

CAUGHLIN RANCH HOMEOWNERS ASSOCIATION
Board of Directors General Business Meeting Minutes
1070 Caughlin Crossing, Reno, NV
Wednesday, September 25, 2019

Board Members Present:

Al Dennis, President
Michele Attaway, Vice President
Drew Naccarato, Secretary
Vince Ames, Treasurer
Mike Chern, Director
Allen Black, Director
Helen Eastwood, Director

Others Present:

Sandy Wheeler, Assistant Manager/Bookkeeper/
Kim Teepe, Assistant Manager/ACC & Compliance
Randy Lisenby, L & M Superintendent
Shawn Oliphant, Association Attorney
Chris Gonfiantini, Alpine Insurance Agent
5 Homeowners

Lorrie Olson, Community/General Manager was absent

1. Call to Order and Determination of Quorum:

President Dennis called the meeting to order at 6:07 p.m. A quorum was established with seven (7) Board Members present.

2. Member Comments: There were none.

3. Minutes:

3.1. Review & approve July 24, 2019 Board of Directors General Business Meeting:

GM Olson advised the minutes were prepared by Bookkeeper Wheeler, reviewed by GM Olson and Secretary Naccarato.

Motion: Treasurer Ames moved to approve the July 24, 2019 Meeting Minutes as presented; Director Black seconded. Motion carried unanimously.

4. Finances:

4.1. Review & accept Unaudited Financial Reports as of June 30 and July 31, 2019:

- Treasurer Ames has been provided a copy of all the bank/investment statements and associated reconciliations along with the supporting financial reports. We continue to send them to F&B Member Cody Jackson, CPA also.
- The bank statements are being reconciled and the financial reports reviewed and adjusted as-needed monthly by the GL Accountant and CRHA Bookkeeper 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 July 31, 2019
- The Association's cash position through July 31st: Operating cash = \$1,535,484
Reserve cash and CD's: Mountainshyre = \$255,882; Caughlin Creek = \$626,588; CRHA = \$632,564;
Grand Total = \$1,515,034
- Through July 31st on an accrual basis, Total (Operating) Income was \$1,346,335; over YTD Budget by \$28,773. At this time, all reserve transfers are being deposited on a quarterly basis due to our positive cash flow.

- GL # 3417, Interest income is higher than anticipated due to the balance being held in the Wealth Management Operating Account (2019 Budget = \$3,068)
- Total (Operating) Expense was \$1,229,660; under YTD Budget by \$84,090
- Expense recap: Operating = \$21,230 under budget. Payroll = \$49,735 under budget primarily due to Seasonal Wages. R&M = \$2,949 under budget. Utilities = \$10,176 under budget primarily due to Irrigation.
- Total (Operating) Excess Revenue / Expense = \$116,674; positive variance of \$112,863.
- Total Reserve Income was \$193,555; of which Interest = \$13,157 (2019 Budget = \$19,314)
- Total Reserve Expenses were \$79,007; 2019 Reserve Expense Budget = \$126,061

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 subsection 2 of NRS 116.3115 and confirms that reserve funds have not been used for daily maintenance.

Motion: Director Black moved to accept the un-audited financial reports dated June 30 and July 31, 2019 as presented; Secretary Naccarato seconded. Motion carried unanimously.

4.2. Review & accept Proposed Draft 2020 Budget (No assessment increase proposed)
Treasurer Ames read into the minutes the Proposed 2020 Budget Report that was provided by F&B Committee member Mike Heffner.

The Proposed 2020 Budget will be ratified at the 2019 Annual Members Election and 2020 Budget Ratification Meeting to be held on 11/20/19 subject to owner/member ratification. Noteworthy issues regarding the Proposed 2020 Budget include the following:

- 1. Once again there is no proposed assessment increase in 2020. The last assessment increase in 2017 followed a stretch of nine years without an increase. This fiscal success was the result of stringent budget controls and a significant reduction in irrigation costs through a program of low water landscaping combined with the water project which saved over \$200,000 last year alone.*
- 2. The strong CRHA cash position will allow us to pay down a portion of the building mortgage in 2020. We have budgeted \$75,000 for this purpose which would save the Association approximately \$33,000 in interest payments over the remaining life of the loan. The actual amount of the pay down will be determined in the first quarter of 2020 when our 2019 year-end cash position is confirmed (we have the ability to pay down less than the approved budget amount but not more).*
- 3. Looking beyond 2020, one factor that will impact future budgets and assessments is the cost of our landscape labor force. The labor market in Reno is extremely tight due to the high level of economic development throughout the region. This has necessitated a substantial increase in wages over the past several years to attract and retain a seasonal landscape crew. We expect this trend to continue.*

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We welcome your comments and questions and look forward to seeing you at the November 20th Annual Spaghetti Feed and 2019 Annual Members Election and 2020 Budget Ratification Meeting.

