

The Reserve on the Eagle River
Board Meeting Minutes
Monday, October 17, 2016, at 6:30 PM
The Reserve Clubhouse

BOARD MEMBERS PRESENT: Andrew Abraham, Deb Forsline, Linda Guerrette, Marilee Horan and Brian Woodell

NOT PRESENT: Jess Frieze

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

HOMEOWNERS PRESENT: Sarah J. Pounder (Unit O-201), Matt Dabrant (Unit J-201), Omar El-Bitar (Unit H-101), Scott Kirkwood (Unit A-102), Tim Sullivan (Unit Q-103) and Theresa Luling (Unit E-202)

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

- II. Review and Approval of the Minutes of the September 19, 2016, 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 changes were then incorporated and the minutes were recirculated. There being no further suggested changes, there was a MOTION: TO APPROVE THE MINUTES OF THE SEPTEMBER 19, 2016, BOARD OF DIRECTORS MEETING AS PRESENTED. The motion was seconded and approved unanimously.

- III. Homeowner Forum. All of the homeowners who attended the meeting came to comment on the revised parking rules and regulations that were distributed after the September Board Meeting. Many present felt that it was unfair that they purchased their home at The Reserve with the understanding that up to four parking spots would be available to them. The revised rules permit one parking spot per bedroom (2 spots for a two bedroom unit and 3 spots for a three bedroom unit).

After the homeowners' comments were made, Deb Forsline responded that the Declaration that is currently in place provide for two parking spots per unit (regardless of the size of the unit), and that these spots are for residential use only. Therefore, the association has not been operating according to existing governing

documents for quite some time. Furthermore, while it has been a benefit to some residents to have free trailer / storage parking and commercial vehicle parking, this is a below market amenity that is not available elsewhere in the area. Since The Reserve is not large enough to provide 131 trailer / storage spots, the new parking rules are designed to equitably allocate parking for all residents. If the association amends its Declaration to provide for one spot per bedroom, then 280 spots will have to be provided. This will be a challenge given the current configuration of asphalt.

In the spirit of compromise, the Board intends to work with owners who apply for a variance to the revised parking rules. Over the next several weeks, management will oversee the re-registration of all vehicles at The Reserve and distribute new parking passes. All trailers will need to be moved to designated areas. Parking lot striping will occur in the spring of 2017. At this time, the Board will also consider assigning one spot per unit in front of that unit's building.

One owner suggested that trailer parking could occur on gravel- or dirt-surfaced areas, whereby freeing up more asphalt for passenger vehicle parking.

Another owner asked why the Board did not consider taking a loan to pay for the Irrigation System Replacement Project instead of special assessing the owners. Dan referred to the Reserve Study, noting that there are many capital projects facing the association in the coming years and that it was the best interest of all of the owners not to have to pay interest for funds borrowed to pay for those projects. That owner then asked if there any future special assessments planned. Dan responded that the Irrigation System Replacement Project special assessment is the only one planned at this time. It is the intention of the current Board of Directors to avoid special assessments whenever possible and to incrementally contribute to reserves through regular dues.

Lastly, one owner expressed his concern regarding nightly rentals that are advertised on Air-b-n-b and other similar websites. Some advertising states that a home can sleep up to eight people, yet there clearly is not enough parking available if all or most of the guests need to park a vehicle during their stay. Deb responded that the way the Board is currently addressing nightly rentals is by placing limitations on the parking rules.

The Board thanked all of the homeowners present for their participation in the above discussions.

- IV. Financial Review. Kay Cheney, bookkeeper for the association, prepared the current financial reports (as of September 30, 2016) and Dan McNeill presented them to the Board.

According to the Balance Sheet, the association currently has \$75,096.84 in the regular checking account and \$74,859.36 in the liquid asset replacement account. Accounts Receivable as of October 7, 2016, was <\$5878.34> (over 90 days: <\$7940.92>). Management has sent email reminders to four owners who are in arrears. Kay Cheney reported that many homeowners have paid (or are making payments on) their special assessment even though it is not due until October 31st.

The Profit and Loss Statement reveals that the association has operating expenses of \$331,743 for the first nine months of the year. This compares with budgeted expenses of \$340,251. Common Repair & Maintenance is \$1285 over budget; none of the \$7000 contingency (General Common Improvements) has been expensed yet. All other line items are under or very close to budgeted amounts.

