

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

**Board of Directors  
General Session Meeting Minutes  
January 21, 2019  
Mesa Police Substation, 2430 S. Ellsworth  
Mesa, Arizona 85209**

**Present:**

**Board Members:**

Lisa Quedens, President  
Jeff Brown, Treasurer  
Barry Matlack, Secretary  
David Kovach, Director  
Brian Mackay, Director  
Beth Patton, Director  
Greg Pifer, Director  
Jan Wallace, Director

**Board Members Absent:**

Sean McNulty, Vice President

**FirstService Residential Representative:**

Kamin Havens, Community Manager  
Shawn Nemmers, Regional Director

**One Homeowner was Present**

**I. Call to Order**

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

**II. Review and Approval of November Minutes**

**MOTION:** Dave Kovach moved to approve the November 19, 2018 General Session minutes as presented, seconded by Greg Pifer. Motion passed 7-0. (Beth Patton arrived after the vote.)

**III. Review of November and December HOA Financial Statements**

Jeff Brown provided a review of the HOA Financial Statements, focusing on December and the end of the year figures.

**Income:** Assessment income was under budget \$6,400 for December as it was based on an estimate. Working capital was over budget \$2,200 as more homes were sold this year than estimated. Over budget \$800 in violation fines. Under budget \$175 in reimburse expenses, which are late fees and rebills. Income was under budget YTD \$28,000, which has to do with the \$49,000 transfer to the Golf Course Reserves. Overall, we would have been \$21,000 over budget in income if we had actually transferred the 2017 surplus in 2017 instead of in 2018. The accounting has been changed moving forward.

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**Expenses:** Administrative expenses were \$650 under budget for management salaries, due to a timing issue. \$3,500 under budget in legal expenses, as we did not use legal a whole lot this year. \$700 over budget in social expense for food trucks which will be billed back from the Golf Course in January. \$800 over budget in corporate taxes. This is due to how the accounting is done as well as an increase in the interest income from the Golf Course. With the new accounting format that will be done differently and we will have a better estimate on the corporate taxes. \$16,000 over budget for insurance, as it was budgeted in January. This has been fixed in the budget and moving forward it will not be an over budget item. Total Administrative Expenses YTD were \$17,000 under budget.

Water was over budget \$18,000 for the year for landscaping. The water bill for December was \$355. In 2017 when we overseeded, the water bill was over \$15,000. Dave will go into more detail in his report. Dan will try to go until April before bringing the Bermuda back in order use less water in the first quarter. This should make up for the expense with the drought conditions earlier in the year.

Irrigation repair was under budget \$663 in December. \$800 under budget in fertilizer as it was not needed with dying the turf. \$850 under budget in trimming for December. Landscape dump fees were \$1,250 over budget and the 25% credit from the Golf Course has not been billed yet. \$430 over budget for landscape miscellaneous for the gift cards for the crew. Landscaping was over budget \$25,000 for year, due to the decision to dye Baldwin Park as well as higher than expected insurance and repair costs.

Patrol service was \$8,400 under budget as the second part of December was paid in January. \$100 under budget in vehicle maintenance for December. \$800 under budget in gas as it was paid in January. Security was over budget \$850 YTD.

Under Common Area expenses, \$20 over budget for exterminating, and \$70 was added to the monthly invoice to do the restaurant. That will be billed back each month. \$3,400 over budget YTD in Common area maintenance.

Total expenses YTD had an over-run of \$22,000. YTD there was a total under-run of \$65,000, going back to the transfer of \$49,000 to Reserves. YTD, we would have been \$2,000 over budget before Reserves if the \$49,000 transfer had been done in the correct year. Overall, the financials for the year were pretty much as budgeted.

**MOTION:** Barry Matlack moved to approve the HOA Financial Statements, seconded by Beth Patton. Motion passed 8-0.

#### **IV. Review of November and December Golf Financial Statements**

Jeff Brown provided a review of the November and December Golf Financial Statements.

