

**Augusta Ranch Homeowners Association
c/o FirstService Residential
Mesa, AZ 85209**

**Board of Directors
General Session Meeting Minutes
August 20, 2018
2401 S. Lansing, Mesa, Arizona 85209**

Present:

Board Members:

Lisa Quedens, President
Sean McNulty, Vice President
Jeff Brown, Treasurer
Barry Matlack, Secretary
David Kovach, Director (Arrived at 7:05 p.m.)
Greg Pifer, Director

Board Members Absent:

Gary Bever, Director
Beth Patton, Director
LeeAnn Bohman, Director

FirstService Residential Representative:

Kamin Havens, Community Manager

Also Present:

Jan Wallace

No Homeowners were Present

I. Call to Order

President Lisa Quedens called the meeting to order at 6:30 P.M.

II. Review and Approval of July 2018 Minutes

MOTION: Sean McNulty moved to approve the July 16, 2018 minutes as presented, seconded by Jeff Brown. Motion passed 6-0.

A. LeeAnn Bohman's Resignation:

MOTION: Sean McNulty moved to accept the resignation of LeeAnn Bohman; seconded by Jeff Brown. Motion passed 6-0.

B. Appoint New Board Member: Lisa Quedens recommended Jan Wallace for the open Board position. Jan has spent a lot of time on the Events Committee and has lived in Augusta Ranch since 2003.

MOTION: Lisa Quedens moved to appoint Jan Wallace to the Board of Directors; seconded by Sean McNulty. Motion passed 6-0.

III. Review of July 2018 HOA Financial Statement

Jeff Brown provided a review of the July HOA Financial Statement.

Income: Working capital was over budget \$2,700 as a result of more people moving into the neighborhood; we were under budget \$400 in assessments and \$700 in reimburse expense. Many of the budgeted amounts are based on historical data. YTD we were under budget \$33,000 in income due to the \$49,000 transfer to the Golf Reserves.

Administrative Expenses: We were \$6,400 over budget in management salaries as May was paid in July. The new pilot program has not billed yet for Legal and they are aware of that. \$2,500 over budget in rebill expense and \$500 over in printing as those were budgeted for May. YTD we are under budget \$8,000 in administrative expenses.

Utilities: Water was over budget \$13,000 for the year due to the lack of rain until recently.

Landscaping: Irrigation repairs were over budget \$115 in July. \$800 over budget in fertilizer for tree treatments that were not budgeted. YTD Landscaping was under budget \$2,000.

Patrol Service: \$2,300 over budget in security gas as both the June and July invoices were paid. \$8,000 over budget in Patrol Service as the second half of June was paid in July. \$2,300 over budget in vehicle maintenance that was not planned. YTD Security was over budget \$9,000 as the second half of December was paid in January.

Common Area Maintenance: Over budget in July for power washing, storm drains, painting, etc. Kamin Havens explained that so much work was done in one month. YTD we are under budget \$2,000.

The transfer of \$49,000 to the Golf Course Reserve created an under-run for the year.

Barry Matlack suggested that recurring items be highlighted or in a different color in the summary to make it easier to follow.

MOTION: Barry Matlack moved to accept the July 2018 HOA Financial Statement, seconded by Sean McNulty. Motion passed 6-0.

A. Delinquency Report: Kamin Havens explained that the total delinquencies of \$335K are not all assessments. The \$335K matches what we have out as detailed in the breakdown, including attorney fees, rebill fees, demand notices, etc. We are out \$95K in Assessments. The report shows the painting assessment owed of \$31,000. Also detailed in the report are the credits. Violation fines are at \$97,000 which are soft costs. A few owners have \$10K in violation fines. Most are in the hundreds, but it adds up quickly with so many homes.

IV. Review of July 2018 Golf Financial Statement

Jeff Brown reported that income was \$21,000 under budget YTD due to the \$49,000 transfer to Reserves. Administrative expenses will continue to show under budget as the principal and interest are

separated out. Professional fees were over budget \$2,100 as GMS was paid for the 2nd and 3rd quarters. Total expenses were under budget \$42,000 for the year. There is an over-run due to the transfer to Reserves.

MOTION: Barry Matlack moved to accept the July 2018 Golf Financial Statement, seconded by Greg Pifer. Motion passed 6-0.

