

The Reserve on the Eagle River  
Board Meeting Minutes  
Monday, October 20, 2014, at 6:30 PM  
The Reserve Clubhouse

BOARD MEMBERS PRESENT: Jess Frieze, Tim Sullivan, Lauren Immel and Scott Ashburn

BOARD MEMBERS NOT PRESENT: Marilee Horan, Janet El-Bitar and Matt Lydens

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

OTHER MEMBERS PRESENT: Terazzas (B-103), Woodell (C-302) and Guerrette (I-203),

- I. Roll Call. With four of seven Board members present, a quorum was established. Dan McNeill called the meeting to order shortly after 6:30PM.
  
- II. Minutes of the September 15, 2014, Board Meeting. These minutes were drafted and circulated to all Board members for review via email. There being no suggested changes, there was a MOTION: TO APPROVE THE MINUTES OF THE SEPTEMBER 15, 2014, BOARD OF DIRECTORS MEETING. The motion was seconded and carried unanimously.
  
- III. Homeowner Forum. All homeowners present were given the opportunity to weigh in with opinions regarding recent happenings and address the Board and management with questions. Discussion included the following:
  - Ruth Terazzas attended the meeting to voice her concern with the parking situation in front of her building. She comes home late at night from work and wants the ability to park her vehicle in front of Building B. In addition, her husband has two vehicles that need to be kept close to the building (in a well-lit area to prevent potential theft of tools, etc.). Management was directed at the last meeting to ask residents with more than two vehicles to park their “extra” vehicles in one of the back lots. Ruth’s vehicle was tagged with a warning notice. Dan explained why she received the notice. Brian Woodell offered Ruth the ability to use his extra spot in front of his building (C) because he has only one car. Dan explained to Ruth that if she ever has an issue with rules enforcement, to please contact the office directly and voice her concerns for a quick resolution.

- Linda Guerrette voiced concerns about drainage in the parking lot in front of Building D and at the west end of the driveway. Dan will do a site inspection tomorrow and get back to the Board with his recommendations.

IV. Financial Review. Kay Cheney, bookkeeper for the association, prepared the current financial reports (as of September 30, 2014) and Jess Frieze presented them to the Board.

According to the Balance Sheet, the association has \$78,262 in regular checking and \$103,330 in the liquid asset replacement account. The balance on the roof loan to Guerrero's Roofing is \$88,513.

The Profit and Loss Statement reveals that the association has total income of \$299,286 through September 2014; this compares to budgeted income of \$311,020 at this point in the year (the difference is primarily due to \$10,471 in accounts receivable over 90 days). Operating Expenses total \$256,809. This compares with budgeted expenses of \$337,198 at this point in the year; therefore, the association is \$42,477 under budget on Operating Expenses. Scott Ashburn noted that several items still need to be expensed in the operating account, including the balance of the painting / partial siding replacement project, September lawn care billing and tree removal work. Management was directed to ask the accountant for a forecast of the year-end balances in both the operating and reserve accounts for the next Board meeting.

Linda suggested that the tree removal work around the Clubhouse be undertaken in 2014 at an estimated cost of \$4000. After some discussion, there was consensus to table this work until 2015 until all of the invoices can be correctly classified and expensed. In this manner, the Board and management can have a better understanding of exactly what any fiscal year-end operating surplus will be.

The 2014 beginning balance in the Replacement Reserve Account was \$59,688.95. Current year funding totals \$72,551. 2014 Capital Expenditures total \$47,160, the majority of which is for the roofing contract loan payback to Guerrero's Roofing at the rate of \$5,000.00 per month until all the roof work loan is fully paid in 2016. The ending balance in the Replacement Reserve Account as of September 30, 2014, is \$85,078.55.

Dan then presented the proposed 2015 Operating Budget to the Board. No dues increase is planned for the coming year. The Board and management reviewed the proposed budget line item by line item. Dan noted some line items that were broken out into several sub-categories (such as Common Repair & Maintenance and Snow Removal). Historical data from 2011, 2012 and 2013, along with the year-to-date expenses for 2014 were used to come up with realistic anticipated costs for 2015. Management also prepared and distributed a detailed Budget

Explanation Sheet that details the components of each line item. This will be given to all owners at the upcoming Annual Meeting, along with a Dues Comparison that compares the regular month dues at The Reserve (on a price per square foot basis), with other similar homeowner associations.

