

FOREST PARK at WILDERNEST
Board of Directors Budget and Board Meeting
November 8, 2019

The Forest Park at Wildercrest Board of Directors held a special meeting on Friday, November 8, 2019, 9:00 AM at Gore Trail Clubhouse and by GoToMeeting. Directors present in person were Doug Carver, Richard (Dick) Greene, and Gary Duncan, Robert Rhode and Alt – Eric Olson. Attending from Red Mountain Community Management (RMCM) were Josh Shramo and Sheila A. Skaggs. Mr. Duncan called the meeting to order at 9:06 p.m.

Absent: Jack Brestel

APPROVAL OF MINUTES

MOTION: Upon motion made by Dick, duly seconded, the minutes of July 20, 2019 were unanimously approved as presented.

FINANCIALS

Josh Shramo and the board reviewed the financial statements as of September 30, 2019 and for the 7 months then ended.

Balance Sheet

The total checking and savings was \$108,398. Total assets \$146,033, total liabilities is \$8,127, leaving a net equity of \$137,906. It was noted that there was a \$39,000 insurance claim receivable included in assets that will eventually be collected and added to the cash balances. The receivable is comprised of insurance holdbacks and \$10,000 owed by that unit holder. The board requested that RMCM continue to actively work with the unit holder and insurance company to expedite the collections as quickly as possible. It was also noted that the second part of the special assessment will not be collected until December and therefore the cash reserves do not include that future installment.

Profit and Loss Statement

The current year to date P&L was reviewed by Management and the board with primary focus on the items that were significantly over budget. Specifically the following items were noted:

- Security and Fire Safety is due to issues with the panel at 81a.
- Grounds and Parking is due to large amounts of ice chipping and landscaping costs for 21c.
- Roof Maintenance in the amount of \$25,380 is due to snow removal from the flat roofs and heat tape repairs.
- Building Maintenance in the amount of \$12,844 is comprised of numerous items including various repair projects so far this year such siding repair, gas meter repair, etc.

- Under Reserve Expenses, the \$125,968 relates to the common area leak in front of 121.

The cost of the flat roof snow removal during the year was briefly discussed and agreement was reached with the management company that if roof snow is needed to be removed this winter season, prior Board approval should be obtained unless an emergency situation arises.

Leaking sprinkler heads has become a concern for future maintenance. Specifically, a few sprinkler heads appear to have a very minor drip, i.e., 1 or 2 drips once a month. The board suggests that a rotating system of repairs, one building at a time, have sprinkler heads replaced and glycol replaced at the same time. This is expected to provide efficiency and lower costs. The cost is estimated to be approximately \$6,000 per building.

The 1st installment of the special assessment brought in additional revenue of \$102,500. Per RCM, all units have paid the first installment and 12 owners have prepaid for the 2nd installment.

Eric Olson inquired what the board thought an acceptable Reserves level would be. After some discussion, the board noted that although there is no absolute acceptable reserve level, the board maintains that a current goal of \$250,000 would be the best scenario to fund painting and other future projects. The board also commented that this number needs to be reviewed at least annually and adjusted based on current information and costs.

2020 BUDGET DISCUSSION

The budget line items were discussed with focus on the significant items as follows:

- Insurance – The board anticipates that insurance costs will go up significantly due to a large water loss claim this year. The new rates are not received until after budget ratification in January but the Board has estimated an increase to \$25,000 until more information is available. Continuing efforts will be made by RCM and the board to obtain information on the Farmer's renewal and to obtain other quotes where possible.
- Cable – increase of 3%.
- Internet – increase of 3%.
- Fire and Safety – Increase to \$10,000. This primarily relates to the fire prevention system.
- Building Maintenance – increase to \$10,000 based on recent history.
- Roof Maintenance – increase to \$10,000 based on recent history.
- Siding and Resurfacing – decrease to \$5,000.
- Parking Lot Repairs - \$20,000 will be used for water block valve location and repair.

A Board member provided some 3rd party information on Turner Morris (T-M) that he obtained during the summer for the board to take consider for future engagements with T-M. The board requested that RCM obtain some comments regarding the same directly from T-M and the board will weigh the feedback. Additionally, the board noted that they would like alternatives on not only TM but other vendors whenever possible to obtain competitive bids and for due diligence purposes.

The board discussed the need for a dues increase in order to cover numerous rising costs, expected insurance increase and to add to the HOA reserves for future capital expenditures.

MOTION: Upon motion made by Dick, duly seconded, and approved with one “no” vote, the dues will be raised \$50 to \$370/unit/month for the upcoming fiscal year. The 2020 Budget is not approved at this meeting until the changes noted at this meeting are included into a revised budget and a new budget sent the Board for an email vote of approval, followed by the ratification process at the annual meeting.

OFFICERS AND BOARD MEMBER DISCUSSION

Gary Duncan announced that due to personal reasons, he is resigning as the President of Forest Park HOA, but will remain on the Board. Dick Greene agreed to assume the position of President until April 2020 if approved by the board. Eric Olson, alternate Board member, will move into a Board member position and assumes the duties of Secretary.

MOTION: Upon motion made, duly seconded, and unanimously approved, Dick Greene is President and Eric Olson is the Secretary.

MANAGEMENT REPORT

RMCM stated that the action list from the summer season is complete.

Dick would like RMCM to obtain a letter from the gas company about gas meter liability.

OLD BUSINESS

- The sewer line was scoped and the report from the company is that the line is intact and functioning properly.
- RMCM will obtain estimate and a spring schedule from RKR Excavation to expose and plans are to repair two (2) water shut-off box valves.
- The winter ice damming and drainage problem at Building 61 was inspected by Fred Hoyt, Borne Engineering. He suggested opening up the lip of asphalt where the drainage ditch begins and removing the dirt dam area. Gravity will allow the water a natural path. Dick Greene disagrees with this decision and invited the Board members to physically inspect this area with him after the Board meeting.
- Hilco will be contacted to sand this area during winter.
- Eric Olson would like to see a strategic planning document for capital projects.
- RMCM will be discontinuing security checks at all HOAs by January 1, 2020, due to the increasing liability costs for insurance. A third-party vendor has been contacted to perform security checks for owners who wish to enroll in the service.
- The Board wants minutes posted on the website as soon as they are available even in draft form.

NEXT MEETING DATE: The Annual Meeting is scheduled for January 11, 2020 at 4:00 PM at the Gore Trail Clubhouse.

ADJOURNMENT

RESOLUTION: Upon motion made, duly seconded and unanimously carried, the meeting adjourned at 11:03 p.m.