

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

**Board of Directors
General Session Meeting Minutes**

July 16, 2018

**Augusta Ranch Golf ProShop
2401 S. Lansing Road, Mesa, Arizona 85209**

Present:

Board Members:

Lisa Quedens, President
Sean McNulty, Vice President
LeeAnn Bohman, Director
David Kovach, Director
Beth Patton, Director

Board Members Absent:

Jeff Brown, Treasurer
Barry Matlack, Secretary
Gary Bever, Director

FirstService Residential Representative:

Kamin Havens, Community Manager

Others Present:

Sergeant Brian Cocivera
Greg Pifer

Four 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 June Minutes

MOTION: Sean McNulty moved to approve the June 18, 2018 minutes as presented, seconded by LeeAnn Bohman and approved by all.

A. Resignation of Dee Hurley - Dee Hurley has moved to Utah.

MOTION: LeeAnn Bohman moved to accept Dee Hurley's resignation; seconded by Sean McNulty. Motion passed 5-0.

B. Appoint New Board Members - President Quedens recommended that Greg Pifer be appointed as a new Board member to fill the vacancy. She invited Mr. Pifer to introduce himself.

Greg Pifer is originally from Pennsylvania and has been in Arizona for 15 years. He has lived in Augusta Ranch since 2014 and loves the community. Back East there are no HOAs. He felt it is nice to have an HOA that actually gives back to the

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community and gets people involved. He is also interested in being part of the Events Committee.

MOTION: Lisa Quedens moved to appoint Greg Pifer to fill the vacancy on the Board, seconded by Sean McNulty. Motion passed 5-0.

III. Review of June 2018 HOA Financial Statement

Kamin Havens provided a review of the June Financial Statement.

Income: The assessment income is over budget for June \$6,100, and under budget YTD \$35,000. \$49,000 was transferred in January to the Golf Course Reserves from the 2017 surplus.

Administrative Expenses: Management salaries were under budget \$6,400 in June because we were over budget in May. Legal was under budget \$4,000 as we were not billed in June. Augusta Ranch is serving as a test for the new software for Maxwell Morgan. There are some glitches as we have not received invoices for May or June. Social expense was over budget \$2,200 to pay for the food trucks. We budgeted the Annual Picnic in October, although it was held in April. In the end it will all be caught up. Miscellaneous expense was over budget \$125 in June for a plaque for Best of Mesa. We were \$8,700 under budget YTD in Administrative expenses.

Utilities Expense: Water was over budget \$9,000 for the year as we have had little rain. This is the most water we have used since 2012.

Landscaping Expenses: Irrigation repairs were over budget \$3,400 in June, which was expected. We are getting a quote for irrigation replacement. Fertilizer was \$9,000 over budget as we paid both the May and June invoices. Landscaping was over budget \$5,000 YTD.

Patrol Service: Gas was under budget \$800 as the June invoice was paid in July. Patrol Service was under budget \$9,000 as the second half of June was paid in July. Vehicle maintenance was \$700 under budget. Security was under budget \$3,000 YTD.

Common Area: Exterminating was over budget \$1,700 for the May and June pest service and dusting of valve boxes. Common area maintenance was under budget \$3,000 YTD.

Total expenses had an under-run of \$600. YTD we have a deficit of \$35,000 due to the transfer to the Golf Course Reserve in January. Reserve contribution had an over-run of \$1,700 YTD, which is the interest. Total YTD has an under-run of \$40,000.

MOTION: Dave Kovach moved to accept the June 2018 Financial Statement; seconded by Sean McNulty. Motion passed unanimously.

IV. Review of June 2018 Golf Financial Statement

Kamin Havens provided a review of the Golf Financial Statement.

Income: Insurance reimbursement was \$3,300 over budget. We have billed back the Golf Course for insurance from January through May

and it is now paid through the year. We will not be billed again until December.

We have \$41,526 in unpaid painting assessments as of July 10. We have received \$122,000 so far. The due date is July 15 with a grace period until July 30.

Administrative Expenses: We were over budget \$1,000 in Tax/Audit as it cost an additional \$1,000 to file the taxes. Total expenses were under budget \$43,000 for the year.

