

CAUGHLIN RANCH HOMEOWNERS ASSOCIATION
Board of Directors Meeting Minutes
Wednesday, July 26, 2017

Directors Present:

Tony Termini, President
Michele Attaway, Vice President
Al Dennis, Secretary/Treasurer
Vince Ames, Director
Jan Browne, Director
Joan Mullen, Director
Bob Ryan, Director

Others Present:

Lorrie Olson, Community/General Manager
Randy Lisenby, L & M Superintendent
Sandy Wheeler, Bookkeeper/Provisional Manager
Shawn Oliphant, Association Attorney
11 Homeowners

1. Call to Order, Roll Call, and Determination of Quorum:

President Termini called the meeting to order at 5:59 p.m. at 1070 Caughlin Crossing, Reno, NV. A quorum was established with seven (7) of seven (7) Board Members present.

2. Member Comments:

There was none at this time.

3. Minutes:

3.1 Review & approve March 22, 2017 Board of Directors Meeting Minutes

Prepared by Provisional Manager Wheeler, reviewed and edited by GM Olson and Secretary Dennis. Posted to CRHA website prior to 30-day deadline to make minutes available.

Motion: Director Ames moved to approve the May 24, 2017 Board Meeting Minutes with a correction on page 6 by adding an "e" to the end of Director Browne's name; Director Ryan seconded. No further discussion. Motion carried unanimously.

4. Finances:

4.1. Review & accept (un-audited) Financial Reports dated April 30 and May 31, 2017

GM Olson advised that F&B Member Cody Jackson, CPA reviewed both sets of financials and found no material discrepancies. Mr. Jackson will continue to review the monthly financials.

- Secretary/Treasurer Dennis and Mr. Jackson, CPA have been provided a copy of all the bank/investment statements and associated reconciliations along with the supporting financial reports
- The bank statements are being reconciled and the financial reports reviewed and adjusted as-needed on a monthly basis by the GL Accountant to ensure CRHA is reporting on a true accrual accounting basis
- The Board has been provided copies of the GL Balance Sheet by Fund and the Actual vs. Budget Comparison through April 30 and May 31, 2017
- The Association's cash position through May 31st: Operating cash = \$1,197,190
Reserve cash and CD's: Mountainshyre = \$236,020; Caughlin Creek = \$518,274; CRHA = \$703,671;
Grand Total = \$1,457,965. Capital funds set aside to purchase 1070 Caughlin Crossing = \$263,252

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- Through May 31st on an accrual basis, Total Operating Income was \$884,933 after CRHA Reserve and funds to purchase 1070 Caughlin Crossing were transferred; under budget (\$24,257).
- Total Operating Expenses were \$695,151; under budget \$123,424:
Operating Expense = over budget (\$1,241); Payroll = under budget \$66,829;
Repairs and Maintenance = under budget \$9,769; Utilities = under budget \$48,067
- Total Operating Excess Revenue over Expense = \$99,167
- Total Reserve Income was \$99,362; of which Interest = \$5,925. 2017 Budget = \$154,650 for CRHA, \$40,000 for CCRK and \$18,000 for Mountainshyre. Reserve transfers are occurring quarterly except for CRHA at this time. The CRHA contributions are being shown as "Due from Operating" to Reserves on the Balance Sheet. The Building CD does not mature until Oct.; we may need to reallocate that CD if the funds are required sooner to complete the building purchase.
- Total Reserve Expenses were \$38,296; 2017 Reserve Budget = \$332,752. The City of Reno has reimbursed CRHA \$36,000 towards the Crest Park improvements. Those funds were deposited into a CRHA reserve account.

The Board is required to review the Association's financial information in accordance with NRS 116.31083. The Association is following paragraph (b) of subsection 2 of NRS 116.3115, and confirms that reserve funds have not been used for daily maintenance.

Motion: Vice President Attaway moved to accept the un-audited financial reports dated April 30 and May 31, 2017 as presented; Director Ames seconded. No further discussion. Motion carried unanimously.

