

Red Cedar Canyon Townhouse Association
Board Meeting: RE: Monthly Meeting
Monday, July 20, 2020, 2 pm
Teleconference

The executive meeting minutes are subject to review and approval by the board of directors (BOD) at the next meeting.

The executive BOD meeting of the RCC Townhome Association (RCCTA) was held via a tele-conference. President Dave Preller (DP) called the meeting to order at 2:03 pm. Board members present: Nadine Sands (NS,) Vice President; Ronald Urhammer (RU,) Treasurer; Karen Mackesey (KM,) Secretary. Gretchen Trebnick (GT,) Member-at-Large was absent. Miranda James (MJ,) Cities Management (CM,) was present, as well as two Willow River Landscaping representatives.

The following agenda items were addressed:

1. Approval of Meeting Minutes

KM submitted the following meeting minutes:

- **KMM motioned, RU seconded approval of the June 15, 2020, Monthly meeting minutes.**
- **KMM motioned, RU seconded approval of the June 25, 2020, Rental meeting minutes.**
- **KMM motioned, NS seconded approval of the July 2, 2020, BOD Working meeting minutes.**
- **KMM motioned, NS seconded approval of the July 7, 2020, Management Search meeting minutes.**

BOD approved all four motions and accepted the minutes.

2. Willow River Review

Nick (WR) said the lawn conditions have been extremely dry and avoided mowing certain areas to reduce additional lawn stress. RU stated the lawns appear to be lacking fertilizer and weed control. WR commented during the fall fertilizer they will be using a slow granular fertilizer, without a pre-emergent. Pre-emergent is typically done in the spring as it helps prevent crabgrass, but is not 100 percent.

DP asked how WR interprets the contract with respect to cleaning out/weeding mulch beds. Nick stated their contractual language reads it is a joint responsibility. Per WR, they perform this task three times a year; spring, mid-summer and later. Within a few weeks, they are slated to again remove weeds.

KM asked if the edging was completed; WR said the second edging of sidewalks, etc. will be in August.

KM requested assistance from WR in completing outstanding requests submitted by the homeowners as well as those the BOD and WR agreed to; some have been sitting for two to three months. Nick stated he would have to come out and flag those areas in the next few weeks.

Erik (WR) was assigned to do an on-site walk around with KM to verify the invoice from WR on the shrub removal and planting list from June 18, 2020. The BOD has yet to approve the invoice as there are discrepancies. KM will contact WR to set up the date.

3. President's Report

DP presented the Sign Policy. **KM motioned, RU seconded, to approve the size clarification of the Sign Policy and publish it.** Per the covenants, signs are already prohibited. The policy, however, will allow homeowners to place, for example, real estate signs in their own dwelling. The BOD established the maximum size of a sign would be no larger than 24 inches by 30 inches which will accommodate real estate signs. Motioned passed. DP will send the finished copy to MJ to publish.

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4. Homeowner Input

Two homeowner comments were addressed; MJ will respond to owners.

5. Treasurer's Report

RU presented and motioned, NS seconded, to approve the May financials. RU asked MJ to assist in updating the Bank of North Carolina CD. Marie, at CM, was unable to obtain the updated statements reflecting accrued interest. BOD approved May financials.

The **June financials were not ready for approval due to a discrepancy.** Insurance premiums showed an expense of \$4,063; according to the invoice, it was \$2,784. MJ stated Associa (CM) will adjust the error.

In preparation of paying FPI Paving for the asphalt project, **RU motioned, KM seconded, to move approximately \$62K from the Charles Schwab account to the checking account.** The first payment of \$325K is due to FPI; upon completion of the entire project, the remainder will be paid. All BOD members agreed to use the money market funds and cash sweep accounts, amounting to roughly \$311K, to satisfy the invoice. BOD approved moving the \$62K, unanimously.

According to MJ, **CM set a policy in place where the BOD would have to approve financial statements in the month they were presented by CM.** If there were exceptions or discrepancies in the statements, CM will not rerun the objected month; rather, they will make the corrections in the next month. Rerunning statements presents 'red flags' to auditors. This is a CM policy. If there are discrepancies, she stated they will be noted by CM and they would also be noted in the meetings.

A financial audit of RCCTA was deemed necessary as the situation (change of management companies) will be taking place in October. Therefore, **RU motioned, KM seconded, to have a 2019 audit completed by Casey, Menden, Faust and Nelson P.A. (Public Accountants) for approximately \$1,400.** The BOD discussed it was financially responsible to perform an audit at this time. MJ will send the form letter to DP to sign; the audit will take four to six weeks for completion. BOD approved motion.

MJ presented two invoices. **RU motioned, KM seconded, to pay WR \$5,5350 for the tree invoice.** The expense will be charged to the Tree and Shrub account. BOD approved motion.

RU motioned, KM seconded, to pay WR \$8,694.60 for the yearly mulch invoice. The invoice reflected the credited amount for one less unit; the expense will be charged to the Grounds and Landscaping account. BOD approved motion.

KM motioned, NS seconded, to recall a previous motion made in the June 15, 2020, meeting to pay the WR sod invoice from the Reserve Fund account. Paying the sod from another account would be more practical and reflective of the actual expense. BOD approved.

KM made a motion, NS seconded, to amend motion to pay the WR sod invoice and assign it to the General Landscaping expense. BOD approved.

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6. Committee Reports

Landscaping Committee (L/C)

DP stated the Landscape Committee was researching who was responsible for the mulch weeds. According to the prior conversation with WR, per their contract, **mulch beds were a joint responsibility** between WR and the HOA. Future negotiations with WR to address this is noted if not cost prohibited.

Rental Committee (R/C)

DP will send the information to the attorney on language changes requested. The changes would reflect the following with respect to **rentals at RCCTA**: 1.) maximum of three units, 2.) resident must live in RCCTA for a minimum of one year prior to renting, and 3.) rental agreement must be a minimum of one year. This will be published sometime in the fall before the Annual Meeting, questions can be asked at that time and the vote will be approximately seven days later.

Architectural Committee (A/C)

There was no A/C report. KM updated the BOD on the asphalt project. FPI and the BOD walked through the entire project and bought off on the paving. **FPI will be back on site to remove the grass netting** (anticipated before August 15th) and will be adding more grass seed as required. Once all is completed, FPI will be paid the final installment. KM mentioned she contacted Aaron, Nature's Touch (NT,) to itemize the sprinkler head repairs so the BOD could 'charge back' FPI for repairs due to damage. Those needing adjustment to height, however, were the responsibility of the HOA.

7. New Business

At the end of October, the **WR contract expires**. Per MJ, WR wants us to propose items to be addressed to be considered for the new negotiated contract. The BOD also discussed a need to seek out other bids.

RU motioned, NS seconded, to not renew the CM contract expiring September 30, 2020. DP said he followed up with Jenny at CM and gave her feedback as to why we chose not to continue with CM. BOD unanimously approved.

RU motioned, NS seconded, to enter into a contract with MJF and Associates beginning October 1, 2020, to become the new RCCTA property management company. No discussion. BOD unanimously approved.

KM motioned, RU seconded, to seek out an independent company to develop our own RCCTA website. This website would provide a quick, easy access for residents to review for legal documents, policies, communications, etc. It would typically be a 'read-only' website. BOD approved motion.

The **next monthly meeting will be August 17, 2020, at 2 pm**; it will tentatively be a teleconference unless notified differently. **RU motioned, NS seconded, to adjourn the meeting.** BOD approved. DP concluded meeting at 4:02 pm.

Respectively submitted,

Karen M. Mackesey
Red Cedar Canyon Townhomes Association, Secretary