

Red Cedar Canyon Townhouse Association (RCCTA)  
Board of Directors Meeting Minutes/Notes  
Tuesday, July 19, 2016 — 6:15 p.m.  
Northwestern Mutual — Hudson, WI

*Meeting minutes/notes are subject to approval by the board at the next meeting.*

I. Preliminary matters

- A. Roll call: Called to order at 6:13 p.m. Present: Larry Williamson, president; Gene Hoff, vice president; Mark Meydam, treasurer; Beth Gaede, secretary; Kerry Geurkink, member-at-large. Guests present: Cheryl Coots (129 DWC); Dick and Pat Henderson (87 DWC); Maralee Anderson (85 DWC); Bob Staebell (51 DWC).
- B. Proof of meeting notice: Notice of meeting and agenda sent to board members in advance; no objections.
- C. Agenda adoption: Agenda was reviewed. Adopted unanimously.
- D. Approval of June 21, 2016, minutes/notes: Minutes/Notes were previously approved via email and posted on website.

II. Agenda items

A. Treasurer's report

1. Banking

Our accounts are at about the same level as last month. Next month Mark will remove the entries for the WESTconsin Credit Union accounts, which are now closed.

2. Invoices and transfers

GreensKeepers is not charging us sales tax, although they are legally permitted to charge it in the summer (but not the winter). The final payment to Pechacek's Contracting for the roofing project is covered by money transferred from reserves. The column-painting project is finished; Larry commented that they did a nice job. Nature's Touch replaced a number of rotor heads, but that happens every summer. The association will be reimbursed for \$600 of the cost for outdoor spigot replacements. We got a bill from Advanced Disposal came today, with the billing at an incorrect rate, as we had been warned. Mark recommended that we pay the amount we were charged last quarter and will add that item to the final treasurer's report. Moved, seconded, and approved to pay all invoices and transfers listed in the treasurer's report.

3. Unit owner assessment status

Homeowners are still \$9,797 behind on assessment payments. Two homeowners are in foreclosure.

4. The reserve account dropped by about \$54,000 this past month because of the payment on the roofing project.

- B. Project updates: See attached report.
- F. Project discussions

- 1. Legal Matters  
No update.

- 2. Investment Committee update: Kerry  
The committee met, and our advisor confirmed that our investments have been quite steady. Kerry plans to do some research about whether the board's historic position that we maintain one year's operating expenses in cash accounts is unnecessarily conservative. She submitted the meeting minutes to be included in these minutes. No actions were recommended by the committee.

- 3. Landscape Requests (project numbers assigned by Cities Management)

- a. 616613, Building exterior-brick, missing @ 177 WCD: Larry will get a quote for the cost of the repair.
- b. 616169, Asphalt holes @ 213 WCD: The problem is at the joint between the asphalt and the concrete apron in front of the garage. Larry got a quote for \$1,160 to repair the missing "sub-base" and "pour block" under the floor by opening up the joint between the asphalt and the apron and adding the missing material. Larry checked this seam and the driveway wall next to the master bedroom on every unit and found that many units have cracks that need to be filled. Larry will seek further bids.
- c. 95240, Remove small pine @181 WCD: The homeowner will pay \$126.60 to have this tree removed. Moved, second, and approved to permit the tree removal.
- d. 93590, Cinder block replacement @ 41 DWC: Larry reported that there are other damaged and deteriorating blocks in the association, so the board does not approve replacement of this one block. We will take an inventory and come up with a plan for dealing with all of them. The reserve study includes block, cement, and similar repair in 2019.
- e. 616615, Exhaust pipe @ 177 WCD: Larry recommends we ask Brian Pechacek to look at the pipe and repair it as needed.
- f. 95150, Replace storm door @163 WCD: The homeowner will pay for this replacement. The door is a Larson (the brand of our original doors) "fullview" combination storm/screen door. The frame color will be sandstone, very close to the original color, and the handle will be brass. Moved, seconded, and approved to permit the homeowner to replace the door.
- g. Tree limb removal @ 95 DWC: Larry got a bid for \$610 to remove the broken limb. (The contractor has to use a bucket to reach it.) For a total of \$720, a second

hazardous limb can also be removed. Larry will check out whether the property is covered by a utility easement. Larry also has a bid for work at 243 WCD (maple) 235 WCD (dead pine), 157 WCD (dead pine, already approved), 223 WCD (fallen tree—but the bid for this one isn't clear). Larry will clarify what is covered by the bid and investigate whether the work at 95 DWC could be done along with other tree removal work.