4.2. Approve Bad Debt write-off amount due to foreclosures: None at this time.

4.3. Approve increase in Bank of America Business Credit Card limit

GM Olson advised that the credit card has a total limit of \$5,000; Lorrie's authorized to use \$3,500 and Randy's authorized to use \$1,500. When Gloria attempted to make a regular payment recently, she was advised they will no longer be accepting payments at the bank counter. A couple of companies L&M Superintendent Lisenby uses only take credit cards. The \$5,000 limit which is not always enough. There have been times when we have reached our limit, then Sandy collects invoices and cuts an interim check, then we rush it to the bank so we can use the card. That may no longer work. GM Olson believes a \$2,500 increase should suffice.

Attorney Oliphant inquired if it would be necessary to increase GM Olson's purchase power from \$5,000 based on requesting a credit limit of \$7,500.

GM Olson advised that it will be Randy's limit that will be raised and hers will stay at \$3,500 for any one item. All purchases are for approved budget items only and any others will require Board approval.

Motion: Secretary/Treasurer Dennis moved to approve the increase of the Bank of America Business Credit Card limit to a total of \$7,500.00 as presented; Director Ames seconded. No further discussion. Motion carried unanimously.

5. Reports & Updates:

5.1. Finance & Budget Committee (F&B)

GM Olson advised that the F&B met yesterday (July 25th) to review the 1st Draft of the proposed 2018 Budget GM Olson prepared as well as review the reserve study updates, etc. At this time, they are reviewing a total of 5 reserve studies, the 2 additional are for the building and the Pine Bluff subdivision.

5.2. Landscaping, Irrigation/Conservation & Maintenance

Superintendent Lisenby advised that the main objective at this time is defensible space. There are 2 fulltime crews dedicated to only defensible space clean-up. The crews have been filling 4 to 5, 30-yard dumpsters each week.

Superintendent Lisenby also advised the following updates:

- Summer flowers have been installed
- Pruning shrubs in progress
- Re-built 2 walking bridges
- Fertilization has been completed
- Mowing is being completed on a regular basis
- Defensible space is on-going
- Irrigation system; repairs have been made and pumps are on-line and running
- Flood clean-up:
 - River Run clean-up has been completed
 - Water is under control and filling the ponds
 - Pipes have been cleaned out
 - Pond work is underway
- Posted signs:
 - 2 speed limit signs in Caughlin Creek
 - 3 ESI signs throughout the community

Secretary/Treasurer Dennis asked who is responsible for pruning trees from traffic/street signs.

Superintendent Lisenby advised that any trees that are located on CRHA common area will be taken care of by CRHA staff. Trees that are on privately owned parcels are the responsibility of that specific homeowner to prune so that the signs are clearly visible.

5.3. Architectural Control Committee (ACC)

Secretary/Treasurer Dennis advised that the number of submissions are increasing now that the warm weather is here. The ACC is scheduled to meet next on July 27th. From 05/01 thru 06/30; 63 projects were submitted and reviewed; 5 were declined, 1 needed more information, 56 were approved with conditions, and one was deemed outside the ACC's jurisdiction.

5.4. Community Events

Vice President Attaway advised that the committee will be looking at extending the concert season either into August or starting earlier. Artown does not give CRHA any money to cover the cost of the bands but we are included in all of their advertisements. We pay bands between \$500 to \$1,500 depending on the band. Lisa did work with Dickson Realty to sponsor the concerts to assist in the cost for of the bands in exchange for a banner to be displayed during the concerts. We will be looking to do more of this type of cost sharing/sponsorships.

