

CAUGHLIN RANCH HOMEOWNERS ASSOCIATION
Board of Directors Meeting Minutes
1070 Caughlin Crossing, Reno, NV
Wednesday, July 25, 2018

Board Members Present:

Al Dennis, President
Michele Attaway, Vice President
Tony Termini, Secretary
Vince Ames, Treasurer
Joan Mullen, Director
Mike Chern, Director

Others Present:

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

Board Members Absent: Drew Naccarato, Director

1. Call to Order and Determination of Quorum:

President Dennis called the meeting to order at 6:08 p.m. A quorum was established with six (6) Board Members present.

2. Member Comments: There were none.

3. Minutes:

3.1. Review & approve May 23, 2018 Board of Directors Meeting Minutes

Motion: Secretary Termini moved to approve the May 23, 2018 meeting minutes as presented; Director Mullen seconded. Motion carried unanimously.

4. Financial Matters:

4.1. Review & accept Unaudited Financial Reports as of April 30, May 31, and June 30, 2018
Treasurer Ames and F&B Member Cody 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 monthly 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 Statement of Revenues and Expenses as of April 30, May 31, and June 30, 2018
- The Association's cash position through June 30th: Operating cash = \$1,215,886
Reserve cash and CD's: Mountainshyre = \$230,259; Caughlin Creek = \$566,659; CRHA = \$630,127;
Grand Total = \$1,427,045
- Through June 30th on an accrual basis, Total (Operating) Income was \$1,138,505; over budget \$12,871. At this time, all reserve transfers are being deposited on a quarterly basis
- Total (Operating) Expense was \$1,015,335; under budget \$12,944:
Operating Expense = over budget (\$15,277); Payroll = under budget \$32,071;
Repairs and Maintenance = over budget (\$5,492); Utilities = under budget \$1,642
- Total (Operating) Excess Revenue / Expense = \$123,171; = \$25,815 under budget

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- Total Reserve Income was \$124,536; of which Interest = \$7,554
- Total Reserve Expenses were \$75,813; 2018 Reserve Budget = \$228,981
- **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.**

Treasurer Ames continued with the F&B report sharing that in the last Rancher edition he outlined the process for the 2019 budget and advised that the F&B Committee meeting is on 8/7/18 to begin the process. There will be a Budget Workshop on the last Monday in August (27th) that is open to all CRHA owners who would like to attend.

He asked GM Olson to elaborate on the meeting that was held with McClintock Accountancy's Tax Partner, Mike Griesmer to discuss the possibility of changing CRHA's tax filing from an 1120-H to a 501(c)(4). GM Olson advised that this may prevent CRHA from paying additional taxes on income since CRHA is considered quasi-municipal by providing services on property belonging to the City of Reno, Washoe County and within the RTC. Mr. Griesmer agreed CRHA may qualify and is completing the required documents for our review. We may not have a response by year-end. As a result, we could file an extension in 2019 until we receive a response and, if approved, we can go back 3 years and ask for a refund of taxes paid.

Treasurer Ames advised that the total monthly costs for the 1070 Caughlin Crossing building is about \$5,045.00 monthly. This total includes the loan payment, taxes, assessment payment to the sub association and insurance, which is less than the prior monthly rent payment. The building will be fully paid for in 10 years.

Before the final vote was taken, Secretary Termini asked what the genesis was for applying for the tax rate change to 501(c)(4).

GM Olson advised that it was discussed a few years ago. She decided to pursue it again since CRHA had to pay taxes for the funds that were received for completing the renovations of Crest Park. The change may be to the association's advantage going forward.

Secretary Termini acknowledged that it is a great idea.

Motion: Secretary Termini moved to accept the un-audited financial reports dated April 30, May 31, and June 30, 2018 as presented; Director Mullen seconded. Discussion ensued. Motion carried unanimously.

4.2. Approve Bad Debt write-off amount due to foreclosures (if applicable)

President Dennis advised that there was none at this time.

6. Reports & Updates:

6.1. Finance & Budget Committee (F&B):

Treasurer Ames provided his report during Item 4. Financial Matters.

6.2. Architectural Control Committee (ACC):

President Dennis advised he is currently attending the ACC meetings in Director Naccarato's absence. From April 1st through June 30th, a total of 98 projects were received for review; 91 were approved with conditions, 2 received auto-approval, 1 approved as submitted, 2 required more information and 2 others were declined as submitted.