A. Transferring of Funds: Kamin noted that accounting splits out the principal and interest while the Board does not, which has created an imbalance in the budget of \$12,000. When money goes from the HOA over to Operating, the principal goes out and the \$6,910 is going into Reserves. We are not keeping any funds in Operating. The professional fees for GMS need to come out of Operating. Kamin is working with accounting to do our financials the same way with the principal and interest so that we will have a balanced budget. We need to make sure to put more money back into the Golf Operating. It was proposed to take \$40,000 from the Golf Reserves to put into the Golf Operating for a cushion fund. \$4,500 and \$6,910 are now going into the Golf Reserves monthly. We need to stop the \$6,910 for a few months to allow it to build up. The Master HOA loaned \$10,000 to the Golf Operating for the principal, as it is easier for accounting to transfer funds within the same bank. The Reserves are in a different bank. The minutes need to show approval for taking \$10,000 out of the Golf Reserves to pay back the HOA. Barry Matlack was concerned that the reasoning may not be clear to anyone reviewing the financials. Kamin stated the balance sheet will show that the funds are due to the Master Association and it will show a negative in Operating of \$3,300.

Kamin explained that the only part coming from the Master is the \$22,000 that is transferred each month. The \$40,000 will go from the Golf Reserves to the Golf Operating to pay back the HOA for the \$10,000 loan.

MOTION: Lisa Quedens moved to approve the transfer of \$40,000 from the Golf Reserves to the Golf Operating, to stop the monthly transfer of \$6,910 from the Golf Operating to the Golf Reserves, and to pay back the amount of \$10,000 from the Golf Reserves to the HOA Operating. Jeff Brown seconded the motion. Motion passed 6-0.

V. Homeowner Forum - None.

VI. Golf Course Report

A. Irrigation Update: Kamin advised that the irrigation upgrade is now complete. The invoices will be reviewed in the Golf Financial meeting tomorrow.

VII. Manager's Report

Administrative Update: FSRConnect Reports

152 Total calls for July.

19 New homeowners in the community for July.

5 Architectural requests received for the August meeting.

116 Violations were sent out in July.

A. Suncrest Wrought Iron Painting: This item will be tabled to next month to allow the Board time to review. The legal opinion letter will be discussed in the Executive Session.

B. Events Update/Shirts: For Octoberfest, Kamin suggested a photo booth by Jessen Associates with a large custom background, props and the Augusta Ranch logo. The cost would be \$975 and people would get the pictures for free. The Board agreed.

The shirts were reviewed after the meeting.

C. Final Monument Proof: The final proof was reviewed showing "Golf Course and Restaurant Open to the Public" on one line. The Board agreed on the final proof and the estimate from Sierra Signs in the amount of \$6,627. The plan is to have the project completed by October when the restaurant opens.

D. Collection Policy - Paint Assessment: There are still people who have not paid their paint assessment. Kamin reviewed the collection policy as well as the documentation regarding the Master Association's right to contract out for maintenance services, and to charge lot owners fees for such services through an assessment. This was provided to the Board for clarification of the rights and responsibilities of the Board and Master Association as well as the collection policy. The Board understood and was in agreement with those policies.

E. Social Media Policy: Kamin, Lisa and Dee had attended a class on social media. A policy was suggested that Maxwell Morgan uses in many communities to appoint a Social Media Committee to watch the Augusta Ranch Nextdoor, Facebook and other social media sites. The policy would give the Committee the right to remove posts that are considered derogatory or negative with regard to the Association. Maxwell Morgan has provided an Opinion Letter regarding social media, which will be reviewed in Executive.

As Board members have not had a chance to review the proposed social media policy and legal opinion letter, this item will be tabled to next month's Board meeting.

VIII. Landscape and Irrigation (Some items were taken out of order)

A. Turf Conversion Project - Kamin reported that the Loop and Baldwin Park will be dyed to save water and to allow the Bermuda to rest. There are a lot of bare spots where grass has

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not grown for years. The proposal is to cut the curbing and reinstall in certain areas, fill with granite, and install new irrigation to trees that were previously watered by sprinklers. A plan was developed and estimates were obtained. The whole project for 11 areas will cost \$5,000. Dan and the crew will have time to remove the curbing because they will not be mowing.

Barry Matlack stated since the crew will not be mowing in the winter they be doing less maintenance. How will that affect the contract? Kamin advised that the contract would stay the same as the only thing being removed is mowing at Baldwin. They can remove the old curbing and the only cost will be \$350 for a concrete dumpster. There will be no additional cost for labor, only the materials.