Dan asked the Board members to review the proposed 2015 Budget and to send him any questions, comments or proposed changes within the next two weeks. Kay Cheney will then prepare the finalized Operating Budget for presentation to the Board at the next Board Meeting (November 17, 2014) for approval. The Budget will be distributed to all owners after Board approval, and presented to the membership at the Annual Meeting on December 1, 2014.

Comments from homeowners included the need to budget for an audit or limited review per the governing documents, and to limit the use of snowmelt or cinders near front entry walkways whenever possible. Care should also be taken to use pet-friendly snow melt products.

- V. Manager's Report. Dan referred to the first draft of the Reserve Spending Plan which still needs to be carefully reviewed by the Capital Spending Committee. Capital Projects that were slated (but not completed) for 2014 included bridge work, pool repairs and interior hallway painting. Dan has garnered one proposal for the interior painting of hallways by the Happy Painter. Specifications identified 20 different hallways that needed to be painted, including one coat of paint on all walls, trim, doors and stair stringers. The cost for 20 hallways would be \$12,900. Ceilings are an additional \$4800.

Detailed discussion about this capital project followed with suggestions to do 27 of the 29 total interior hallways (Building A has recently been completed). The newer buildings have stained handrails that will need some sanding prior to re-staining. Dan was directed to refine the bid specifications to evaluate the hallways and ceilings and make sure the stained hand rails in the newer buildings were included. Dan will to get two more comparable proposals and ask the Happy Painter to revise his quote if necessary.

Guerrero's Roofing has removed the old shingles from the trash enclosure roofs and recovered each roof with a water proof membrane. New shingles are scheduled for installation next week.

The finalized conceptual drawings and bid specifications for each part of the Long Term Landscaping Plan from Ceres Landscaping are still pending.

The jetting of 17 different unit's drain lines (both kitchen and laundry facilities) has been completed by PSI. Based upon PSI's reports, management compiled a memo to all owners regarding Sewage Lines and Plumbing Protocol. The memo was reviewed by those present at the meeting, and a few changes were suggested.

All owners will be advised to contact management IMMEDIATELY if slow drainage is detected or unpleasant smells come from their drains. If an owner or tenant contacts a plumbing company directly, they will be responsible for paying that plumber. By working through management, the association can more cost-effectively deal with slow or clogged drains. Annual jetting will be done on all problem drains and has been included in the proposed operating budget.

Dan distributed a revised owner information spreadsheet to those present, highlighting those owners who are now fully registered with management. About 20 owners still have not returned their information sheets. Linda offered to work with Jennie Lewis of MPM to try to identify the owners of the trailers in the back parking lots. It was brought up that some renters had dogs and there were some violations of the smoking rules. Dan requested that violations of the Reserve rules be brought to his attention and he would deal with them.

The fall newsletter was distributed by email to all owners and posted to the website. The Risk Management Checklist will be distributed next month.

- VI. Other Business. One owner recently asked the Board to consider revising the Clubhouse Rental Policy and rate, noting that the current rental rate of \$200 is too high for many owners to pay. The WECMRD Field House rental rate is lower (and includes activities), and it was mentioned that the Clubhouse is an amenity that is provided for owners' use and enjoyment; it should not be a money raising source for the association. Rather, the association should be able to cover its cost for the use of each rental. After further discussion, there was a MOTION: TO REDUCE THE RENTAL RATE FOR THE CLUBHOUSE TO \$100 PER EVENT, AND TO KEEP THE DEPOSIT THE SAME AT \$350 PER EVENT. The motion was duly seconded and carried unanimously.

A brief discussion was held on the merits of painting the speed bumps. Jess was recently advised by legal counsel that until pending litigation is settled, that the association should hold off on painting them.

- VII. New Business. There was no new business to discuss.

- VIII. Adjournment. There being no further business to come before the Board, the meeting adjourned at approximately 8:10PM.

Respectfully submitted,

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Secretary to the Meeting