Reserve Contribution has an over-run of \$247,000: \$41,500 transfer to Reserves; \$8,700 from CIF fund; \$29,000 from monthly transfer from HOA to Reserves; \$49,000 additional contribution; \$122,000 painting assessment; and \$2,000 additional contribution from lessee.

MOTION: Dave Kovach moved to approve the June, 2018 Golf Financial Statement, seconded by Sean McNulty. Motion passed unanimously.

A. Rate Sheet for Reserve Accounts

FirstService gets new rate sheets each month. Kamin Havens reviewed the Rate sheet with Treasurer Jeff Brown and discussed how to move funds in order to get better interest rates. Jeff recommended combining the Capital One (\$45,000) and Union Bank (\$98,000) into Capital One earning 1.57%, instead of the current .55%. He also recommended moving the B of I Federal Bank (\$216,000) to Luther Burbank earning 1.5% instead of the .60% it is earning now.

For the Golf Course, Jeff Brown recommended moving Green Bank (\$147,000) to the Bank of Ozarks earning 1.4%. It was suggested to check the interest rates every six months.

MOTION: LeeAnn Bohman moved to accept the transfers from the current banks as listed above for the purpose of reserve funds to gain more interest. Sean McNulty seconded. Motion passed unanimously.

V. Homeowner Forum

- A Homeowner wanted to make sure there had not been a procedural or ethical breakdown regarding the election process. He had concerns with the accountability and transparency. A meeting was held with two other well-qualified individuals that had previously ran for the board. That meeting had been postponed so that everyone could attend.

Kamin Havens advised that the meeting was moved so that the majority could attend. Lisa Quedens advised that Mr. Pifer was also on the ballot although he could not meet that day. In the past, there have been one on one meetings as well. Those meetings were just interviews.

The Homeowner was not complaining about not being on the board. He stated that Kamin was supposed to get back to him after two or three days, and he had assumed that one of the other two

well-qualified individuals were picked. When he asked about it over a week later, he stated Kamin said Jeff told you that we selected someone else.

Kamin stated the homeowner was mistaken as she did not say that, and they met on a Monday and he came in on Wednesday morning. She had meetings on Tuesday. Jeff works on Wednesdays and the homeowner came in right before he was working.

The homeowner said he was being called a liar and it was a whole week later. Sean McNulty clarified that it was a disagreement but no one is calling anyone a liar.

The Homeowner had the understanding that every year when a vote is taken for the board, there is a call for volunteers and Kamin selects two people to count the votes. The selected people come back with the winners but they do not give the vote tally. He asked for the tally from the last election.

Kamin did have the tally, although it is usually kept in Scottsdale. The tally is not given out so that feelings will not be hurt.

Lisa Quedens advised the homeowner that everything is online now. There is no monkeying of the numbers, if that is what he was eluding to. Sean McNulty felt it sounded like the homeowner was concerned whether the people counting the votes were honorable. The Homeowner knows the people and felt they were honorable.

Kamin provided the homeowner with the election results and advised him that there were some write-ins.

- The Homeowner asked how many of the current Board members were on the Board when the Golf Course was purchased and how many read the entire purchase contract.

Four of the members present were on the Board at that time and all Board members read the contract.

- Another Homeowner who has been in Augusta Ranch for 19 years asked about the process to be elected to the board. Does the majority elect board members or are there interviews?

Sean advised that someone can be voted in by the community. The only time there is an interview process is if a board member leaves during their tenure. Typically, those people who ran in the last election are interviewed for that position. Kamin advised that the Bylaws do not state that the candidates from the prior election are to be considered, although the Board has consistently done it that way.

Lisa advised that board terms are up every 3 years. This past election, three terms came up and an election was held for those three positions. Dee Hurley's resignation came well after the election.

- The first Homeowner felt the only reason that people would not be transparent is if they have something to hide.

Lisa Quedens asked the Homeowner what he felt the Board was not being transparent about.

Sean works for the City government and he is familiar with transparency.