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The following is the 2017 Events Schedule dates:

- Concerts in the Village Green Park: Last event is Sunday, July 30th
- Annual Budget Review meeting and CRHA Town Hall Meeting regarding purchase of the 1070 Caughlin Crossing building will be on August 21st
- 7th Annual BBQ at the Caughlin Club: September 10th
- Cross Peak Hike: meet behind the Caughlin Club: September 16th
- Bird watching: October 7th 8:00 a.m. to 10:00 a.m.
- Garage Sales: individual lots: October 7th & 8th
- Angel Tree for Children and Seniors Citizens: November 1st – 30th
- Holiday Share Your Wine at Moana Nursery: November 9th
- Annual Members Budget Ratification and Election Meeting: November 15th

5.5. General Manager Report; GM Olson

GM Olson advised that CRHA is required to provide a periodic update regarding all possible/pending litigation, therefore she read into the minutes the updated statement dated July 5, 2017; a copy is attached to these minutes.

GM Olson provided the following updates:

- Received \$36,000.00 refund from City of Reno for the Crest Park improvements
- ESI signs have been installed throughout the community
- Provided the Board with a copy of an article regarding the “Waters of the US” rule that may affect CRHA as Alum Creek falls under this category
- Contacted RGJ regarding Waste Management’s failure to supply animal-resistant trash containers to CRHA’s Washoe County residents
- Working with the Cottages owners whose fences back up to Caughlin Pkwy. and Caughlin Crossing to arrange for the outside of the backyard fences to be painted as well as repaired where needed. We will also be having a Town Hall meeting in August to discuss this with the Cottages homeowners.
- Coffee with the Manager: August 8th at 5:00 p.m.
- Homeowner Orientation: August 10th at 4:00 p.m.; future meetings will be held at 5:00 p.m.
- Backhoe owner has asked for another invoice for the storage of the backhoe in our parking lot

6. New Business:

6.1. Ratify cost to add additional lighting to Village Green Park Amphitheater:

GM Olson advised that additional lighting was installed to assist with the performers being able to see their sheet music at dusk. She also shared that the amphitheater was painted and the crews did a thorough job of cleaning up the park in preparation for the concerts.

Vice President Attaway advised that even with the additional lighting, there is a need for more lighting. It may be necessary to meet after dark to determine exactly how much more lighting is necessary. GM Olson agreed that they should meet this coming fall when it gets darker sooner.

Motion: Director Ames moved to ratify the cost to add additional lighting to the Village Green Park Amphitheater as presented; Director Browne seconded. Motion carried unanimously.

6.2. Approve cost to extend Landscape Services (General) Liability Insurance coverage from 08/26 to 11/01: GM Olson advised the insurance carrier required payment in the amount of 6 months’ premium to extend the policy to 11/1; her recommendation was not to extend the policy by 36 days. She asked our insurance broker to obtain a quote from a different carrier. **No action was taken.**

6.3. Approve cost to extend Management Services (Professional) Liability Insurance coverage from 10/01 to 11/01: GM Olson estimated the additional cost at \$120.

Motion: Vice President Attaway moved to approve extending Management Services (Professional) Liability Insurance coverage from 10/1 to 11/1 for a cost of \$122.00 as presented; Director Ames seconded. No further discussion. Motion carried unanimously.

6.4. Approve renewal of Eaglesnest Landscape Services Agreement thru 07/31/18:

GM Olson advised that this is a one-year contract and the Eaglesnest HOA Board of Directors are very satisfied with the service Randy and the crew are providing. Eaglesnest approved the contract at their July meeting.

Motion: Director Mullen moved to approve renewal of the Eaglesnest Landscape Services Agreement thru 7/31/2018 as presented; Director Ryan seconded. No further discussion. Motion carried unanimously.

6.5. Approve Revised Guidelines for Use & Disposal of Company Owned Vehicles:

GM Olson advised that it was necessary to update this policy to add disposal language; Attorney Oliphant added item 5 based on recent legislative changes. This includes equipment as well as vehicles and how to obtain competitive pricing when disposing of such items.

Motion: Director Ames moved to approve the Revised Guidelines for Use & Disposal of Company Owned Vehicles as presented; Vice President Attaway seconded. No further discussion. Motion carried unanimously.

