

Red Cedar Canyon Townhouse Association (RCCTA)  
Board of Directors Meeting Minutes/Notes and Updates  
Thursday, February 22, 2018 — 6:00 p.m.  
County Market Community Room — 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 6:00 p.m. Present: Larry Williamson, president; Gene Hoff, vice president (by phone); Mark Meydam, treasurer; Beth Gaede, secretary; Kerry Geurkink, member-at-large. Guests: Melanie Reiter, Cities Management (by phone), John Maas (109DWC); Audry Ichel (41DWC).
- B. Proof of meeting notice: Notice of meeting and agenda sent to board members in advance; no objections.
- C. Agenda adoption: Agenda reviewed and adopted unanimously.
- D. Approval of January 18, 2018, minutes/notes: Updates were previously approved via email and posted on the Cities Management website.

II. Agenda items

A. Treasurer's report

1. Banking

We still have \$299,000 in checking that came out of investments. The reserve payment didn't get transferred in January.

2. Invoices and transfers

Transfer to reserves number is higher, per new budget. Green Oasis, charge for shoveling mailbox platforms. Advanced Disposal charged \$0.72 more per unit. Mark asked Melanie to investigate. Lommen Abdo charge was for interpretation of association covenants requirements for insurance. New Richmond Tree Service invoice, less than quoted, was preapproved for trimming amur maples. City of Hudson (water) preapproved via email, because payment is due before the board meeting. Moved, seconded, approved to pay all but Advanced Disposal until Melanie investigates.

3. Unit owner assessment status

Outstanding amounts have dropped. About \$800 is one owner, and that amount is in collections.

B. Project updates: See attached report.

- 1. ID 811219, repair made @ #169 WCD for soffit squirrel opening. Location was right corner of front overhang.
- 2. Snow report: 32.0 inches YTD as of 02/16/18

## C. Project discussions

### 1. Legal matters: None

### 2. Insurance policy

John Maas sent the board an interim report (attached) about what the committee has been doing, along with several questions for the board. Kerry agreed to serve as board liaison to the insurance committee. She pointed out that Cities' parent company, Associa, might have a resource who deals with townhouse insurance to advise them. Melanie will investigate and report to the board and John Maas.

The board advised the committee that the covenants have not been updated to deal with their lack of clarity about "common property." The covenants state that there is no common property in the association. In practice, the board has functioned as though all property outside the townhouses is common property, but that is not a legal definition.

The committee asked for clarification about responsibility for sewage/water. Larry will request information from the city water department. Electrical, gas, and cable lines are the individual utilities' responsibility.

The committee asked whether homeowners receive copies of covenants, bylaws, and articles of incorporation. Larry meets with every new homeowner and has learned that most homeowners do not receive these documents. Kerry asked Melanie to find out what new owners receive in the homeowners packets; Melanie will follow up.

The letter from Lommen Abdo about association insurance responsibility is also attached to these minutes. Melanie will post the letter on the website with other insurance information.

### 3. Legal matters/fines: None

### 4. Delinquency fee payment

A homeowner requested waiver of a late fee but is now current and has paid the late fee.

### 5. Invoices/payments

Larry pointed out that some invoices have not been paid on time. He asked Melanie to investigate the process for payment, in particular whether the due date or terms are reviewed. He pointed out that anything under \$500 can be paid without board approval. Mark asked Melanie to notify us when invoices need to be paid before the next board meeting, and she agreed to alert him. Larry indicated that timely payment of invoices is always a top priority for the board.

### 6. Rentals

Kerry suggested the board ask Brent opinions two matters: (1) Is there a way to ensure no more than a specified percentage of units can be rented (not occupied by the owner)? (2) Is there a way the board could legally compile a homeowner directory? The board approved Kerry contacting Brent. Finally, Kerry learned that some associations are doing electronic voting and asked Melanie to find out whether Cities/Associa would be able to handle electronic voting. Melanie will follow up, and

if Cities has the capacity for electronic voting, Kerry will contact Brent about whether it would be legal.

7. Landscape Committee (Larry)

The committee will meet by mid-March. Larry is going to ask for committee volunteers to work directly with homeowners about shrub replacement, using the committee's list of recommendations. Kerry pointed out that the committee members can evaluate whether replacement is appropriate and if they agree, then they would work with the homeowner to make selections. Mark noted that the committee does a walk-through and identifies desired replacements. The board agreed that replacements will be addressed in two batches, spring and fall. Shrub replacements for summer 2018 have already been identified, budgeted, and approved by the board. Homeowners will be contacted, ideally by a committee member, to choose shrubs.

Kerry pointed out that in the past, homeowners have been quite aggressive about replacing trees and shrubs, although the board is responsible for replacing original-landscaping trees and shrubs. Some homeowners then later want the association to care for their plantings. Kerry laid out a guide specifying what landscaping the association and homeowners are responsible for and what limitations will be placed on homeowner's requests and decisions.

8. Snow piles/lanes/hydrants

Lane ends at 187/189 WCD, 155/157 WCD, 63/65 DWC all have huge piles of snow. We have 4.5 hours of snow-blowing time left with Green Oasis, and Larry thinks the piles could be carved to a more manageable size in 4.5 hours. Larry will get an estimate from Green Oasis for addressing the piles.

9. Project bidding process

Larry distributed a list of upcoming projects, amount budgeted for each, and bid requirements or status. Projects include: dryer vent cleaning; gutter cleaning; crack filling, asphalt repairs; sidewalk repairs; kickplate replacement; lane-end reseeding; mulching; tree trimming; tree replacement; stump removal; shrub removal and replacement; pine tree treatment; amur maple trimming.

