

CROSSROADS TOWNHOMES

Board of Directors Meeting Minutes

Virtual via GoToMeeting

Friday, July 31, 2020

11:00 AM MDT

Attendance:

Crossroads Townhomes Board of Directors

- Kevin Skruch
- Lou Gilster
- Lori Antolec
- Eric Northrop
- Jasper Garibaldi

Additional Attendees

Trish Heissdorffer

Alpine Edge Representatives

- Brett Gunhus – HOA Assistant Manager
- Francisco Mata – Director of Finance
- Robin Hoffmann – HOA Administrator
- Robin Dew – HOA Accountant

1. Determine Quorum

Quorum met and Brett Gunhus asked participants to please to mute their phones unless speaking to avoid echoes on GoToMeeting (GTM) platform

2. Landscaping:

Trish Heissdorffer presented phase 2 units landscaping – buildings and front porches, eventually trees will have to come out from in front of the buildings. She recommends taking out the trees between the buildings and replace with flower beds that can be customized at owners' expense and use mulch similar to the cul de sac to fill in to the sidewalk. Front areas the front porches could have some kind of straight or curved sidewalk from porch to the road to have an actual entrance from front porch, like on phase 1.

The Board considered whether there is sufficient open space for a concrete sidewalk or pavers to create a walkway from the front porches the asphalt. Trish also suggested having some kind of native grasses from the sidewalk to the flower beds or it could be mulched. This should minimize

resources. Flower beds should be native to reduce water use but doesn't know how to start the plantings though without water. A lot of the column skirts on the porches are hanging off the concrete. The skirt adds no value and if it is part of the sidewalk, we could make the concrete align with sidewalk. Then fix front porch skirt area where they hang over.

The Board considered phasing the project to remove the trees this year and do the flower beds starting in early spring next year.

Kevin Skruch stated the Board needs to get a feel for finances, but do we keep Trish plugging along with the planning. Lori Antolec agreed the Board should get a grip on finances first. Lou Gilster also agreed. There is some maintenance on siding and roofs that needs to be done. Eric Northrop said it wouldn't hurt to move forward with Trish talking to the Town, but most likely to implement next year. Jasper Garibaldi is concerned every tree we take down we have to plant another one per Town of Frisco and concerned on expanding the cement. Kevin Skruch asked Trish to contact Susan at the Town about pavers, concrete and tree removal as the Board should have much better view of finances in the next few months.

3. Financial Update Francisco Mata and Robin Dew

- a. General Update
- b. Monthly Report
- c. FY2021 Budget – Creation Process

Robin Dew introduced himself as the new Alpine Edge HOA Accountant. He advised notes will be on every line for the upcoming 2021 budget review, so the Board knows where the numbers are coming from for the budget. When AE was analyzing the 2020 budget, it seemed it may have been built off the dues income. Robin thinks that is financially an unsound practice and can leave no wiggle room; roof shoveling.

Robin would normally look at a regular balance sheet, but he built out an 'expected spend against budget' for this year.

Administrative line item: \$347.52 is BMMs administrative charges. The administrative fee will not be going up this year, this was only for BMM. This line item will not be on next year's budget.

AE does not bill for every time we do accounting work on Crossroads; it is only the QuickBooks fee for the software. AE broke it out for transparency to its own line item.

Crossroads should be saving money against the historical for the administrative charges.

NOTE: The Quickbooks fee is for the software in Crossroads' name so that if you move to another management company in the future, this software moves with Crossroads and allows for long-term financial data in one location.

The Quickbooks is a monthly licensing fee. \$35 a month for the first three months, then \$70 a month after that.

Legal line item – AE is awaiting an invoice from the lawyer, but it should be on budget.

Meeting Expense line item - No meeting expense to hit this year unless COVID restrictions loosen. The line item should be back on next year though, as it is valuable for face to face meetings and the ability to address all items.