6.6. Approve sign replacements, repairs and upgrades; approve final design of CRHA entry monument wall:

GM Olson advised that several monument signs are in need of repair and/or replacement. For example, the Juniper Trails sign has met its life expectancy and requires replacement. The following is a breakdown of the various signs that will be replaced or repaired:

- Juniper Trails sign cost to replace will be \$3,995; 2017 reserve budgeted price was \$3,544.
- Creek Ridge signs cost to repair will be \$3,800 each; 2017 reserve budgeted price was \$3,544 each.
- Evergreen sign to be repainted and the letter "r" replaced for a cost of \$620.00.

GM Olson advised that more signs will be considered at the September meeting.

Vice President Attaway asked if the entry wall at lower CRHA will be the style of the sample that was provided. GM Olson confirmed it will be.

Motion: Secretary/Treasurer Dennis moved to approve the sign replacements, repairs and upgrades including the final design of the CRHA entry monument wall as presented; Director Browne seconded. Motion carried unanimously.

6.7. Approve Reserve Fund Policy:

This item was tabled to a future meeting.

6.8. Approve Drafts of 2017 Reserve Study Updates (3):

This item was tabled to a future meeting.

6.9. Open sealed bids and approve 2017 Phase II Asphalt Patching and Sealing Project:

Project Engineer Seth Padovan advised that the work to be completed is for the pathways and Mountainshyre roads. Bids were solicited from the only 2 local companies who provide this service.

Vice President Attaway asked about a section of path that did not weather well. Seth confirmed that there is a section of between 300 to 400 feet of asphalt path that was damaged due to the flooding that occurred over the winter. The water was mixed with rocks and dirt that scoured the path and caused the damage. The path is included in the 2017 repairs.

Director Ames asked what was the optimum time to apply the product. Seth advised August/September is best because the temperatures are still warm but not so hot as to cause an issue with the time necessary to cure the slurry seal.

Director Ames expressed that perhaps the work that was done last year in Caughlin Creek on the streets had a defect due to the product not adhering well. GM Olson clarified it is normal for the product to produce pebbles. Seth advised that that was a natural occurrence of the product and that it will shed for 6 to 12 months after it is applied.

Director Ames also inquired about the life expectancy of the product. Seth advised that Type 2 slurry seal lasts between 5 to 6 years versus a seal coat that lasts only about 3 years.

Director Browne suggested that an article be included in the Rancher that provides an explanation of the product.

The sealed bids were obtained from Intermountain and Sierra Nevada Construction (SNC) the costs were as follows:

Intermountain total \$163,456.83

SNC total \$140,212.10

Motion: Director Ames moved to approve SNC's proposal for the 2017 Phase II Asphalt Patching and Sealing Project in the amount of \$140,212.10 as presented; Director Ryan seconded. No further discussion. Motion carried unanimously.

7. Member Comments:

A homeowner questioned what the exposure/liability could be for each owner regarding the current litigation cases.

Attorney Oliphant advised that CRHA filed a claim with the insurance company who has provided legal counsel to represent CRHA. CRHA paid the deductible of \$15,000 to the attorney assigned by the insurance company to represent CRHA. There will not be any further financial obligation or payout by CRHA.

A homeowner shared that the curbing in Caughlin Glen was recently painted red and that someone has now painted over a section of the curbing with white paint. She wanted to know if that is in the purview of the Association or is it a City matter.

GM Olson advised that CRHA has contacted the City of Reno and advised them that someone painted the red curb white and has requested it to be repainted red. At this time, we do not know what the outcome will be.

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8. Announce Future 2017 Meeting Dates & Adjourn:

**Monday, August 21st: Board Agenda Workshop at 4:00 p.m. to review Proposed 2018 Budget;
CRHA Town Hall Meeting at 6:00 p.m. regarding purchase of 1070 Caughlin Crossing.**

Motion: Director Ames moved to adjourn the meeting at 6:45 p.m.; Director Ryan seconded.

Motion carried unanimously.

Approved at a duly noticed Board of Directors Meeting on September 27, 2017.

 9/28/17

Al Dennis, Secretary/Treasurer Board of Directors
Caughlin Ranch Homeowners Association