Treasurer Ames also read the following statement that relates not only to item 6.15 on today's agenda but influences the 2020 budget:

To better serve the community and to help the budget process, the Caughlin Ranch Board has started a new process of developing a five-year Strategic Plan. The Ad Hoc Committee has been working on this plan for almost a year. The committee reviewed and is recommending revisions to the Association's Mission and Vision Statements to more align these statements to the current conditions and the CCRs. The process of developing the plan started with research on plans used by other large HOAs throughout the country and discussions with local stakeholders.

The strategic plan will be used to provide guidance and documentation for future Boards and to set objectives for the staff. This plan does not include the ongoing operations of the Association, but is for planning of projects, capital investments, or process improvements. The Strategic Plan is a living document that will be reviewed and annotated on a yearly basis. This new plan will be redeveloped in year four of the process so that we will always be at least one year ahead in planning to maintain consistency. All members of the Caughlin Ranch HOA community are encouraged to participate in this new process.

Motion: Secretary Naccarato moved to accept Proposed Draft 2020 Budget as presented; Director Eastwood seconded. Motion carried unanimously.

5. Reports & Updates:

5.1. Finance & Budget Committee (F&B)

This item was covered with what Treasurer Ames during his presentation for 4.2.

5.2. Architectural Control Committee (ACC)

Secretary Naccarato advised that the ACC reviewed 77 items. 92% of the requests were approved and 8% not approved. Most of the unapproved items only required additional information to be provided.

5.3. Community Events:

Vice President Attaway advised that the Fall Bird Walk that is scheduled for this Saturday 9/28/19 has been cancelled due to the cold weather and the likelihood of the birds not appear out of the nests. Also, Octoberfest has been cancelled, this was going to be held in place of the wine tasting which might return next fall.

List of the upcoming events are as follows:

- CANCELLED due to weather - Fall Bird Walk/Watch (meet at Caughlin Ranch office): September 28th
- Garage Sales; individual lots: October 4th, 5th & 6th (Fridays now included!)
- Trick or Treating and Pup Costume Parade at Caughlin Ranch Office: October 31st
- Angel Tree for Children and Seniors Citizens: November 1st thru 30th

- 35th Annual Members Meeting & 2020 Budget Ratification Meeting: November 20th

5.4. Pending Legal Matters & Executive Session Summary

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

- Reviewed the prior Executive Session Minutes
- Reviewed potential legal matters
- Reviewed the Accounts Receivable Report
- Reviewed the Violation Report
- Personnel item

5.5. Landscaping, Irrigation/Conservation & Maintenance

L&M Superintendent Lisenby provided the following report:

Flood Cleanup continues:

- Work is in progress on various locations in the Alum Creek corridor
- Caughlin Glen (large cleanup) already begun

Defensible Space:

- Expand defensible space program – in progress: Goal is to expand beyond 30 feet
- Major cleaning in the native areas behind Promontory Pointe
- Native area across from the Caughlin Club

Miscellaneous projects pending:

- Plant trees in various locations – starting in October
- Irrigation pumps are all up and running – shutdown anticipated by late October
- Installed 2 new donated benches and 1 is pending installation
- Landscape Westpointe monument entrance on Greensburg off McCarran – started
- Pruning shrubs – starting in October
- Repair small holes in paths

Irrigation Repair completed:

- Tree roots broke into irrigation lines in Caughlin Creek and Crest Park areas.
- Rebuilt irrigation system for wildflowers in Caughlin Glen
- Reduced the number of start times from 6 to 3 for irrigation systems

Superintendent Lisenby advised that Steamboat Ditch is scheduled to be shutdown on 10/6/2019.

Vice President Attaway asked if there has been an increase in the coyote population.

Superintendent Lisenby advised that he has seen an increase, especially in the early morning hours.

Director Black shared that one of his neighbor's had seen a mountain lion.

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Secretary Naccarato inquired as to the last day the season crew will be working. Randy advised their last day will be 12/6/19.