Kevin Skruch said the Board would also like to see how things break down by month also. Robin D. will go through and re-spread the budget month by month. AE does it on annual accruing for pacing of numbers, but Robin D willing to make a monthly spread. He will include monthly and YTD and annual in the monthly financial packet.

Lou Gilster asked about how AE will handle the financials if work is done in 2020 and billed in 2021 because it throws off their view. Robin D advised AE does accrual-based accounting so bills not paid until following year present properly. If work bleeds into the next year, AE will book accruals in December, so the charges hit the right fiscal year.

Crossroads will stay on calendar year, but Lou Gilster would like to possibly move the fiscal year to begin in October. Robin D said AE inherited the calendar fiscal year from BMM and the budget AE would need to research what would have to be done to possibly change the fiscal year.

Francisco Mata said that it was not easy, there would need to be some journal entries to come from Crossroads' accountant. AE would need to provide them the books, see what journal entries needed to be made, the account would have to provide the journal entry numbers. Then AE would also need to add three extra months on that particular year and taxes would need to be completed in January each year instead of April. It would also require changes in the By-laws and

Declarations. Kevin Skruch said the Board needs to get a handle on finances first, then maybe look at next year possibly.

Insurance - Is on pace, maybe anticipate \$10 above budget. Historically bi-annual and around \$14k.

Building Maintenance – AE has not received any bills yet for this line item. The Maintenance and irrigation, at this point, appears to be on target.

Landscaping – AE will probably see some overage.

Snow line items – There was nothing budgeted that would cover the roof shoveling from last winter. As of now, this is \$6,465 over budget. Robin noted this is something to note for next year to budget for, it should be in there.

Snow removal - \$700 contract a month, budgeting was poor. Lou Gilster provided back story for contract; Snow removal contract was for 17 times for someone to come out and it was probably allocated across all the months, but the snow remover came out more than 17 times. Brett Gunhus advised that this type of contract was not the norm. Usually anytime it snows above 3” in a day, the snow remover comes out. It is an exact number so could pay a little over but more snow, you are paying less. Kevin Skruch said he would like our help on snow removing contractors. Brett advised AE tries to not move in and replace all the contractors when taking on a new HOA, but we will reach out for bids now for winter 2020.

Lou Gilster spoke about Crossroads had bounced around trying various contractors, some with small equipment, others with large equipment and they have not found a happy medium.

Trash Removal - Trash was changed to monthly with Waste Management. If we continue at same pace, the costs will come in a little higher, but the increased pickups balance it out.

Cable – It is a yearly lease and the company did not increase rates this year, but we will need to contact them for accurate numbers for next budget cycle. Brett Gunhus asked if the Board wants to stay with these service contractors or change?

Kevin Skruch thinks some trash is coming from other Townhomes, but Crossroads has no cameras, so they increased pickups. They have discussed locks, enclosures, etc. Kevin said it

should wait a couple more months to look at finances, then decide on how to address later this fall for longer solution. Eric Northrop said two times per week has helped, but it hasn't fixed it. He agrees to wait a bit to change. Lou Gilster said Ty (BMM) had set up two pick-ups a week for high season, then 1 a week on slow season, but the Board went back to two times a week. Jasper Garibaldi said paying for others' trash was not a good solution. Robin D. said AE will work with them on solutions.

Kevin Skruch asked what's the Board's feeling on the cable? Turn it over to individual owners or keep package? Lori Antolec said she could go either way; the Board should possibly do a community survey. Lou Gilster said Ty (BMM) said it was cheaper to pay the monthly fee as a package than the individual homes. Lou said he personally did not care, would just as soon do internet only. Robin D advised the Board the cable is about \$14,500 a year. Kevin Skruch said he didn't know what the pricing would be for individual. Eric Northrop pointed out what's included in the Crossroads' package is a step above having nothing at all. To have more channels, you have to upgrade it anyway.

Another point was brought up - If satellite dishes are added, there would need to be something in Declarations about the dishes. Kevin Skruch said it should be discussed in a few months. A broad survey should be done for internet, cable, etc. Brett Gunhus said AE can coordinate with the Board and have a little back and forth on ideas or items that could be added to the survey. Brett will reach out to the Board with a proposed survey to implement before the annual meeting.

