

CAUGHLIN RANCH HOMEOWNERS ASSOCIATION

**Minutes of the Board of Directors Meeting**

Wednesday, January 26, 2011, 7:00 P.M.

**Board of Directors Present:**

Millie Burke, President  
Michael Chern, Vice President  
Michele Attaway, Secretary  
Michael Heffner, Treasurer  
Larry MacNeil, Director

**Directors Absent:**

Ken Walters, Director  
Gina Pedrini, Director

**Others Present:**

Linda Jussen, Administrative Assistant  
Katrina Rehkop, Secretary  
Randy Lisenby, Landscape Supervisor  
Shawn Oliphant, Legal Counsel  
Gayle Wassenberg, Recording Secretary  
Approximately 9 Homeowners

**1. EXECUTIVE SESSION SUMMARY (Closed Session Prior to Board Meeting)**

***1.1 CC&R Violations & Crew Updates***

The Board and Legal Counsel discussed policy for compliance violations, including notifications, fine structure, and enforcement of CC&Rs.

***1.2 Status of Member Assessments and Account Default Procedures***

Directors and Legal Counsel discussed policy and procedure for the equitable handling of delinquent accounts.

**2. OPEN MEETING – CAUGHLIN RANCH BOARD OF DIRECTORS**

The meeting of the Board of Directors was called to order by President and presiding officer, Millie Burke, at 7:00 P.M. at Caughlin Ranch Elementary School, 4885 Village Green Parkway, Reno, NV. A quorum was established. Director Burke advised that Manager Paul Hershey is off, recovering from pneumonia, Director Ken Walters is not feeling well, and Director Gina Pedrini is out of town.

***2.1 Members' Comments (Agenda Items Only/2 Minutes per Member)***

A Caughlin Creek homeowner asked about a new water assessment notice that he received in the mail. Another Caughlin Creek homeowner, who was present, advised him that there must be a mistake because the water assessment that was initiated last year took care of Caughlin Creek homeowners' past obligation to Caughlin Ranch for reimbursement of water usage. It was suggested that the first homeowner call Gaston Wilkerson, Caughlin Creek's management company, for clarification of the document that he had received in the mail.

**3. LANDSCAPE SUPERVISOR'S REPORT**

Randy Lisenby reported:

This time of year is a slow time for his crew due to weather, so some crew members are taking vacation at this time. They are beginning spring cleanup when the weather allows, and have also been cleaning up the Cushman equipment that is used by the crew.

**4. CONSENT AGENDA**

***4.1 Approval of November 18, 2010 Minutes***

***4.2 Approval of Amended Resolution for Board Signatures***

***4.3 Authorization for New Signature Cards from Various Institutions***

**4.4 Report from the January 20, 2011 Advisory Committee Meeting**

No report was received due to technical problems; this item was therefore removed from the consent agenda.

**4.5 Delegation of Authority for General Manager**

The Board had previously reviewed the manager's recommendations.

**MOTION:** Director MacNeil made a motion, seconded by Director Chern, to approve consent agenda items 4.1, 4.2, 4.3, and 4.5. Motion carried unanimously.

**5. BUSINESS ITEMS**

**5.1 Manager's Report**

5.1.1. Update on Law Seminar

In Paul Hershey's absence, Director Burke advised that Paul had attended a law seminar in Las Vegas from January 12 – 14. The seminar was predominantly for attorneys specializing in homeowner-association law.

5.1.2. Caughlin Ranch Employee's Handbook

Having just received copies of the proposed employee's handbook, the Board expressed a need for time to review the handbook and offer their input. Their preliminary opinion was that the proposed handbook did not adequately address Nevada employee law.

**MOTION:** Director Attaway made a motion, seconded by Director Chern, that a request be submitted to an attorney who specializes in employment law, to review the proposed handbook--not to exceed the \$2500 expenditure that was approved by the Board last spring. Motion carried with all in favor.

5.1.3. New Payroll Service

Director Burke advised that two bids have been received, one from Strategic Payroll Solutions and one from Intuit Payroll. Paul has expressed that he would like to obtain a third bid.

5.1.4. Update on Alliance Financial Service ACH.

Alliance offers electronic assessment payments/online banking. Director Burke noted that Paul Hershey will have details.

5.1.5. Update on Projects

Paul Hershey will discuss planned projects at a later date.

5.1.6. Landscape/Guest Services

Paul will have details regarding a possible upgrade to the "entrance monuments" in the community.

5.1.7. Business Plan

In Paul's absence, it was noted that upon finalization and Board approval, his business plan will be posted on the website.

5.1.8 Approval of Priorities for 2011

Upon finalization and Board approval, Paul's 2011 priorities will be posted on the website.

#### 5.1.9 Staff Organization

Paul will present an update upon his return.