Administrative Expenses: \$2,000 over budget in professional fees as it was budgeted in October and showed up in December. The Reserve contributions had an over-run of \$321,000 including \$55,000 transfer

to Reserves, \$11,000 from the CIF fund, \$58,300 monthly transfer from the HOA to Reserves, \$49,000 additional contribution, \$155,000 from painting assessments, and an additional \$2,000 from the lessee for the new entryway. \$14,000 is still owed on the painting assessments. The Golf Course total for the year had an over-run of \$54,000.

Barry asked when the CIF is paid from the Golf Course contributions. Kamin stated it is paid monthly and she sends the invoice after their monthly meeting.

**MOTION:** Beth Patton moved to approve the November and December Golf Financial Statements, seconded by Jan Wallace. Motion passed 8-0.

**A. Transfer to Golf Course Operating Budget** - Kamin pointed out in the financials that the Golf Course Operating Funds are negative almost \$25,000 due to moving funds around to pay for everything. She spoke with the accountant, Pam, who recommended that \$60,000 be moved from the Golf Course Reserves to Golf Course Operating. \$45,000 of that will go back into Reserves, leaving \$15,000. Now that we are getting the large invoice payments from the reimbursements, that will go back into Operating. This will allow Operating to show in the positive on the balance sheet. Several Administrative expenses such as professional fees and property taxes come out of the Operating Funds, although there is never enough in that fund.

Barry asked about the estimate needed for Reserves for 2019? Kamin stated we will need \$75,000 in Reserves this year for the capital improvements. The Reserve Fund will grow each month with the contributions.

**MOTION:** Barry Matlack moved to transfer \$60,000 from the Golf Course Reserve Funds to the Golf Course Operating Funds; seconded by Greg Pifer. Motion passed 8-0.

## V. Homeowner Forum

A homeowner who has lived in the community for 12 years asked for an update on the property at 9950 East Lobo. He asked what constraints are placed on rental properties, as he felt they are generally not maintained and cause a decline in the neighborhood.

Kamin Havens advised that a meeting was held this morning on that property and something should happen within the next 60 days. Rental properties have the same restrictions and have to follow the same CC&Rs as other property owners. President Quedens advised that property owners cannot be restricted from renting their property. All owners are treated the same and are subject to the same notices and violations.

Barry Matlack owns rental properties and noted that some absentee owners have other people managing their property. Some just ignore violations and take the fines. It is unfortunate.

Kamin noted that rental properties may have a different billing address, although violations are sent to both the tenant at the

property address and the property owner or Management Company on file. The first notice is a warning, and after 15 days a second notice is sent. After 45 days, a fine of \$100 would be assessed, and after another 15 days a fine of \$250 is assessed. Sometimes, we do not get the homeowner's or tenant's attention until they are fined. The property in question did have fines for trash in the front yard and other items, as well as recent notices for a truck parked on the street. A recent issue with a refrigerator received a first notice. They are moving out the end of January.

The homeowner asked if there were provisions for the HOA to come in and maintain the landscaping or exterior of a house. He felt there has been a general decline in the appearance on that loop.

Kamin stated self-help is sometimes done for vacant foreclosed homes. It is hard to get a vendor to go onto an occupied property.

Kamin understood the homeowner's concerns, especially in regards to 9950 East Lobo which has been an ongoing issue for many years. The HOA is doing everything it can about that property.

## **VI. Golf Course Report**

**A. Year-Round Lighting** - The Loop is very dark. While most people who live in the community know that the restaurant is there, new homeowners or those from outside the community do not. The proposal is for lighted tree wraps at the entrance and the patio. There is a quote from Spirit Lighting, a professional company that does lot of the larger associations for First Service. Option A for the entrance driveway lighting is \$1,798 and Option B for the patio lighting is \$1,778.

There is an optional 12-month maintenance plan with quarterly visits for an additional \$500. This covers the first hour and after that it would be \$80 per hour plus parts. There is a 12-month limited warranty on LED products, and a 2-year warranty on the Pro-grade products. A Vintage White color is available for \$164 extra for both phases. Option C is for lighting the Ficus trees at the Golf Club, which would need to be trimmed back in order to see the trunk. This option is not being recommended at this time.