The Homeowner wanted to know why he or the other two individuals were not accepted on the board.

Lisa explained that one gentleman decided he did not want the position and the other works full time and did not want to sit on the Events Committee. Greg Pifer also ran and was in the mix along with the others.

Sean stated there was an interview process and all the candidates were people who ran for the previous election. Greg interviewed as the best for the Board. In the last election, everyone voted and the incumbents won the three open board positions. Anyone could have campaigned for a board position.

The Homeowner stated he did not want to campaign but was interested in the community and has a lot at stake as he owns his home here. He is a member of the Golf Course, and knows everyone. Every time he walks around the neighborhood, it feels like a family reunion.

Dave Kovach stated that is the same for everyone on the Board. He wished more people would run.

- The Homeowner stated that some people are upset with things that have happened on the Board. He noted a widow whose fence was rotted out at #12 on the Golf Course.

Kamin confirmed who he was referring to and stated that she and the Contractor went over every panel with her and made adjustments. Everything has been taken care of and she has not heard anything from her since. Kamin advised that there was not enough money to replace all of the panels. The priorities were those that were completely rotted through and not structurally sound. Small holes can be addressed with metal face plates.

- The Homeowner was hoping to get someone to admit that there were certain connections with a particular person who is running the Golf Course, and that person thought that the homeowner was unable to perform on the board. He referred to an invalid question that Kamin had asked him.

Kamin stated the same question was asked of everyone who wants to run for the board as to whether they are able to handle working their job as well as being on the board.

The Homeowner felt there may have been some procedural breakdown.

Sean stated there has been none as was just proven. It is the Homeowner's opinion as to who he thinks is more qualified to be on the board. That is not a transparency issue, but a disagreement. It was reiterated that in the last election there were three board vacancies and those incumbents got the votes to be elected back in.

Lisa Quedens stated Dee Hurley's position came open afterwards. We met with everyone who did not get elected and made a selection from there. The Board is being transparent and she did not know how else to explain it to the homeowner.

- Another Homeowner noted that when the process began to consider purchasing the Golf Course, the previous board president held a meeting at the school for residents to ask questions and bring up concerns. Before the final deal was done, there was not a second meeting for the neighborhood to give input and find out how things would be run. The Board made the decision not to have that second meeting. He noted when another homeowner referenced the purchase contract, the Board President became defensive. The homeowners did not get a chance to hear about the final agreement and purchase price. The Board's experts valued the Golf Course at much less than what was paid.

Lisa Quedens stated there were issues that kept coming up with a prior Board president (the one before last). The first neighborhood meeting was way back before any negotiations had started. That meeting was to get the homeowners approval to seek funding as anything over \$10,000 requires a majority vote. After that meeting, there was a door to door process to gather votes to proceed with the funding.

The Homeowner asked if the reason for going door to door was because there were not enough votes online or by mail.

Lisa stated yes, they went door to door for those that did not answer the mailings as we needed to get the votes first. From there, negotiations were started. There were issues with the bank to get the right kind of purchase contract, etc. It was a long process. We did have the Golf QA website up to address any questions from residents. All those questions were answered.

The Homeowner appreciated that explanation. He had an issue with the person running the Golf Course.

- The first Homeowner that spoke stated he found out by accident about the sweetheart deals involved in the purchase.

It was suggested that he validate his sources.

- Another Homeowner asked if there was an oversight committee on the Golf Course operations that would report back to the Board

Lisa Quedens stated there is an outside company that reports each quarter on the conditions and maintenance. Kamin stated there is a Golf Committee that meets monthly to go over financials, capital improvements and any issues. The Committee is made up of Board members because of the confidential third-party information involved. It is written in the lease that the Golf Course needs to keep up with certain standards, which are provided in an exhibit. The company creates a scorecard and goes over everything with Don and his staff. One of the staff goes around with the company during their assessments.

Kamin stated that money is big factor. Everyone would love to have perfect grass. We did not budget on losing the restaurant. We need to prioritize the items in that assessment.

- The first Homeowner that spoke apologized for sounding totally abrasive. He thanked the Board for listening and said he was sorry if he offended anyone.