Total Expenses – Robin D said he anticipated \$103k based on the budget of \$94.8k. The roof snow removal and cable were the main items contributing to the overage. This will affect Crossroads' ability to contribute to reserves because there will be a lot less than budgeted for.

Reserve study – 2018 reserve study – Robin D spoke about the \$50k painting project that was on for 2022, but now shows moved to 2023. Closing balance is just under \$90k on study. AE has June 30 at \$84k, anticipated year end a little over \$92k. but that includes all the reserves transfers. This would improve the reserve balance ahead of the anticipated 2023 expenditures.

Kevin Skruch said Crossroads has not really taken care of the properties as well in last few years

that we should have. Not enough pushbacks or landscaping. Kevin said he believes the Board should get these items addressed and worry less about reserves.

Brett Gunhus said he knew Lori Antolec and a few others have roof issues that need to be addressed before winter. He has talked to a roofing contractor and he is busier than usual lately. Brett has requested that he looks at the roof issues and can offer a quote on heat tape installation at the same time. Maybe an item to consider would be heat tape next year to be budgeted into financials.

Lou Gilster said there is scheduled a big increase in 2022 to reserves. Looks like the loan may be paid off end of 2021. Eric Northrop added that the community needs good landscaping and snow; removal get community back to snuff.

Kevin Skruch asked Brett what AE's procedure is for logging maintenance. Brett said owners should reach out by email with details on any issue, preferably sending photos of the matter, and AE logs a work order in Streamline, our maintenance system. It sends it to our AE Service team, and they fix it. AE does not have a running spreadsheet to provide each month on maintenance items, but Brett said he could provide a list of standing maintenance items leading up to the annual meeting, and that Lori Antolec has a spreadsheet and she would be able to see those items crossed off the list.

Robin D pointed out a big thing to look at regarding the reserve study is it shows going into 2023 with roughly \$100K in reserves so funds will be there for the painting project scheduled.

Kevin Skruch brought up the Accounts Receivable report. Robin D said four homeowners are past due. He has sent them reminders. So far it seems the issue with transitioning. Kevin doesn't want to fine anyone yet.

Lou Gilster also mentioned his copy of the reserve study has been updated to 2020, but he does not have the last couple years of expenses to track through. Francisco Mata said he can trace back through 2019 but can't go further back. Lou said 2019-20 would be fine and he will email Francisco.

NOTE: Several of the Board members had to drop off the meeting at noon.

4. Accessory Apartment Dwelling

- a. Unit Access Objectives – Kevin Skruch said he could go over to 705B’ on Monday, he can’t discuss it now because the whole Board is no longer in the meeting. The Town has to meet separate from the HOA legally so Brett Gunhus will get a time and date with the owner of 705B. Lou Gilster asked if there would be any issue with the previous Board President having already inspected it? Could this be an issue? Kevin, said no, the Board never gave her permission. Kevin said unless the owner of 705B has something in writing from the Board saying otherwise, it is illegal.

5. Maintenance Request Protocol – touched on spreadsheet leading up to annual meeting.

6. General Board Comments – Brett Gunhus said he doesn’t need a solid date, but he was thinking again about the annual meeting.

Lou Gilster asked if the Association ever paid the owner of 705B for the water? Kevin Skruch said he was not opposed to paying her, but the Board needs to figure out how much. BMM told him they did not have bills from her. The Board owes her something that is fair, and Kevin will discuss this further with her Monday. Brett said that checks are ready to cut when needed.

Lou Gilster added they need some weed killing in the rocks and between buildings. Brett will get it set up (BioBalance). Lou also said the canoe between buildings is gone!

Brett Gunhus also advised for AE to receive information on the loan, we would need signatures.

Kevin Skruch said he would stop by the AE office and get the form and take it by for signatures of Board members.

7. Adjournment

Meeting adjourned at 12:21 pm