6.3. Landscaping, Irrigation/Conservation & Maintenance; L&M Superintendent Lisenby provided the following updates:

L&M Superintendent Lisenby started by saying, "It's hot!". And provided the following Update:

Equipment maintenance and tune-ups:

- Backhoe – fuel and hydraulic leaks along with some miscellaneous little problems have been repaired
- Cushman – repaired and back to work

Flood Clean-up:

- Work on various locations in Alum Creek reschedule to fall
- Caughlin Glen – large clean-up starting July 30, 2018. This is the first chance we have been able to get to this area after the floods from the last 2 winters.

Water Conservation Projects:

- Rescheduled for fall

Village Green Park:

- Light pole repairs are in progress
 - New lenses – completed
 - Electric Repairs – completed
 - New wire cover caps/in-progress
- Concrete grinding of sidewalks – request for proposal to grind the walkways that have elevation changes
- Working with Sierra Winds who will be conducting safety inspections on the playground equipment in each of the 3 parks

Defensible space – in progress

- Filling two to three 30-yard dumpsters per week
- 2 fulltime crews working only on defensible space clean-up; includes up to 9 employees per crew

Miscellaneous Projects:

- Spring wild flowers cut down and reseeded for late summer wild flowers
- First 4 wild flowers have started to bloom
- Summer flowers have been planted
- Removed 20 dead trees/replacements to be completed in fall

- Cleaned-up Steamboat Ditch debris
- Repaired and replaced path security posts

6.4. Community Events:

Vice President Attaway shared that the July 22nd Concert in The Park ended early due to rain. We found that the shade screen does not hold water. Superintendent Lisenby and Vice President Attaway will be meeting in the future regarding additional lighting for future concerts. Also, Cece Gable, one of the performers, had a sound system company mount some speakers; this facilitated the music being heard past the hill. She has requested that they provide a proposal for speakers/sound system. With today's electronics, a sound system can be an iPad.

The last concert on July 29th will feature The Beatles Flashback Band.

Vice President Attaway shared the remaining 2018 Events:

- Concerts in the Village Green Park: Every Sunday in July
- 8th Annual BBQ at the Village Green Park (new venue): September 9th
- Cross Peak Hike (meet behind the Caughlin Club): September 15th
- Fall Bird Walk/Watch (meet at Caughlin Ranch office): September 29th
- Garage Sales; individual lots: October 6th & 7th
- Angel Tree for Children and Senior Citizens: November 1st thru 30th
- Holiday Share Your Wine at Moana Nursery: November 8th
- 34th Annual Members Meeting & 2019 Budget Ratification Meeting: November 14th
- Coffee with the Manager is on the 1st Tuesday of each month
- New Homeowner orientation is held on the 1st Thursday of each month

GM Olson advised that there will be an Ice Cream Social held at the office on Friday, August 17th from 3:00 p.m. to 4:30 p.m. to celebrate the purchase of the CRHA office building at 1070 Caughlin Crossing.

Item 6.6. was completed prior to 6.5

6.6. Community News and information; GM Olson provided the following summary:

GM Olson received an update from City Councilwoman Jenny Brekhus regarding the 2 accidents at the curve approaching the three ponds. City of Reno P.D. advised they "will make it a priority to get enforcement out there."

- The first sale in Whispering Canyon will take place at the end of August which is great for CRHA as the assessments for all 44 parcels will begin in October 2018.
- The City of Reno has established Animal Resistant Cart Service essentially through a memorandum until the Waste Management Franchise Agreement is amended. Anyone needing assistance obtaining a cart please feel free to contact GM Olson.
- ESI began patrols on June 29th and will continue through October 28th at this time. Two patrol vehicles were requested for Halloween night.
- Claims for damages resulting from drunk drivers damaging common area at the curve approaching the three ponds. Total claimed = \$1,785.89.

Vice President Attaway asked when ESI will be doing the dog walking patrol. GM Olson advised that this is done once a week, randomly and they are required to walk different trails.

6.5. Pending Litigation, Executive Session Summary, Community News and Updates:

Attorney Oliphant advised that CRHA is required to provide a periodic update regarding all possible/pending litigation. He advised there are three on-going matters:

- One involves a home that the lender has been authorized to foreclose upon but has not yet done so. We are awaiting completion of that process. At this time, the full outstanding balance has been paid by the lender.
- Another case involves a homeowner who claims he was damaged because an adjoining neighbor's pool structure was built outside the building envelope. Part of that complaint has been dismissed and additional motions will be brought by the Attorney representing CRHA in this matter.
- A third case involves a seasonal worker who claims he was not hired in 2017 because of his age. This matter went to mediation but was not resolved. It is now under investigation to determine if there is cause for a charge of discrimination.
- Pending legal matters were discussed in Executive Session
- Addressed a fence repair dispute
- Addressed the Eastridge II common areas to be deeded over to CRHA
- Discussed Eaglesnest HOA slope degradation matter.