Sean McNulty stated if there are legal issues or if people were getting sweet deals, as a member of the HOA, that homeowner has a responsibility to bring that to light. If his sources can provide solid information that can be backed up, that needs to be brought forward.

- A Homeowner asked about the status of the restaurant.

The restaurant is open and serves a few items such as hot dogs, beer and wine. They have a Series 6 or 7 liquor license as they cannot have a Series 12 until they are serving more food. There is interest in looking at a food and beverage manager. That will allow us to have more control in doing events. The Vue did not want to do events. The Board anticipates that some entity will be locked down by the end of August or September. The Octoberfest will be on October 20, and the restaurant will have a soft opening. After that, they will be open as a full-service restaurant.

A Homeowner asked who would hire the food and beverage manager.

Kamin explained that the lease states the lessee, Don, is responsible for a tenant in the building. Before anyone is hired, it will need to be approved by the HOA.

The Homeowner noted that since Don has been here he has brought in other people and lost money. The Hub was unresponsive to the customers and the neighborhood and constantly said they would try to do better. The homeowner would like to see someone with a proven track record to hire a manager. Don's track record is 0 for 4.

Kamin understood the homeowner's point. Everyone was excited when the Hub came and they did amazing for a year and a half because they had the right manager in place. When Diamond was here everyone loved him and there were rave reviews. It seems that everyone starts off well and then goes downhill. The issue is how to keep the momentum going. It is difficult to recoup from the summer as there is not enough business. Marketing is key.

Another Homeowner felt it should become a destination that is golf-friendly.

Sean understood the concerns and noted that Your Source took a beating if Don made a bad decision. Now we will have more say in the restaurant. It will be a learning experience.

- Another Homeowner talked to Don Rea about aerating the fairways and tee boxes. He understood that it is an expense and the budget is tough. Don sent him an email stating that it was not beneficial

to the course. Not aerating for years creates a layer of dead grass and water just runs off. The previous owners did not change any sprinkler heads. If two were replaced every year it would have solved the issues. He asked that the issue be brought up with the Golf Committee.

Kamin noted that the sprinkler heads will be changed over three years. That may help with some of the issues.

Sean felt it would be worth looking into a machine. Golf courses were not a great investment and Your Source only did what it had to in order to get by. The Golf Course will be here for the long term.

VI. Golf Course Report

A. **Irrigation Update** - The project has been mapped out, the equipment is here, and installation is expected to start next week for the programmable controllers. This should help with some of the issues.

VII. Manager's Report

Administrative Update: FSRConnect Reports

185 Total calls for June.

21 New homeowners in the community for June.

2 Architectural requests received for the July meeting.

177 Violations were sent out in June.

A. **Suncrest Wrought Iron Painting** - This will be a shared cost between the Master HOA and Suncrest. It is in bad shape and some of the bottom rails are missing. Kamin obtained three bids. Finesse Construction's bid of \$8,500 includes 32 welds, replacement of 38 linear feet as well as 3 posts, with a 2 year warranty on everything. ARS Builder quoted \$5,300 and includes replacement of 24 linear feet but no posts. It did not list welds, although they said that will be included. Advanced Painting & Contracting quoted \$3,800 including replacement of 40 linear feet, but no posts and no welds. Their 2 year warranty is on the metal only.

Jeff Brown by email recommended Finesse Construction as their bid was more complete. Gary Bever also recommended Finesse. He felt they were more expensive but also more complete and in line with what was needed. He asked if we can get them to come down on the price.

Kamin noted that Finesse did the Golf Course and will come back in two years for touchups. She has called and asked if they could bring down their price as they were higher than the other two bids.

Lisa Quedens felt the other two companies would have a ton of change orders. She would prefer to go with Finesse and see if we can get their price down.

MOTION: Lisa Quedens moved to proceed with Finesse Construction and ask them to lower their price between \$7,500 and \$8,000, and to make sure we have agreement from Suncrest for 50% of the cost. LeeAnn Bohman seconded. Motion passed unanimously.

