

The Reserve on the Eagle River
Board Meeting Minutes
Monday, October 19, 2015, at 6:30 PM
The Reserve Clubhouse

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

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

OTHER MEMBERS PRESENT: Abraham (F-201), Cummings (O-103), Dowling (D-201), Green—Bennett (D-204), Ferrari (F-202), Ferraro (E-102), Guerrette (I-203), Misner (N-203), Wodlinger (C-101) and Woodell (C-302)

- I. Roll Call. With all of the current Board members present, a quorum was established. Jess Frieze welcomed all to the meeting and called it to order shortly after 6:30PM. Marilee Horan opened the meeting with the sad news of Peter Lord's recent passing. Marilee was in close contact with Peter during his final days, and he conveyed his wish to her for the Board of Directors' size to be reduced to five upon his passing.

- II. Review and Approval of the Minutes of the September 21, 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 SEPTEMBER 21, 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. Many homeowners present had questions and comments regarding the size of the Board of Directors. Marilee Horan put forth a MOTION: TO REDUCE THE SIZE OF THE BOARD OF DIRECTORS FROM SIX TO FIVE. The motion was seconded and lengthy discussion ensued. It was duly noted that the current Bylaws allow for between three and nine members. Comments from the meeting's attendees included:
 - The Board should consist of an odd number of people for voting purposes

- Five homeowners have submitted their names for consideration on the ballot for the Annual Meeting: Andrew Abraham, Scott Ashburn, Linda Guerrette, Jim Little and Brian Woodell
- Several owners and two Board members suggested that the Board increase its size to seven to accommodate the large field of candidates seeking election
- Many present at the meeting felt that by increasing the size of the Board, a broader degree of the membership's interests could be represented

A vote was taken: three Directors voted FOR the motion, two Directors voted AGAINST the motion. The motion passed, effectively reducing the size of the Board of Directors to five.

NOTATIONS INTO MINUTES – ACTION TAKEN OUTSIDE OF A MEETING: On Wednesday, October 21, 2015, at 1:21, Jess Frieze initiated email correspondence to the Board with the following MOTION: THE SIZE OF THE BOARD OF DIRECTORS SHALL BE INCREASED FROM FIVE TO EIGHT. Deb Forsline seconded the motion. A vote by email resulted in three Directors voting FOR the motion and two Directors voting AGAINST the motion. The motion passed. There will therefore be up to five seats available in the upcoming election.

After the Board was reduced to five members, Deb put forth a MOTION: TO APPOINT ANDREW ABRAHAM TO FILL PETER'S SEAT ON THE BOARD. Scott Ashburn seconded the motion. Since the size of the Board had already been reduced to five, the motion was invalidated.

In an effort to appease those who favored adding Andrew to the Board, Lauren offered to resign to allow Andrew the opportunity to accept an appointment to the Board. Andrew questioned what the advantages to serving out the remainder of Lauren's term (which expires at the Annual Meeting) would be. At that point Lauren notified the Board that she would decide when the effective date of her resignation would be. In an email dated October 21st, Lauren withdrew her offer to resign, effectively eliminating the ability of the Board to appoint Andrew Abraham to fill out the remainder of her term.

Jess reported that a memorial fund will be set up at FirstBank for any homeowners that wish to make a donation in the memory of Peter Lord for a memorial bench by the river at The Reserve. Peter's obituary will be included in the fall edition of the newsletter.

- IV. Financial Review. Kay Cheney, bookkeeper for the association, prepared the current financial reports (as of September 30, 2015) and Jess Frieze presented them to the Board.

According to the Balance Sheet, the association has \$46,920.63 in the regular checking account and \$119,198.31 in the liquid asset replacement account. The balance on the roof loan to Guerrero's Roofing is \$28,513.

