNeill, Secretary to the Meeting

OTHER MEMBERS PRESENT: Green—Bennett (D-204)

- I. Roll Call. With four of six Board members present, a quorum was established. Jess Frieze welcomed all to the meeting and called it to order shortly after 6:30PM.

- II. Review and Approval of the Minutes of the August 24, 2015, Board of Directors Meeting. These minutes were drafted and circulated to all Board members for review via email. Several changes were incorporated and then they were re-circulated to the Board. There being no further suggested changes, there was a MOTION: TO APPROVE THE MINUTES OF THE AUGUST 24, 2015, BOARD OF DIRECTORS MEETING AS PRESENTED. The motion was seconded and carried unanimously.

- III. Homeowner Forum. The floor was opened to the homeowners that attended to the meeting. Lynn Green-Bennett attended the meeting to comment on what she believes to be unsolicited and malicious gossip within the community. She has heard other homeowners make inappropriate and incorrect assumptions about how the association is being run and would like to see an end to this type of talk. All present agreed; the primary directive of the Board of Directors with the aid of management is to enhance the community and property values at The Reserve.

- IV. Financial Review. Kay Cheney, bookkeeper for the association, prepared the current financial reports (as of August 31, 2015) and Jess Frieze presented them to the Board.

According to the Balance Sheet, the association has \$13,542.32 in the regular checking account and \$140,130.42 in the liquid asset replacement account. The balance on the roof loan to Guerrero's Roofing is \$33,513.

The Profit and Loss Statement reveals that the association has total income of \$267,098 through August 31, 2015. Operating Expenses for the first eight months of the year total \$282,851. This compares with budgeted expenses of \$295,728 therefore the association is \$12,877 under budget. Cost overruns have been experienced in the Land Design, Insurance Claims, Snow Plow, Snow Roof, Paint Hallways, Common Repair and Maintenance (due to lighting baluster replacement) Water & Sewer and Common Electric line items. Savings have been garnered in the Lawn Care, Irrigation, Tree Spraying, Fire/Life/Safety, Accounting, Legal, Office Expense/Board Meetings, Trash Removal, Plumbing, Paint Buildings, Siding Replacement & Repair and General Common Improvements Line items.

The 2015 beginning balance in the Replacement Reserve Account was \$92,468.26. Current year funding through Replacement Reserve Assessments totals \$72,455.04. 2015 Capital Expenditures so far total \$53,979.61, \$40,000 of which is for the roofing contract loan payback to Guerrero's Roofing at the rate of \$5,000.00 per month. The other capital expenses include alarm panel work (\$4514), Governing Documents Revision work (\$1457), pool drain work (\$2351), work on the gravel walkways (\$1626) and tree removal (\$4032). The balance in the Replacement Reserve Account as of August 31, 2015, is \$110,943.69.

Accounts receivable totals \$24,265.16, the vast majority of which represents the current month's billing of \$19,736.13. Accounts over 90 days past due total <\$2365.10>.

V. Manager's Report. Dan McNeill distributed Mike Skellion's maintenance report to the Board prior to the meeting, highlighting the following:

- Bridge work including the expansion joint replacement and bridge railing painting is now complete; the sealing of the concrete will be done in 2016.
- There are some lingering smells from the hallway painting in Buildings D and F and management is following up with the painting contractor
- The exterior painting of Buildings M, P and Q is now complete, including partial siding replacement
- Gutter, downspout and heat tapes additions on Buildings P and Q are scheduled, along with correcting the heat tape on Building K
- All hoses will be removed from outside spigots
- Concrete walkway work is scheduled for early October
- Covers for the four new gas meters at Building I will be installed before winter

- Mike recommends moving forward with the replacement of a variable speed circulation pool pump using Viking as the contractor; there was consensus to do so.
- The Clubhouse plumbing is currently clear and working condition; the sump pump had tripped a breaker. Mike will continue to monitor.

Dan recommended moving forward with preventative drain line clean outs in the problem units before the cold weather sets in. There was consensus to move forward with this program using PSI. Eagle River Water & Sanitation District will be notified when this work is in process so that they can monitor the condition of the main sewer lines.

The new gas line to Building I is connected. Source Gas had damaged an irrigation line during the project, but it has been fixed and Source Gas will pay for its repair.

Management will conduct a roof inspection on each building in conjunction with chimney inspections. Any damaged shingles will be replaced. Dan has spoken with George Guerrero regarding the Snow Cap Report; he will watch for leaks at the identified problem areas where flashing may be insufficient. The warranties on the new roofs will expire over the next two years.

The newly painted parking lines have helped to ease parking congestion in front of several buildings.

VI. Committee Reports. Management presented two proposals for a professional Reserve Study to the Board. One is from Rick Agett of Agett Construction Consulting and the other is from Bourne Consulting. A third proposal from Rich Boone of Construction Support will be forthcoming. Once all of the proposals have been reviewed, a decision will be made via email.

Of the two proposals garnered so far, the Board seemed to favor Rick Agett's comprehensive approach (Option A), which includes an Executive Summary describing the property and the different sections of the Reserve Study, a Component Description List and a Reserve Study Spreadsheet.

Deb Forsline reported that the Governing Documents Revision Committee is still waiting on the first draft of the Amended and Restated Declaration to be completed and delivered by legal counsel. Deb commented that she would like to see all of the Responsible Governance Policies, including the three newly adopted ones and the others that were adopted in 2009 reviewed by legal counsel to ensure compliance with the new Declaration. Furthermore, she recommends that the Conflicts of Interest Policy be redrafted to be more comprehensive as well as conforming to the Colorado Non-Profit Act and the Colorado Common Interest Ownership Act.

VII. Other Business. Marilee offered to do regular checks of the pool's operating equipment throughout the winter months. Although the pool is closed for use by residents, the pump must remain in working condition all winter. Mike Skellion will meet on site with Marilee to review the system with her.

Jess has collected three irrigation system design proposals for the Board's review, including one from Grand Junction Pipe and Supply, one from Higher Ground Designs and a third from J Thomas. The Board directed Jess to contact Grand Junction Pipe and Supply and schedule a walk through of the property this fall. If all goes as planned, the Board will enter into a contract for the design before the end of this year so that the design work can be executed over the winter. Then the process of getting bids for the new irrigation system will begin.

Jess commented that there is nothing new to report on the speed bump lawsuit at this time; a trial date has been set for March 2016.

Management was directed to contact all owners by October 1st to determine who is interested in running for any vacancies on the Board of Directors. Lauren Immel's and Scott Ashburn's terms expire so two seats will be up for election at the Annual Meeting Tuesday December 1st. All interested candidates will be asked to submit a brief "bio" to management along with their intention to run for a seat on the Board. Management will then distribute a Ballot along with the Annual Meeting Notice on November 1st. Other, special presentations at this year's annual meeting will come from the chosen capital reserve specialist and from Kerry Wallace, legal counsel.

VIII. Adjournment. There being no further business to come before the Board, the meeting adjourned at approximately 7:45PM.

Respectfully submitted,

Secretary to the Meeting