Barry asked if that would cut down the hours provided for in the contract. Kamin stated the crew will still be trimming and doing other tasks.

Barry asked about the strategy for Baldwin Park if it is not overseeded. Kamin advised it will be dyed. Last year the dye was used on Lansing. This year Baldwin is doing so bad we need to dye there also. After overseeding, the Bermuda needs a couple years rest in order to flourish and not compete with the Rye.

Jeff Brown noted that a hybrid grass blend is used in golf courses, which is much more expensive.

MOTION: Lisa Quedens moved to accept Turf Conversion Project at a cost of \$5,000 to be paid out of Reserves; seconded by Sean McNulty. Motion passed 6-0.

- B. **Irrigation Replacement in HOA** - Desert Classic has created an estimate for a complete irrigation system replacement for \$1.5 million. Kamin felt we could get that down by at least \$150,000. This estimate was obtained as a ballpark figure to be included in the Reserve Study in order to determine phasing and the cost to homeowners. Rob Felix, who has been hired for the Reserve Study, is reviewing the estimate. He will be here September 4-5 for onsite visits.

Dave Kovach joined the meeting at 7:05 p.m.

The Board reviewed the estimate, phasing options, as well as the constant breaks in the current system. Alternatives were discussed, including hiring an extra crew member to help with the repairs.

- C. **Water Report** - Dave Kovach stated that over 5 million gallons were used in August and almost 4 million in July. Last August, we used 330,000 gallons. Dan had increased the run times for the Bermuda grass. Hopefully, in November and December, we will not use any water. The oleanders were treated for aphids.

IX. Website Report

Dave Kovach advised that a form to report suspicious activity is available on the website without needing to log on and there is the ability to send files. Security will receive a text right to the vehicle. Kamin noted that the files are only available for admins. For Security to see those files, we would need to make them an admin. Dave reported an uptick of 10% in the number of visits as well as users over the last year. There were 12 new users. Popular pages remained basically the same as last month.

X. Security

A. Security Report - Sean McNulty reported that Security continues to get calls from an individual at the Palms. Recently, Security helped find an autistic girl who was lost. She is now added to their database. There continue to be complaints of car break-ins, although more appear on Nextdoor that may not be reported to Security. Kamin has received emails from people regarding car break-ins which she forwards to Security. Sean stressed that people should always call security in order to have a record.

Barry was filled in on the Board discussion last month regarding complaints on Nextdoor about the Security response. There are new policies in place and dispatch is now staffed 24/7. An option was added to the website to reach Security without having to log in. The website form will provide a record of the call. Those changes seem to be working well.

Kamin has received calls that people can't get through to Security, although when she calls she gets through right away.

Sean stated some people on Nextdoor had the misunderstanding that Security was 24/7, which would be a significant cost. The policies and procedures will be revisited once a year.

XI. Architectural Requests

Kamin Havens recommended approval for the following Architectural Requests:

- A.** 9930 E. Lompoc - Solar Panels
- B.** 2202 S. Duval - Solar Panels
- C.** 9247 E. Medina - Paint
- D.** 2310 S. Vincent - Patio Cover

NEW REQUESTS:

- E.** 9910 E. Kiowa - Flag Pole. The Board agreed on the location.
- F.** 9251 E. Medina - Paint. The Board agreed to the colors.
- G.** 9859 E. Nopal - Front door, paint, stone veneer, lights, and windows. The vinyl windows will go with the body color. The Board agreed.

H. 9614 E. Lompoc - Owner sent an application through the website and went ahead and painted without approval. Kamin never received the application. Owner stated two neighbors had the same color. They do not. None of his paint colors are approved in our color palette. Kamin will advise the owner that he will need to repaint within 3 months, unless he can find an approved color that matches. Also, approval is needed before the project can begin.

MOTION: Sean McNulty moved to accept the Architectural Requests as presented, seconded by Greg Pifer. Motion passed 7-0.

XII. Next Meeting Date

The next meeting will be held on September 17, 2018.

XIII. Adjournment of Open Session

With no other business before the Board, President Quedens adjourned the General Meeting at 7:36 P.M.

Respectfully Submitted,

Dana Desing (TE: 14082507)
Acting Recording Secretary