### **5.2 Review and Approve the 2010 Budget Report through December 31, 2010**

Director Heffner reported:

- The 2010 Budget Report should be considered as preliminary until the year-end adjustments are made by our accountant. Once finalized the 2010 Budget Report will be available on the CRHA website.
- The preliminary year-end report reflects approximately \$100,000 more in revenues than was budgeted; this was primarily due to the money received as a result of the Caughlin Creek assessment agreement for previously underpaid reimbursement for water usage.
- Cost savings resulted from Randy's effective management of the irrigation system—shutting the system down during periods of significant rain or wind. Xeriscape (low water consumption vegetation) also reduced water consumption.
- A third factor reducing 2010 water usage was the cold, wet spring/summer which significantly reduced watering requirements in May and June.
- In total, due to the additional revenue and the cost under run, the Operating account finished the year with a surplus in excess of \$200,000 vs. the original 2010 budget.

Side Notes:

- The Budget and Finance Committee increased the water budget for 2011 by \$100,000 in expectation of a normal weather pattern in 2011 and a 6% water rate increase in May.
- In discussions with TMWA, Director Heffner was recently advised that the next rate increase may take place in the fall rather than in the spring. If true, this would result in very significant savings during our peak irrigation program from June through September.
- Director Burke advised that Director Heffner has been invited to apply for membership to the TMWA Strategic Advisory Board due to his work with the utility on behalf of Caughlin Ranch.

**MOTION:** Director Heffner made a motion, seconded by Larry MacNeil, to approve the preliminary closing of the 2010 Budget Report as presented. Motion carried unanimously.

### **5.3 Approval of Guidelines for the Community Events Committee**

Director Attaway accepted the Board's appointment as Board Liaison for the Community Events Committee. The Board previously requested that the committee prepare Committee Guidelines. After review of their draft, it was the Board's consensus that numerous important aspects were not included.

**MOTION:** Director Attaway made a motion, seconded by Director Chern, to table this matter until the next Board meeting and that in the interim, Shawn Oliphant, Paul Hershey and Directors Burke and Attaway meet to discuss committee guidelines. Motion carried unanimously.

### **5.4 Board Appointment of Association Officers for 2011**

At the November 18, 2010 meeting, the Board voted to retain the 2010 Board of Director officers as follows for the year 2011:

Millie Burke, President  
Michael Chern, Vice President  
Michael Heffner, Treasurer  
Michele Attaway, Secretary

After the Board voted, it was suggested by a homeowner that perhaps it would have been best if the appointments were made in January since two Board members were absent and the newly

elected Board member had not yet begun his term. Since the retention of 2010 officers had already been voted on at that point, it was decided that at the January board meeting, the vote could be ratified.

**MOTION:** Director Chern made a motion, seconded by Director Attaway, to ratify the Board's previous motion to retain the 2010 Board of Directors' Officers for 2011. Motion carried unanimously.

### **5.5 Approval of Investment Policy**

The Board was provided copies of the newly prepared Caughlin Ranch Investment Policy and Procedure, which Director Heffner advised has been reviewed by Legal Counsel. The essential points regarding the policy are (1) that it complies with all the requirements of NRS 116, and (2) that no investments will be made without prior Board approval. Since the Board has stated that investment decisions should first be reviewed by the Finance and Budget Committee, this effectively means that all investment decisions will be subjected to two levels of review.

- Director Heffner noted that the Association now has 22 bank accounts in order to keep all bank balances below the FDIC insurance limit. The CDARs program would allow the Community Manager to consolidate bank accounts by investing multiple CDs through a single bank while maintaining the insurability of all invested funds.
- Director Attaway requested a correction in the Investment Policy as follows: Under NOW, THEREFORE, BE IT RESOLVED, Item 1. should be changed to read as follows, since there are multiple reserve accounts: "Promote and ensure the preservation of the reserve *funds*' principal."

**MOTION:** Director Heffner made a motion, seconded by Director Attaway, to approve the Investment Policy as corrected. Motion carried unanimously.

### **5.6 Financial and Budget Report Guidelines**

The Board was provided with an outline of proposed changes in format and timing to the financial reports. Director Heffner advised that his intention is to have the F&B Committee meet with the Association's CPA to discuss the proposed changes and to present a final proposal to the Board at the next scheduled meeting. As a result of Director Heffner's request, no action was taken on this matter at this time.

## **6. MEMBERS' COMMENTS**

A River Run homeowner asked that the Officers and Directors be introduced. Director Burke responded with introductions.

## **7. ADJOURNMENT**

With no further business to address at this time, the Board Meeting was adjourned at 7:55 P.M

Respectfully submitted by:  
Gayle Wassenberg  
Recording Secretary  
Transcends Transcription Services

Approved by:  
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Caughlin Ranch Board Member