B. Events Update

Summer Splash, Saturday July 21, 10-2. The flyer went out to the community. ROTC will provide 7 volunteers and the girls from the community will run the cotton candy machine. Everything else is ready to go.

Resident Golf Tournament, September 8, 8 AM. Kamin will get the map out this week and the flyer will go out July 15.

Restaurant - Community Events. The flyer for the July 28 event was sent out with the Summer Splash flyer. The contract for the bands needs to be signed. The three-piece and five-piece bands will play for 2 hours for \$260.

Octoberfest, October 20, 12-5PM. A flyer will go out to the community for vendors and advertising. Kamin is working with Andrea on the vendors. Suggested food trucks are Eurhaus with pretzel brats, chicken schnitzel, and German spatzle. Meatball's Meatball has a variety of pasta dishes and could create a German dish. Street Kitchen has a varied menu, or we can request a custom menu with German items such as potato pancakes and meat pies, etc. Udder Delights ice cream is suggested for dessert. We will also have craft beer vendors. The Restaurant will offer brats as well. The Board agreed with the suggested food trucks.

The next Events Committee meeting will be July 24.

- C. Concrete Proposal** - Kamin advised that all of the ramadas have been painted and all signs have been redone. The 96th Street ramada has a section of concrete that is lifted about 3 inches. That needs to be jackhammered out, the tree roots removed, and new concrete poured. There are sections of sidewalk at Compton Park that are trip hazards and need to be redone. There is a bid from First-Rate Maintenance for a total of \$1,350 (\$1,250 for the ramada and \$100 for two sections of sidewalk).

Dave Kovach noted that there are damaged roof tiles at Monterey. Kamin noted that Greyhunter had a hard time finding a match. She will have First-Rate check Monterey as well. Greyhunter does not do concrete work.

Kamin received an email from Jeff Brown stated he agrees to the repair bid. Barry Matlack said he would like more bids.

MOTION: Lisa Quedens moved to approve the bid of \$1,350 from First-Rate Maintenance for concrete and sidewalk repairs. Beth Patton seconded. Motion passed unanimously.

- D. Monument Signage** - The Board reviewed three options for a new monument sign. Kamin had received votes from the members that

were absent. Jeff Brown voted to remove "Golf Course Community" and to have "Golf Course and Restaurant Open to the Public" raised up to be more visible. Barry Matlack voted for the first option which states "Public Golf and Restaurant" under "A Golf Course Community". Gary Bever also voted to remove "Golf Course Community" and add "Golf Course and Restaurant Open to the Public" on two lines.

The Board members present reviewed the options and agreed to remove "Golf Course Community" and state "Golf Course and Restaurant Open to the Public" on one line, with larger lettering if possible.

MOTION: Sean McNulty moved to approve the Monument Sign option removing "Golf Course Community" and stating "Golf Course and Restaurant Open to the Public" on one line with larger letters if possible. LeeAnn Bohman seconded. Motion passed unanimously.

- E. **Reserve Study** - Kamin Havens advised that a Reserve Study has not been done since 2014. At that time, we paid \$2,750 for the study. Rob Felix now has his own Reserve Study company. He recommended two separate studies for Augusta Ranch and the Golf Course. The main reason for doing a Reserve Study is to make sure we bring in enough for the 5-Year Capital Improvement Plan and to incorporate the irrigation replacement. The bid for the irrigation work is expected in the next week. We need to know how much to raise the assessments to cover those expenses and how many years to phase it in. The timing is important to get the Reserve Study done in order to budget and have it approved by October so a letter can go out to the homeowners.

The Board reviewed the bids and what is involved in the study for both the Master HOA and the Golf Course, and whether to do one or both.

Kamin Noted if we do both, they will give a 10% discount. She felt a full reserve study would not be needed for the HOA, although a site visit would look at how things are aging. As we have the Capital Improvement plan, a full study for the Golf Course may not be needed.

Lisa Quedens recommended a full study on the Golf Course as any major issues would be documented. She agreed that a full study was not necessary on the Master HOA.