Attorney Oliphant provided a summary of the Executive Meeting as follows:

- Reviewed the Accounts Receivable report
- Reviewed the Violation Report

7. New Business:

7.1. Approve renewal of Eaglesnest Homeowners' Association Landscape Services Agreement from 08/01/18 thru 07/31/19:

President Dennis advised that the renewal does include a 10% increase.

Motion: Treasurer Ames moved to approve Eaglesnest Homeowners' Association Landscape Services Agreement from 8/1/18 thru 7/31/19 as presented; Director Chern seconded. Motion carried unanimously.

7.2. Appoint members to ACC:

President Dennis advised that there is one position open on the Architectural Control Committee (ACC) and there are 3 applicants at this time. The committee has a minimum 5-member requirement. The applicants consist of an Engineer who works for the City of Sparks, a retired Architect/Residential Designer and a retired Master Gardener. The need at this time is for an engineer and/or architect, we currently have a landscape contractor on the committee as well as L&M Superintendent Lisenby to assist with landscape plans/designs and requirements.

There have been times in the past year that members have not been able to attend regularly, and we have struggled to obtain a quorum for the meetings. By having an alternate, this may facilitate having a quorum more readily.

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President Dennis' recommendation is to fill the open position with the engineer as well as appoint architect/residential designer as an alternate member to the committee.

Motion: Director Mullen moved to appoint the Engineer and Architect to the Architectural Control Committee as presented; Treasurer Ames seconded. Discussion ensued.

Secretary Termini asked if the committee lost an architect. GM Olson responded that no, it was not an architect who resigned. The committee does not currently have an un-paid architect nor is there an engineer on the committee; she expressed the need for an engineer. Vice President Attaway confirmed that there has not been an engineer on the ACC and that one is needed.

Secretary Termini advised that he is all in on the engineer and asked if we have an architect on the committee. GM Olson advised there are 2 paid architects on the committee and that not both can always attend the meetings; we require at least one at each meeting. President Dennis expressed that having an architect on the committee who is not paid would be to our advantage and fill the need if the others could not attend.

Vice President Attaway pointed out that the plans are reviewed by the architect out of the meeting and that the architect is not always at the meeting to answer questions regarding the review or other questions that arise during the meeting.

Secretary Termini clarified that currently there is no woman on the ACC. President Dennis as well as Vice President Attaway advised that there has been a woman on the committee in the past including an architect/residential designer.

Secretary Termini agrees that the engineer should be appointed to fill the open seat and that it wouldn't be a bad idea to have the lady who is the landscaper appointed as the alternate, as it is his understanding that she was previously on the committee and regularly attended meetings.

Amended Motion: Director Mullen moved appoint only Engineer, John Ericson to the ACC; Treasurer Ames seconded. Motion carried unanimously.

7.3. Approve Ooma Office / Voice Digital services to replace AT&T service:

GM Olson advised that it is time to replace the current office phone system. The current phones system will be kept for one year; if the new system works out, the old system will be disposed of. The phones themselves will be purchased and owned by CRHA and will save about \$150.00 per month in phone charges. The new system does have additional features that can be utilized in the future. Should the new system that is digital go down, all calls will be routed to staff cell phones as long as the nearest cell tower is still operational.

Motion: Vice President Attaway moved to approve Ooma Office / Voice Digital services to replace AT&T service as presented; Director Chern seconded. Motion carried unanimously.

A homeowner shared her experience being at another home where there was a large fire and the closest cell tower was down. Neighbors were calling neighbors and cell phone only households were not able to be reached. Based on this experience they have maintained a land-line for emergency contact.

7.4. Approve alternate fence material for Caughlin Glen, DeerCreek and Vista Pointe:

Motion: Secretary Termini moved to approve the alternative fence material for Caughlin Glen, DeerCreek and Vista Pointe as presented; Treasurer Ames seconded. Discussion ensued.

Motion and second were withdrawn.

Vice President Attaway inquired about the white or almond colors as being neighborhood specific and that they need to be more specific, such as Caughlin Glen white only etc.

President Dennis reminded everyone that all requests for use of the alternative fence materials must be submitted to the ACC for review and prior approval before any installation may take place.