The Board felt it was a good idea, although there were questions on splitting the cost and obtaining additional quotes. Kamin stated the Golf Course would not be splitting the cost. It would come out of the Golf Course Reserves. Lisa Quedens felt the maintenance would come out of the Golf Course Operating funds. There is power at the entrance but no outlets, which would be an additional cost. It was suggested to skip the maintenance plan for the first year as the lights will be new.

The item will be tabled until the February meeting and Kamin will obtain additional bids.

**B. Golf Course Painting (Cart Barn, Pump House, Maintenance Yard)** - Kamin stated all of the HOA and Golf Course walls have been

changed to the new color, Whole Wheat. There are a few items that are not painted: The maintenance yard wall, cart barn, pump house, and the dumpster next to the patio. There is a quote from Greyhunter to paint those four areas for \$2,825.

Jan Wallace is an employee of the Golf Course and has noticed while driving around that the paint is coming off. Barry Matlack also noticed chunks of paint peeling off on the Golf Course.

Kamin advised that Finesse will be out in two years to do touch ups. There are areas in the HOA where paint has come off, most likely due to the watering with grass up to the walls. A maintenance schedule is built into the Reserve Study for Sections 1 through 4 in 2020, and for Sections 5 through 8 in 2021. We will put \$12,000 in for HOA wall touch-ups in 2020. We did not do it this year as the painting was just done.

Barry suggested taking an inventory of the locations where water is hitting the walls and having the sprinkler heads adjusted.

**MOTION:** Beth Patton moved to accept the quote from Greyhunter in the amount of \$2,825 for painting the maintenance yard wall, cart barn, pump house, and dumpster; seconded by Dave Kovach. Motion passed 8-0.

## VII. Manager's Report

Administrative Update: FSRConnect Reports

192 Total calls for November and December.

35 New homeowners in the community for November and December.

17+ Architectural requests received for the January meeting.

157 Violations were sent out in November and December.

### **A. Mesa Park Painting \$500 - (Not included in the Board packet)**

The Mesa Park by the elementary school is another area where the wall is a different color. One side is owned by the homeowners and the other side is owned by the City of Mesa. Kamin felt she could get paint close to the color we have. We can either get volunteers to do the first coat of paint and have Greyhunter do the second coat, or just have Greyhunter do two coats of paint for \$500. Mesa will not paint the wall, but will give us the paint.

Barry asked about the City's responsibility for wall maintenance. Kamin will check the City's website. If the wall was severely damaged, the City would come out and take care of repairs.

The Board preferred to have Greyhunter do the wall painting.

**MOTION:** Dave Kovach moved to approve Greyhunter to paint the City park walls at a cost of \$500; seconded by Jeff Brown. Motion passed 8-0.

### **B. Homeowner Painting Update - Painting violations were sent out for outside of the Loop. When those are finished, violations will be**

sent for inside the Loop. A few homeowners asked for extensions. For those who did not respond, a second notice was sent out.

**C. Events Meeting Update:**

**Natives v. Snowbirds Golf Tournament:** The plan will be the same as last year. Kamin will send out an email for volunteers to help stuff bags.

**Easter Event:** This event will be the same as last year at Baldwin Park. Nick will do something on his own the week after our event.

**Annual Picnic:** We will keep the inflatable theme. We will ask Nick about food as he was not at the Committee meeting. Last year, we were over budget \$3,000 with the inflatables, so this year we will remove the two most expensive rides.

**New Committee Member:** Babs Shadoan has joined the Events Committee. She lived in Leisure World for 20 years and worked on all their events. She is looking forward to meeting with Nick on the summer events with the restaurant.

**VIII. Landscape and Irrigation**

**A. Landscape Report** - Dave Kovach reported on two dead trees that should be removed, one on Guadalupe and one on Ellsworth. There were mostly good comments on the dye. The only negative comments were about the turf being crunchy.

Lisa Quedens saw comments on Next Door that people don't want to spend the money on the dye since our assessments have increased. Many said to let the grass go dormant.

Barry asked about the water savings with dying the grass. Dave stated the December bill was \$355 as opposed to \$15,000. The total cost to do the dye was \$12,000.

There are plans to cut back the Lantana, Bougainvillea and Bird of Paradise after February when we are out of the cold weather. We need to order 30 more tons of granite at a cost of \$1,500.