The landscape committee reports that tree work also needs to be done to deal with dead trees at 201 WCD, 151 WCD, and 107 DWC. The committee did three walk-throughs, one with Larry and two with Greg from New Richmond Tree Service, to assess landscaping needs. The board thanked the committee for its thorough, extensive work to date. The committee agreed to take responsibility for requesting bids for the removal/replacement work they recommend in 2016 and for the trimming they recommend for 2017. Larry will ask Greg to contact Cheryl Coots, the committee chair. Greg should send the quote to Nicole (copying Cheryl), who will send it to the board.

4. Comcast Proposal

The objections the board had presented to Nicole have been addressed. The association will be paid at the same time as Cities Management. Only unit numbers, not homeowners' names, will be provided to Comcast. Other companies, satellite and broadband, can still offer service to our association, but no other vendors could use Comcast's lines. The association gets \$100 per unit, and Cities Management gets \$25 per unit, and the contract is good for seven years. Then it would be renegotiated. Moved, second, and approved that Nicole ask Comcast make the agreed upon revisions in contract and send the contract to us for review, and then the board will vote on final approval; seconded, and approved.

5. Existing Waivers

The association has three waivers—for parking in a driveway during the winter, for installing a solar tube, and for landscaping. The landscaping committee recommended some minor changes to the landscaping waiver and will ask Nicole to make the changes on the official version.

6. Spirea Replacement Cost Reimbursement

A homeowner replaced some spirea and requested reimbursement. Moved, seconded, and approved to deny reimbursement for the shrubs because many homeowners would like to have their shrubs replaced, but that project is not in our budget.

7. Annual Meeting

Larry presented a list of suggestions for the annual meeting: packet should include code of conduct; homeowners must sign in for the meeting; last year Mark prepared sign-up sheets for annual meeting; must inform homeowners in writing of meeting's purpose, date, time, and location; how homeowners' money is being spent (monthly dues, expenses paid out of operating funds, costs paid out of reserves, reserve fund balances, list of unbudgeted projects completed in 2016, 2017 month-by-month

budget, 2015-16-17 expense comparisons); corrections for 2016 minutes; investment committee report. Homeowners must be current on their dues in order to vote.

8. 2017 Budget

Mark distributed worksheets he had prepared for the board's planning. He pointed out that we should also take a look at what expenditures from the reserve fund are recommended by the study. Larry has scheduled a meeting with Green Oasis for July 28 at 10:00 to review the contract and begin discussing changes for a new contract, beginning October 2017, should we continue working with them.

- III. Agenda items for next month (August 16): legal matters, landscaping requests, 2017 budget, asphalt repair, homeowners/association responsibility list, "common area" language in our covenants, nominating committee meeting
- IV. Next meeting: Tuesday, August 16, 2016, 6:15 p.m., Northwestern Mutual Union Community Room
- V. Adjournment: The meeting adjourned at 8:45 p.m.

Red Cedar Canyon Townhouse Association (RCCTA)  
Board of Directors Meeting Project Updates  
Tuesday, July 19, 2016 — 6:15 p.m.  
Northwestern Mutual — Hudson, WI