Vice President Attaway complimented Superintendent Lisenby for the updated landscaping on Caughlin Parkway as you leave Caughlin Crossing.

5.6. Community Information & News:

Manager Wheeler provided the following updates as noted by GM Olson:

Unfortunately, Waste Management has changed the pick-up day in Caughlin Ranch to Mondays beginning the second week of October. We ask all homeowners to not put trash/recycle containers out for pickup no sooner than the morning (Monday) the day of pickup.

We are in the process of soliciting for a part-time (24-hours weekly) compliance person to tour the community looking for items in need of improvement and trash containers placed out early or not put away as required. Due to WM's change, we will need a person who is willing to put in a few hours every Sunday evening in an effort to discourage early placement of trash containers.

After inquiring with Engineer Seth Padovan, it was determined that Caughlin Ranch will not establish guidelines for deteriorated driveways since they are situated on private property. Homeowners with deteriorated driveways will receive a compliance notice requiring the affected areas to be repaired or replaced so as to be brought up to community standards.

We received an e-mail from a CRES mom and kindergarten teacher regarding the fact the back gate to the school's back lot is left unlocked. A little one in the after-school program recently walked out that back gate unnoticed. GM Olson spoke to the school Administrator Melissa and advised her of the following:

"I inquired with our L&M Superintendent regarding the need for the school's back gate to remain open. We only need access on Wednesdays so we can mow.

It is a requirement to allow access to all paths and trails within Caughlin Ranch. However, we share your concern over the safety and security of the school, its programs and the children who attend each.

We have advised school administration that they can keep that gate locked as far as we are concerned. We are working on a plan with the school to get it opened when we need access and to close it thereafter.

We may have a few upset walkers initially, but I will explain the need for security and that park access is not far away. ..."

We are currently working with our Auditors and Accountant to provide info on the upcoming 2019 audit.

ESI Patrols will end on Monday, 10/28 with 2 vehicles patrolling on Halloween night, 10/31.

Still waiting on a start date from Parsons Walls; hearing crickets I asked Seth for assistance since he recommended, we work with them.

We were advised by a tenant of the CCCC that NDOT advised them the sign stand on McCarran containing multiple business signs is illegal and will need to be removed. The manager of the CCCC is dealing with that.

After multiple complaints to the City of Reno and Washoe County, it appears we may see a couple of speed indicator signs appear along the Caughlin Pkwy. corridor soon. We had another vehicle drive off the road and land in common area; it had to be towed out. I am waiting on the police report but only sod was damaged which staff addressed.

Sincerely,

6. New Business:

6.1. Approve Landscape (General) and Management (Professional) Services Liability Insurance renewals

Landscape (General) decreased by \$34.00; Management (Professional) had no change in premium amount.

Motion: Secretary Naccarato moved to approve the Landscape (General) and Management (Professional) Services Liability Insurance renewals as presented; Treasurer Ames seconded. Motion carried unanimously.

6.2. Approve Crime, and Cyber Liability, Commercial Insurance Package, Umbrella, and Directors and Officers / Employment Practices Insurance renewals

Chris Gonfiantini from Alpine Insurance provided details regarding the rate increase for the package insurance. He assured everyone that the increase was not a result of the recent risk assessment that was completed. The result of the risk assessment required additional signage to be added in the areas of the ponds and rock walls. He advised that Philadelphia Insurance had a 5% increase nation wide for communities, there was an increase due to added components and auto insurance rates increased also. Alpine Insurance decrease in their commission and with the increases as outlined and the reduction in the commission the overall increase to the premium is 21%. He shared that they had bid out the policy to 9 different carries who declined based on the pond exposure, open playground areas and fire hazard.

Motion: Treasurer Ames moved to approve the Crime, and Cyber Liability, Commercial Insurance Package, Umbrella, and Directors and Officers / Employment Practices Insurance renewals as presented; Vice President Attaway seconded. Motion carried unanimously.

Treasurer Ames confirmed with Mr. Gonfiantini that the increase was not a result of the risk assessment. Mr. Gonfiantini assured him that it was not.

Vice President Attaway asked what equipment was purchased. Superintendent Lisenby replied that CRHA purchased a woodchipper.

6.3. Approve 2-Year Rancher Agreement with CPM Services 2-Year Agreement with no changes from the last except dates.

Motion: Vice President Attaway moved to approve 2-Year Rancher Agreement with CPM Services as presented; Treasurer Ames seconded. Motion carried unanimously.