The 2016 beginning balance in the Replacement Reserve Account was \$107,305.28. Funding totals \$57,240 (through September, 2016) and 2016 capital expenses total \$66,950.58 and includes \$13,513 to Guerrero's Roofing, \$2234.70 for smoke detector replacement, \$1193.76 for the new Knox Box, \$446.28 for wiring for new heat tapes, \$3668 to Goodman Wallace for work on the Governing Documents Revision Project, \$3200 for the professional Reserve Study, \$1705 for the replacement of a deck support post on Building G, \$2359.50 for the replacement of a deck support post on Building N, \$10,955 for new gutters, \$522.50 for deck post inspections, \$12,000 for new asphalt sidewalks, \$4048.47 for sealing of the concrete surface of the bridge and \$5440 for the irrigation system design. The ending balance in the Replacement Reserve Account is \$97,594.70.

Dan noted that there is an additional \$68,650.33 in working capital reserves. According to the Reserve Study, the association will end 2016 at a low point in reserves and the WCR may be needed as a "buffer" to pay for capital expenses. Reserves will be built back up incrementally through regular dues and the second payment of the Irrigation System Replacement Project special assessment.

A preliminary proposed 2017 Operating Budget was given to each Board member. Dan asked that they review the proposed budget, send any questions and/or changes back to him and Kay Cheney, and come to the November Board Meeting ready to approve a budget for the coming year. It will be sent to all owners with the Annual Meeting email reminder and be distributed to the membership at the Annual Meeting on December 1st.

- V. Manager's Report. Dan distributed the updated 2016 Projects List to all present, noting that the list (compiled during the Spring Walk Through) is now substantially complete.

He presented a snow removal contract from Premier Landscaping, noting that they have been the contractor for the past two winter seasons and would like to

provide snow removal services for the coming winter at no increase in cost over last season (\$10,500). Several other proposals were garnered and all were about 30% higher in price. After brief discussion, there was a MOTION: TO APPROVE THE PREMIER LANDSCAPING SNOW REMOVAL CONTRACT FOR THE 2016-2017 WINTER SEASON. The motion was duly seconded and carried unanimously. Management will meet with Premier to ensure they know where the designated trailer parking areas will be.

Dan reported that the exterior painting of Buildings D, G and N (and related siding and trim replacement) is now complete; the punch-list of items is also complete. The first phase of the Irrigation System Replacement Project is now complete. Gravel will be placed on the path behind Buildings A-B-C prior to winter.

A brief review of the Reserve Study notes that capital projects slated for 2017 includes Phase II of the Irrigation System Replacement Project, installation of the entryway garden around Building D, landscaping lighting replacement, wood support post replacement and hallway carpeting replacement in some of the buildings. Deb requested that parking lot lighting (in the back lots) be added to the Reserve Study. Dan noted that the Study calls for a 10% annual increase in the reserve contribution from regular dues for the next five years; after that time the reserve contribution will most likely stabilize.

Linda Guerrette suggested that management oversee a project whereby the limited common storage closets in Buildings D, F, G, I, K and L are unlocked. Residents will be asked to identify any personal items that they currently have stored in these closets by a certain date. Management will then clean out and dispose of any items that are not clearly labeled.

VI. Rules Work Session. Deb Forsline led the discussion regarding Article IV of the proposed Amended & Restated Declaration. This is the section of the document that places limitations on use. Topics discussed included:

- Restricting overnight camping
- Providing for possible future construction of garages
- What is permitted / not permitted on decks
- Rentals
- Limited common storage closets

Several changes will be incorporated into the red-lined version of the A&R Declaration; Deb will send these to Kerry Wallace, legal counsel.

The Board then discussed the amended Parking Rules. This document was sent to all owners for a 15-day comment period and many comments were returned. The Board has had a chance to review and consider all of the comments; Deb Forsline distributed a summary of all of the comments to the Board prior to the meeting.

As stated previously, the Board will consider granting variances to owners who apply for a variance to the new rules; their intention is not to create hardship for owners but to equitably provide use of the common elements. Monthly fees for trailer parking have not yet been established, but the Board would like to be able to do so at some point in the future. One Board member asked that a legal opinion be garnered to determine whether the association can charge for trailer parking if the trailer is parked in one of the two spots allotted to the unit's resident.

Several modifications to the amended Parking Rules were incorporated and management was directed to re-distribute the document, along with a cover letter from Deb Forsline, President to all owners for another 15-day comment period. Management will also distribute both documents door-to-door to ensure that renters have the same information.

- VII. Committee Reports. Chris Dudar, chairperson of the Garage Feasibility Committee could not be present at the meeting, but he distributed some information to the Board via email prior to the meeting. Notably, Liftside Condominiums in Avon is undergoing the construction of garages in 2017. Chris has the information that Liftside management has disseminated to its owners and plans to modify the materials for distribution to The Reserve membership. Prior to sending out any survey, the Board will review it and approve it.
- VIII. Adjournment. There being no further business to come before the Board, the meeting adjourned at approximately 8:45PM.

Respectfully submitted,

Secretary to the Meeting