The Profit and Loss Statement reveals that the association has total income of \$300,680 through September 30, 2015. Operating Expenses for the first nine months of the year total \$330,416. This compares with budgeted expenses of \$322,636 therefore the association is \$8259 over budget. Cost overruns have been experienced in the Land Design, Insurance Claims, Snow Plow, Snow Roof, Paint Hallways, Common Repair and Maintenance, 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 (although drain clean outs still need to be completed and expensed), 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 \$81,511.92. 2015 Capital Expenditures so far total \$62,208.96, \$45,000 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), bridge work (\$3229), lighting repairs (\$1751) and tree removal (\$4032). The balance in the Replacement Reserve Account as of September 30, 2015, is \$111,771.22.

Accounts receivable totals \$16,067.80, the vast majority of which represents the current month's billing of \$14,796.72. Accounts over 90 days past due total <\$1,693.25>. Jess reported that one delinquent account over 90 days past due is being turned over to legal counsel for collections.

The Board reviewed the proposed 2016 Operating Budget. Dan distributed this along with a Budget Explanation Sheet that details the components of each line item. There being no suggested changes, there was a MOTION: TO APPROVED THE PROPOSED 2016 BUDGET AS PRESENTED, WITH NO INCREASE IN DUES FOR THE COMING YEAR. The motion was duly seconded and carried unanimously. The 2016 Operating Budget is hereby attached to and incorporated into these minutes.

V. Manager's Report. Dan McNeill touched on the following recent maintenance activities:

- The updated 2015 Projects List is now substantially complete; all of the items were not able to be addressed within current budget constraints, but those projects that were prioritized are now done.

- A new speed limit sign and private property sign will be installed on the north end of the bridge
- Chimney inspections are now complete; those that needed cleaning were done and the owners will be billed back for this expense
- Roof inspections were done during the chimney inspections; several repairs were done by Guerrero's Roofing in a responsive manner
- Leaf sweeping will occur in the next week or so when the majority of leaves have fallen
- Concrete walkway work is still scheduled to occur this month, weather permitting
- Gutters and heat tapes are to be installed this month on Buildings Q and P; some new gutters and downspouts will be added to Buildings A, B and C
- The irrigation system is blown out
- Four trailers and two vehicles were identified as not in compliance with parking regulations
- A recent leak from an upstairs unit in Building M caused over \$2800 in damage, including moisture and spore remediation and the replacement of the upper cabinetry in the kitchen. Storm sewer drain clean out is now complete

Dan was asked to follow up on the lingering smells from the hallway painting in Buildings D.

Dan presented three comparable proposals for irrigation system design to the Board. There was a MOTION: TO APPROVE THE GRAND JUNCTION PIPE AND SUPPLY PROPOSAL AT A COST OF \$4640. The motion was seconded and discussion followed. Scott questioned the need to pay for construction drawings before all of the bids were garnered since there will likely be changes to the final plans after the field work is completed. His comments were taken under advisement. A vote was taken and the motion carried unanimously.

VI. Committee Reports. Management presented three proposals for a professional Reserve Study to the Board. One is from Rick Agett of Agett Construction Consulting (\$3200), the second is from Bourne Consulting (\$3400) and the third is from Reserve Advisors (\$4950). The Board had a chance to review all of these proposals in detail prior to the meeting; there was a MOTION: TO AWARD THE RESERVE STUDY CONTRACT TO RICK AGETT. The motion was seconded and approved unanimously. Rick plans to make a presentation to the membership at the upcoming annual meeting.

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. Kerry Wallace did compile the Annual Meeting Packet for distribution to the membership with the Annual Meeting Notice (to be mailed to all owners on or around November 1, 2015). The Packet

includes a Proxy and Ballot for the adoption of CCIOA. A copy of the Act is now posted on the website under Governing Documents.

VII. Other Business. Five owners have returned brief biographies and their intention to run for any open seats on the Board of Directors. As of the date of this meeting, two seats are expiring: Scott Ashburn's and Lauren Immel's. Lauren has decided not to seek re-election; Scott is running as an incumbent.

VIII. Adjournment. There being no further business to come before the Board, the meeting adjourned at approximately 7:52PM.

Respectfully submitted,

Secretary to the Meeting