B. Project Updates

1. Damaged garden hose  
While trimming at 129 DWC, Green Oasis employee cut through owners' 50-foot garden hose. This will be replaced by Green Oasis.
2. Missing fireboard  
The missing fireboard on divider wall in attic at 153 WCD is to be repaired by Hans Hagen at their cost, per the Hudson Building Inspector.
3. Nature's Touch  
During the monthly irrigation system run-through, Nature's Touch inspected some obvious dry areas and found twelve sprinkler heads that were not rotating properly. There were also three damaged sprinkler heads that were driven over at the corner of the drive lanes near mail boxes. Increased the watering schedule to six days a week, not watering Sunday night into Monday morning because of mowing.
4. Request ID 93676  
Approval was granted to install black iron fence around patio at 59 DWC. Owners are to use Onstad's Ornamental Iron, which was the contractor for Hans Hagen. This type of fence was installed at other townhouses in association and will maintaining consistency. Cost to be covered by new owner.
5. Soffit repairs  
Repairs made on 7/12/2016 at the following townhouses: 55, 57 DWC, 59 DWC (second repair), 215, 225 WCD. Some wind and squirrel damage.
6. Painting project
  - Eighteen more garage doors and trim have been completed at 163, 161, 159, 157, 155, 153, 151 WCD; 149, 147, 145, 143 (touch up), 141, 139, 137, 135, 133, 131, 129 DWC.
  - Caulking was done on trim for seven units.
  - Nine units have been sanded, scraped, and primed.
  - Twelve columns on two-story townhouses have been painted.
7. The board authorized a concrete repair project, but the contractor backed out, so Larry is going to seek another contractor.

Red Cedar Canyon Townhouse Association (RCCTA)  
Investment Committee Meeting Minutes/Notes  
Monday, July 11, 2016 — 5:00 p.m.  
Northwestern Mutual — Hudson, WI

***Meeting minutes/notes are subject to approval by the association board at the next meeting.***

The meeting was called to order at 5:06 p.m. by chair Kerry Geurkink.

Present: Larry Williamson, Mark Meydam, Kerry Geurkink, Beth Gaede, Mike Leverty

1. Update on performance of reserve fund. (Mike Leverty, Northwestern Mutual, the association's investment manager)

The asset allocation of our investments are within the parameters established in our IPS. Performance of our portfolio year to date is 3.21%, and has averaged 3.81% since the start date of 2011.

Mike suggested we might want to go to an intermediate-term bond for a portion of the fixed income allocation. He also suggested that we put a little money in international equities. He also suggested that, now that the roofing project is done, we put our \$25,000 cash/cash alternatives to work. All these changes would fall within the allocation categories. Mike will send board members an email with his recommended adjustments.

2. Review IPS allocation / address any needed adjustments. (All)  
The committee agreed that the IPS does not need to be changed.
3. Reserve fund trends over past four years (Mark)  
Our reserve money market account dropped to \$60,638.78 in June, but we are contributing \$11,004.00 per month to the fund, so it will rebound quickly. At the end of the year, we will be about \$90,000 behind the level recommended by our reserve study. However, the study is based on some assumptions that the board might change.
4. Messaging for budget and annual meeting regarding Reserve Fund. (Kerry / All)  
The association is not being charged an advisory fee.  
We pay 50 basis points on the Lord, Abbett fixed income fund.

The committee intends to meet again after the budget is complete. The meeting was adjourned at 5:46.

# RED CEDAR CANYON TOWNHOUSE ASSOCIATION

## Treasurer's Report for June 2016

Submitted July 19, 2016

RED CEDAR CANYON TOWNHOUSE ASSOCIATION		
Banking Report as of 6/30/16		
Reported 7/19/2016		
Checking account (Westconsin and Cities Mgt)	starting balance	\$28,058.73
inc. deposits, checks, etc. not cleared or written after end of month	ending balance	\$25,406.79
Business Money Market Operating Reserve (Westconsin)	starting balance	\$0.00
	ending balance	\$0.00
Reserve Savings account (Cities Mgt)	starting balance	\$116,349.78
	ending balance	\$60,649.51
Business Achieve Money Market Reserve (Westconsin)	starting balance	\$0.00
	ending balance	\$0.00
Northwestern Mutual Reserve Account	starting balance	\$230,043.48
	ending balance	\$231,307.65
Business Savings (Westconsin)	fixed	\$0.00
Total operating balance (Checking + BMM)		\$25,406.79
Total reserves (BAMM Reserve + NW Mutual Reserve + Savings)		\$291,957.16
<b>Total all funds</b>		<b>\$317,363.95</b>

### Bills and Transfers Requiring Board Approval

1. Transfer to Reserves		\$11,004.00
2. American Family		\$2,838.85
3. Cities Management		\$1,344.00
June Property Management	\$1,344.00	
4. GreensKeepers		\$6,920.98
May Contract	6,920.98	