**MOTION:** Dave Kovach moved to approve \$1,500 for granite to be replaced on the Loop, to be paid out of Reserves; seconded by Brian Mackay. Motion passed 8-0.

**B. RFP for New Landscape Company** - Dave reported on problems with missing crew members from August through December. A Request for Bid will go out for a new landscape company. We want to make sure everything is covered in the RFP, such as pruning standards and light bars on the vehicles. Dan has reviewed it and added some suggestions. We can work with Dan on the landscaping equipment to lower the cost. The Board was asked to review the RFP as it will go out on Wednesday.

The hours missing with the current crew were tracked through the time cards. Since August, 873 man-hours were missing. The

contract states if there is not a full crew, Augusta Ranch will be refunded \$50 per day, and we will get \$3,500 back on the January invoice. The company said they can't find anyone to come to the East Valley.

We were behind on the blowing and trimming when we were short-staffed. Now that we have had a full crew for a couple weeks, we are not behind on any of the work. Barry asked if five is the right number for the crew, or could we get away with four.

Kamin stated we could get away with four in the winter as there is not as much mowing to do, but we would need five in the summertime. In the winter, there are other projects to do such as the granite.

For the February meeting, we should have several bids for the Board to review. The Committee approved the Golf Course making a bid.

**C. Final Water Numbers** - In January, 466,000 gallons were used, as opposed 1.7 million gallons last January. We lost some water due to a busted part and water leaking in the ditch at Crismon.

**IX. Website Report** - Dave Kovach reported that there were 129 new users in 2018, 30 more than last year. In 2018, we were down 23% in total visits, and up 8% in unique visitors. The Board is at number 11 in popular pages, the highest it has been in the past few years.

**X. Security**

**A. Security Report** - The security truck is having the transmission replaced. The extended warranty will cover it. The rear brakes and cooling lines were done at a cost of \$800. The security team would like to get a Tahoe as that is what Mesa Police uses. The police-rated ones have a different transmission to better handle idling. The next opportunity to consider a new security vehicle would be in 2020. Diesel can also be considered. Kamin can review all of the repairs done and the costs for the current security vehicle. The extended warranty paid for a lot of the repairs.

**XI. Architectural Requests**

Beth Patton reviewed the following Architectural Requests:

- A. 9437 E. Mendoza - Paint
- B. 2304 S. Sorrelle - Paint
- C. 9613 E. Lompoc - Paint
- D. 2720 S. Keene - Paint
- E. 2039 S. Alicia - Paint
- F. 9657 E. Navarro - Paint
- G. 2739 S. Keene - Garage Lights
- H. 9812 E. Knowles - Solar
- I. 2216 S. Sorrelle - Paint
- J. 2240 S. Sorrelle - Paint
- K. 2259 S. Vincent - Paint
- L. 2662 S. Vincent - Paint

- M. 2704 S. Vincent - Paint
- N. 9549 E. Keats - Sidewalk (Homeowner is in a wheelchair)
- O. 9656 E. Laguna Azul - Paint
- P. 9664 E. Laguna Azul - Paint
- Q. 9926 E. Lobo - Paint
- R. 9544 E. Los Lagos Vista - Paint
- S. 9440 E. Los Lagos Vista - Paint
- T. 9422 E. Kilarea - Shed
- U. 9953 E. Keats - Paint
- V. 2444 S. Joplin - Paint

**For Review:**

A. 2702 S. Keene - The Committee looked at the house and the paint is faded and blotchy and needs to be done. The homeowner has a one-year extension.

**New Requests:**

- A. 2262 S. Duval - Paint (New Palette, Scheme 4)
- B. 9604 Los Lagos Vista, Parcel 4 - Paint (Scheme 3)

**MOTION:** Beth Patton moved to accept the Architectural Requests as presented; seconded by Dave Kovach. Motion passed 8-0.

**XII. Next Meeting Date**

The next meeting will be held on February 18, 2019.

**XIII. Adjournment of Open Session**

With no other business before the Board, President Quedens adjourned the General Session at 7:29 P.M.

Respectfully Submitted,

Dana Desing  
Acting Recording Secretary  
TE: 14082507