6.4. Approve 2-Year Accounting/Consulting Agreement with Tim Cleary

2-Year Agreement with favorable Option to maintain schedule of fixed assets for a \$500 yearly fee. No costs were increased.

Motion: Director Black moved to approve 2-Year Accounting/Consulting Agreement with Tim Cleary as presented; Secretary Naccarato seconded. Motion carried unanimously.

6.5 Accept Engineer's Rockery Wall Evaluation and Maintenance Schedule

Superintendent Lisenby has been provided with a copy of the report. Engineer Padovan suggested the "chinking" can be addressed by staff by cramming gravel, rocks, dirt, etc. that spilled from the wall back into the open spaces in the wall. The "missing rock" noted on page 2 of Table 1 was addressed immediately. See item 6.6 below.

Motion: Secretary Naccarato moved to accept Engineer's Rockery Wall Evaluation and Maintenance Schedule as presented; Director Eastwood seconded. Motion carried unanimously.

6.6. Approve rockery wall repair

Superintendent Lisenby has been provided with a copy of the Proposal which was signed by President Dennis at the recommendation of Engineer Padovan who advised the cost was very favorable. We have yet to hear when the work will be scheduled. Superintendent Lisenby is prepared to clean-up after the contractor has completed the repair work.

Motion: Director Black moved to approve rockery wall repair as presented; Vice President Attaway seconded. Motion carried unanimously.

6.7. Approve installation of additional cameras at 1070 Caughlin Crossing

We came to work on Monday, August 12th to find the "secure" mailbox located to the right of the entry into 1070 Caughlin Crossing was not as secure as we had thought. It was broken into by someone with a screwdriver or similar tool which was not captured by the existing cameras. We have no idea of knowing if any mail or payments were stolen. GM Olson immediately secured a bid to install additional cameras to capture the entrances into 1070 Caughlin Crossing from the same vender approved to install the gate cameras at Caughlin Creek and Mountainshyre. President Dennis advised to proceed with the installation of additional cameras which has been completed.

Motion: Vice President Attaway moved to approve installation of additional cameras at 1070 Caughlin Crossing as presented; Secretary Naccarato seconded. Motion carried unanimously.

6.8. Approve Preventative Maintenance Agreement for Caughlin Creek Gates I and II and Mountainshyre

Contract is Community Assess Systems (CAS) who have provided a recommended Quarterly Inspections for all 3 gate systems for a total of \$975. They offer a 10% discount on parts to their contracted customers.

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Motion: Director Black moved to approve the Preventative Maintenance Agreement for Caughlin Creek Gates I and II and Mountainshyre as presented; Director Eastwood seconded. Discussion ensued with Attorney Oliphant advising to have the word Gross stricken from the contract.

Amended Motion: Director Black moved to approve the Preventative Maintenance Agreement for Caughlin Creek Gates I and II and Mountainshyre with the word Gross stricken from the contract; Director Eastwood seconded. Motion carried unanimously.

Attorney Oliphant redirected the board to amend the prior motion so that the wording automatic renewal be stricken as this is not allowed per state law.

Second Amended Motion: Director Black moved to approve the Preventative Maintenance Agreement for Caughlin Creek Gates I and II and Mountainshyre with the work "Gross" and Auto Renewal to be stricken from the contract; Director Eastwood seconded. Motion carried unanimously.

Attorney Oliphant advised the Board of Directors that Caughlin Creek Gate I have emergency repairs and that for safety the gates are being held open. He advised that the Board could make a motion tonight to approve the repairs to Caughlin Creek Gate I due to the emergency circumstances.

Motion: Direct Black moved to approve the emergency repairs to Caughlin Creek Gate I as presented; Director Eastwood Seconded. Motion carried unanimously.

6.9. Approve repairs to Caughlin Creek Gate II

The last time the gate was "bumped" the hinges sustained damage. CAS was able to get it operational again, but it keeps failing due to the damaged hinges. It is currently being held open.

Motion: Vice President Attaway moved to approve the repairs to Caughlin Creek Gate II with the word Gross stricken form the contract; Director Eastwood seconded. Motion carried unanimously.

6.10 Approve Fence Repair Settlement Agreement and Release

Attorney Oliphant advised that this pertains to the Cottage neighborhood fence repairs and painting and an owner who provided proof that he completed repairs that he was later charged for. This agreement is to remove the cost for the repairs and the owner is still responsible for paying the cost to paint the fencing.