Gene pointed out that we need to determine a process for beginning the window seal project, which will be paid for out of reserves. Larry will suggest vendors to Melanie, and she may propose some, too. The first step is to conduct inspections and determine what specifically needs to be done.

10. Water contract: No discussion.

11. Tax return and 2017 audit

Melanie said Cities has just started working on taxes. She will find out what needs to be done. Mark will send her report on capital gains from the sale of our Northwestern Mutual funds

12. Water line damage (Larry)

Larry showed photos of the damaged line in front of 263WCD to our insurance agent, and a claim is in process. The invoice for the repair should be paid, and if insurance pays, the association will be reimbursed.

13. Irrigation system contract

Larry talked with Aaron, owner of Nature's Touch. The only increase will be \$10.00 per station for the fall blow-out. He will send us a contract.

- Additional item: The board will hold a meeting in April (6:00 on a Tuesday, Wednesday, or Thursday) to walk homeowners through the list of association and homeowner responsibilities.
- Reminder: Melanie Reiter is our manager for Cities Management, as explained in a broadcast message that went out several months ago.

III. Agenda items for next board meeting: legal matters, Melanie's involvement discussion, Cities Management's disaster recovery plan, insurance policy, spring walk-through, irrigation start-up/covers, association directory

IV. Next regular meeting: Thursday, March 22, 2018, 6:00 p.m., County Market Community Room

V. Adjournment: The meeting adjourned at 7:50 p.m.

## Interim report #1 Insurance Committee

February 11, 2018

The committee has met twice, most recently on February 10, 2018.

The first meeting was basically organizational with the committee deciding to function as a committee of the whole during its meetings and allocating three sets of assignments, one to each member.

The first assignment was to investigate townhouse insurance requirements or policy suggestions at three levels, national, state and local. The committee included some insurance company and agents contact as well.

The findings were that while there are general recommendations for townhouse insurance by an association, there are no requirements under law at the national level. At the state level there are no requirements under the state insurance office that are specific to townhouses, but there are regulations that relate to rebuilding of townhouses in the commercial code provided the buildings are three units or more. Since Red Cedar Canyon has four-unit and two-unit buildings, there may be differing requirements in the event of a disaster.

Also in reviewing commercial peril insurance companies using 2016 information, there are over 120 companies that wrote over \$1,000,000 of new coverage in Wisconsin. In the future we will determine how many of them write townhouse coverage.

At the city level the committee learned that the city has requirements for builders to carry insurance during the construction of the development but there are no requirements once the development is completed. We also determined that there are a number of agents both independent agents and company agents that write townhouse insurance for associations.

The committee believes that at the stage of development of specifications it will be beginning in the near future, that it would like the advice of an

independent insurance agent who has direct experience in insuring townhouses and would request permission to search out and engage an Independent agent for the committee. The individual would have no relationship to the board but could serve as a resource to the board if the board should choose so at a later date. The committee would seek an agent who would perform the advisory role gratis. The committee would not engage anyone if there were a charge without obtaining prior approval of the board.

The committee has finished its first phase of investigation with a wealth of general information which it will share as an appendices in it's final report.

The committee is currently reviewing the declarations and bylaws of the association, specifically pp. 26-32 of the declarations. The committee makes the following requests:

1. That it receive a copy of the most recent and official copy of the declarations and by-laws.
2. That the Board declare to the committee, if there are any common areas in the association and if so that their location be specified.
3. That for purposes of insurance the utilities within easement areas are to be insured for any reason. The committee has found in it's copy of the declarations that there are no common areas and that there is a large section of easements which it believes to be the lanes in which there is both owner traffic and multiple utility areas for water, sewer, telephone, cable, etc. and which may need to be covered for event specific incidents.
4. In addition it appears that many original owners did not pass on the developer books with warranties and declarations and bylaws to successor owners. Some new person/owners may be uninformed of the declarations and bylaws.

This concludes interim report one.

# LOMMEN ABDO

MN / WI / NY

January 31, 2018

Red Cedar Canyon Townhouse Association, Inc.  
Attention: Association Board  
c/o Larry Williamson  
181 West Canyon Drive  
Hudson, WI 54016

Re: Red Cedar Canyon Townhouse Association, Inc. ("Association")  
Insurance Coverage  
Our File No. 41769

Dear Sir/Madam:

In accordance with your inquiry regarding adequacy of insurance coverage, I reviewed the Association's Declaration of Covenants and amendments, together with the old and current insurance policies and declarations.

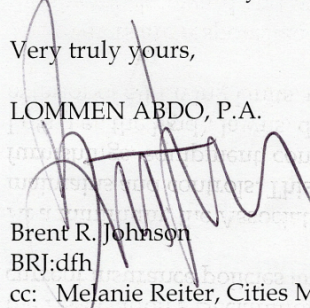
At a minimum, the Association is required to insure all of the areas that it owns, maintains and controls. This includes the common areas (and all improvements, furnishings, equipment, conduits, pipes and wires located in the common areas), the Lots (i.e., the land), lawns, driveways, walkways, parking areas, easements, and the exterior of all Living Units, including exterior windows and doors.

The owners are responsible for insuring the Living Units. This means everything from the sheetrock inward and would include floor and wall coverings. The Association may elect to insure the interior of the Living Units and assess as a common expense, but is not required to do so. The "bare walls" policy appears to be adequate.

Please let me know if you have any questions. Thank you.

Very truly yours,

LOMMEN ABDO, P.A.

  
Brent R. Johnson  
BRJ:dfh

cc: Melanie Reiter, Cities Management

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