- |     |   |  |
|-----|---|--|
| 5.  | Pechacek's General Contracting<br>Final Invoice for roofing project. Approved by board via email. Funds were transferred from Reserves to pay for this project.   | \$66,715.00                                  |
| 6.  | Best Painting & Cedar Specialists<br>Columns painting bid previously approved by board  | \$1,350.00                                   |
| 7.  | American Pest Solutions<br>Additional month of vole control   | \$59.00                                      |
| 8.  | Nature's Touch Irrigation<br>Invoice 6971<br>June service agreement, nozzle @ 111,<br>4 rotor heads @ 249, 203, 149, 133<br>2 service trips to adjust watering schedule<br>Invoice 6998<br>July Service agreement<br>Replaced 15 rotor heads<br>Replace 2 spray nozzles<br>Invoice 7012<br>Replace head @ 99  | \$522.00<br>\$844.00<br>\$40.00              |
| 9.  | One Hour Heating<br>Invoice 973549<br>2 frost free spickets @ 169<br>Invoice 973566<br>2 frost free spickets @ 119<br>Invoice 973572<br>1 frost free spicket @ 223<br>Invoice 973643<br>1 frost free spicket @ 247<br>Note that the association is paying the full bill but homeowners will be billed for a portion of the replacement costs (\$100 per spicket). Reimbursements total \$600. | \$582.00<br>\$582.00<br>\$291.00<br>\$291.00 |
| 10. | Willow River Company<br>This is the balance for the mulching project. Total cost for the project was \$7,682.93 for the northern 1/3 of our units.  | \$3,518.97                                   |



## **Owner Assessments**

As of 7/19/2016 there are 9 property owners who are behind in their payments to the association. The total amount owed to the association is \$9,797.. This is broken down as follows:

Less than 30 days late =	\$1,849.00
Over 30 days late =	\$738.00
Over 60 days late =	\$608.00
Over 90 days late =	\$6,602.00
 Total	 \$9,797.00

### **Notes:**

Please check to be sure you are current on your dues. There are a number of people who are behind in their monthly payments.

Red Cedar Canyon Townhouse Association				
Reserve Fund Balance Information - July 21, 2016				
Actuals until June 2016 Projections thru Dec 16				
Month	Reserve Money Market Acct	Reserve Investment Acct	Total	Change from previous month
December-16	126,673.51	231,307.65	357,981.16	11,004.00
November-16	115,669.51	231,307.65	346,977.16	11,004.00
October-16	104,665.51	231,307.65	335,973.16	11,004.00
September-16	93,661.51	231,307.65	324,969.16	11,004.00
August-16	82,657.51	231,307.65	313,965.16	11,004.00
July-16	71,653.51	231,307.65	302,961.16	11,004.00
June-16	60,649.51	231,307.65	291,957.16	-54,436.10
May-16	116,349.78	230,043.48	346,393.26	-53,107.20
April-16	171,900.16	227,600.30	399,500.46	11,004.00
March-16	160,896.16	227,600.30	388,496.46	3,992.72
February-16	161,825.10	222,678.64	384,503.74	-199.34
January-16	161,730.38	222,972.70	384,703.08	8,812.65
December-15	150,654.13	225,236.30	375,890.43	18,589.57
November-15	129,966.94	227,333.92	357,300.86	-75.01
October-15	129,913.55	227,462.32	357,375.87	13,761.75
September-15	119,862.24	223,751.88	343,614.12	190.45
August-15	119,497.24	223,926.43	343,423.67	4,730.43
July-15	110,383.68	228,309.56	338,693.24	9,180.64
June-15	102,523.32	226,989.28	329,512.60	-72,059.72
May-15	173,119.27	228,453.05	401,572.32	-15,922.83
April-15	189,717.31	227,777.84	417,495.15	11,185.78
March-15	179,326.77	226,982.60	406,309.37	3,796.28
February-15	175,292.13	227,220.96	402,513.09	2,925.39
January-15	175,224.92	224,362.78	399,587.70	-570.39