Motion: Treasurer Ames moved to approve the Fence Repair Settlement Agreement and Release and authorization President Dennis to sign the agreement; Director Black seconded. Motion carried unanimously.

6.11 Approve Proposed 2020 Meeting and Other Important Dates

Motion: Vice President Attaway moved to approve the Proposed 2020 Meeting and Other Important Dates as presented; Director Black seconded. Motion carried unanimously.

6.12 Approve Proposed 2020 Community Events / Dates

Motion: Treasurer Ames moved to approve the Proposed 2020 Community Events / Dates as presented; Secretary Naccarato seconded. Motion carried unanimously.

6.13 Approve General Manager's 2019 Performance Review Procedure

Motion: Director Black moved to approve the General Manager's 2019 Performance Review Procedure as presented; Treasurer Ames seconded. Motion carried unanimously.

6.14 Approve Revised Rules & Regulations, Violation & Fine Policy, and Construction Penalty Schedule

Attorney Oliphant reminded the Board of the additional wording that has been provided by GM Olson regarding item 24.

Director Eastwood shared that not all Estates Sales are the result of a death, some owners liquidate their assets due to moving into assisted living. There was further discussion resulting in the original wording to remain and "within thirty (30) days prior or subsequent to the owner permanently vacating the property due to age, health or disability" to be added.

Vice President Attaway requested that wording regarding obtaining approval from a sub-association be included. Item 4 is to be written as "Re-painting of an existing color which was previously approved shall not require prior written approval unless required by the owner's sub-association."

Motion: Vice President Attaway moved to approve the Revised Rules & Regulations, Violation & Fine Policy, and Construction Penalty Schedule with item 4 to include the wording "unless required by the sub-association and item 24 to have additional wording of "or within 30 days prior to or subsequent to vacating the property; Treasurer Ames seconded. Motion carried unanimously.

6.15 Accept CRHA Strategic Plan Fiscal Years 2020 thru 2024

Earlier in today's meeting Treasurer Ames read the prepared statement into record under item 4.2. This was a 9-month endeavor that resulted in proposed revisions to CRHA's Mission and Vision Statements along with the Core Values. 5 Goals were established along with 2020 Objectives.

Motion: Vice President Attaway moved to approve the CRHA Strategic Plan Fiscal Years 2020 thru 2024 as presented; Director Eastwood seconded. Motion carried unanimously.

6.16 Approve Bookkeeper's computer workstation upgrade

This was planned to be replaced in 2020 until the Door King dedicated computer died. The Bookkeeper's old computer will replace the Door King computer.

Motion: Director Black moved to approve the Bookkeeper's computer workstation upgrade as presented; Vice President Attaway seconded. Motion carried unanimously.

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6.17 Approve Revised Delinquent Assessment Collection Policy

Revised by Attorney Oliphant to incorporate 2019 legislative updates and to remain consistent with NRS 116.

Motion: Secretary Naccarato moved to approve the Revised Delinquent Assessment Collection Policy as presented; Treasurer Ames seconded. Motion carried unanimously.

7. Member Comments:

Jeanne Naccarato, Treasurer from the Caughlin Creek Homeowners Association took the opportunity to thank Superintendent Lisenby who manages the landscape crew who are contracted to maintenance the front yard landscaping for keeping the irrigation water bill down.

8. Announce Future Meeting Dates & Adjourn: (all meetings are held at the address shown above);

Wednesday, Nov 6th - Candidate Forum; Meet the Candidates 5:00 p.m. (if necessary)

Monday, Nov 18th - Annual Ballot Deadline 12:00 noon (if necessary)

- Call 2019 Annual Meeting to Order at 1:00 p.m. to open and tally Secret Ballots (if necessary); Recess 2019 Annual Meeting once completed
- Board Agenda Workshop 4:00 p.m.

Wednesday, Nov 20th - Executive Session 4:30 p.m.

- 3rd Annual Spaghetti Feed 5:30 p.m.
- Re-convene/Convene 2019 Annual Members Election and 2020 Budget Ratification Meeting 6:30 p.m.
- Board General Business & Organizational Meeting will immediately follow the 2019 Annual Members Election and 2020 Budget Ratification Meeting

Motion: Secretary Naccarato moved to adjourn the meeting at 7:23 p.m.; Director Black seconded. Motion carried unanimously.

Subsequently approved at a duly noticed Board of Directors Meeting on November 20, 2019.



Drew Naccarato, Secretary