Amended Motion: Secretary Termini amended the motion to stipulate that Caughlin Glen and Vista Point color for the alternative fence material is for white only and DeerCreek color for the alternative fence material is almond only; Treasurer Ames seconded. Motion carried unanimously.

7.5. Approve Village Green Park concrete cutting proposal:

Superintendent Lisenby advised 120 trip hazards were identified throughout the park. The sidewalks panels will be mechanically ground to eliminate the trip hazard. The contractor was recommended by the City of Reno for this type of work.

Motion: Director Mullen moved to approve Village Green Park concrete cutting proposal as presented; Vice President Attaway seconded. Motion carried unanimously.

7.6. Approve Quarterly HVAC service for 1070 Caughlin Crossing:

GM Olson obtained an HVAC service agreement that is \$330.00 per visit for either a quarterly or semi-annual service period. The prior building owner had the system checked quarterly.

Motion: Vice President Attaway moved to approve the Quarterly HVAC service agreement by Michaels Plumbing & HVAC for 1070 Caughlin Crossing as presented; Director Mullen seconded. Motion carried unanimously.

7.7. Approve new sign design for Westpointe to include Whispering Canyon and Vista Pointe:

GM Olson worked with Superintendent Lisenby to determine what sign replacement would best suit the area. Superintendent Lisenby asked that the sign be designed to fit in the same area as the existing sign. Julie of Julie's Signs developed the new sign that will identify the 3 neighborhoods of Vista Pointe, Westpoint and Whispering Canyon.

The cost for the new sign will be shared by CRHA, Vista Pointe HOA as well as the developers of the new neighborhood Whispering Canyon.

Motion: Vice President Attaway moved to approve the new sign design for Westpoint to include Whispering Canyon and Vista Pointe as presented; Treasurer Ames seconded.

Motion carried unanimously.

7.8. Approve General Manager's Yearly Review Policy:

President Dennis explained that in the past several versions of an evaluation have been used and it is now time to consolidate and develop one document to facilitate the yearly review of the General Manager. This will assure consistency for the current and future Board of Directors.

Motion: Treasurer Ames moved to table the Common General Manager's Yearly Review Policy; Director Mullen seconded. Discussion ensued.

Motion and second were withdrawn.

Attorney Oliphant explained that they will each be provided with a copy of the individual review form that is to be completed by each Board Member and turned into the review committee which needs to be appointed. Once the composite is developed, the individual review forms completed by each of the Board Members are to be destroyed.

Treasurer Ames asked if it would be possible to approve this for one year and revise the policy after, if needed once the process has been used. It was determined that this document can be revised as needed in the future.

Upon further discussion between the Board of Directors, it was determined that the policy needs to be revised to include a more specific outline of the date for the actions to be taken that includes distribution of the forms needed, date the committee needs to be appointed, deadline for forms to be turned into the committee, as well as other factors to be completed to assure that the final review is completed by the November meeting held annually.

Amended Motion: Secretary Termini moved to table the General Manager's Yearly Review Policy and appoint a committee to include President Dennis, Director Mullen and Vice President Attaway to work in conjunction with Attorneys Oliphant and Drinkwater to develop the policy/procedure and return with a revised document to the Board of Directors at the September meeting; Director Mullen seconded. Motion carried unanimously.

7.9 Approve Resolution Regarding Protection of the Health, Welfare and Safety of the Board of Directors, Committees, Community/General Manager, Agents and Residents.

Vice President Attaway moved to table the Resolution Regarding Protection of the Health, Welfare and Safety of the Board of Directors, Committees, Community/General Manager, Agents and Residents and appoint a committee to include President Dennis, Treasurer Ames and Director Naccarato to develop the policy and return with a recommendation to the Board of Directors; Secretary Termini seconded. Motion carried unanimously.

8. Member Comments:

Vice President Attaway expressed a big THANK YOU to Randy and the crew for cleaning up the park each Sunday in preparation for the Concerts in the Park. President Dennis expressed how he truly appreciates all that Randy and the landscape crew do throughout the Ranch.

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9. Announce Future Meeting Dates & Adjourn:

President Dennis announced the 2019 Budget Workshop is at 5:00 p.m. Monday, August 27th; Board Agenda Workshop 4:00 p.m. Monday, September 24, 2018; Board of Directors Executive Session 5:00 p.m. and General Business Meeting 6:00 p.m. Wednesday, September 26, 2018

Motion: Director Mullen moved to adjourn the meeting at 7:22 p.m.; Treasurer Ames seconded. Motion carried unanimously.



Drew Naccarato, Secretary Board of Directors
Caughlin Ranch Homeowners Association