MOTION: Sean McNulty moved to approve the bid from the Felix Reserve Group for an update to the existing Reserve Study with site visit for the Master HOA (\$2,600), and a full Reserve Study on the Golf Course (\$3,470) with an 8-week timeframe (plus the 10% discount for doing both), to be paid out of the Reserves. LeeAnn Bohman seconded. Motion passed unanimously.

VIII. Landscape and Irrigation

- A. **Landscape Report** - Dave Kovach reported, in spite of the recent rain, there is not enough water. The new water numbers will be

out this week. Dan has increased the water by a day and increased the run time.

In response to a question, Kamin advised that the crew is working on dethatching.

Dave noted that there was a switch from liquid to granular fertilizer on Monterrey and it worked well. The other parks need to be done and it will cost \$1,000 to switch to the granular fertilizer.

MOTION: Sean McNulty moved to approve \$1,000 to switch from liquid to granular fertilizer. Beth Patton seconded and the Motion passed unanimously.

Dave advised that price will cover July, August and September. In October, the water will be turned off.

Dave advised of some storm damage last week on Crismon and Lansing. It will cost \$1,353, which will come out of the tree trimming budget.

There are 130 Palo Verde, Mesquite and Pepper trees that need to be trimmed to reduce the risk of storm damage. He advised that will take up the rest of the tree trimming budget.

IX. Website Report

Dave Kovach reported a jump in website visits. The Board is up to number 8 in popular pages. The top four countries remain the same. There were 8 less new users than there were new homeowners. The new Architectural Guidelines have been posted on the website. He needs an update on the new board members and board positions.

Lisa Quedens asked if there was some way to give new homeowners information on the website. Kamin stated a note was added at the beginning of the CC&Rs. Lisa suggested including information on the website in a welcome to the neighborhood email.

X. Security

A. Security Report - Sean McNulty noted that in the last few weeks, someone from Augusta Ranch posted on Nextdoor that they had called into dispatch and there was no answer. They left a message but were not called back. Of course, they did not provide a date and time to verify the call. Security is not here 24 hours, although dispatch takes calls at all times except from 6-8 a.m. Sean met with Valley Wide Service and they are now staffed 24/7 to take calls. They will assess whether a call is an emergency situation. If an officer is available, they will be called on the two-way radio. If not, they will let the caller know that no officer is available and ask if they would like Mesa Police dispatched, have an Augusta Ranch officer contact them later, or have the issue sent to the officer as information only. They will not let people know the hours of security. If a caller leaves a voicemail, they will return the call to get more information. Many messages do not

provide enough information or the caller is not identified. If the officer is off duty and if VWS is close, they will be dispatched for a call and will notify Sergeant Cocivera. If there is a serious crime or immediate emergency, dispatch will immediately contact Mesa Police and notify Sergeant Cocivera and patrol. With the new procedures, we should see an improvement in the response to calls.

Sergeant Cocivera felt having a live person to fill this gap will alleviate any issues. The reason there wasn't anyone there during 6-8 a.m. is that it has been statistically shown that there were no calls during that time. With the recent complaint, that has been adjusted.

Sean asked Dave Kovach if there can be a link to contact Security on the main page of the website to eliminate the need to log in. He suggested having a few required fields. Dave will work on that.

Sean put together an email he will send out to the Board to review. As people may be out when an incident occurs, they can use their cell phone to send a quick email to security. He asked Sergeant Cocivera about giving out a Security email.

Sergeant Cocivera stated it would not change anything from their perspective whether it goes through a direct email or through a service ticket. Everyone has a cell phone, although it is hard to go on the website and scroll through on a cell phone. A direct email address can be saved on their cell phones for quick access. He noted that a lot of residents already have their direct phone number as well.

The website link will be figured out and the Board will review the email and provide feedback before moving forward.

XI. Architectural Requests

Beth Patton reviewed and recommended approval for the following architectural requests.

- A. 9628 E Navarro - Sign
- B. 9741 E. Monte - Tile Entryway

MOTION: Sean McNulty moved to accept the Architectural Requests as presented, seconded by LeeAnn Bohman. Motion passed unanimously.

XII. Next Meeting Date

The next meeting will be held on August 20, 2018.

XIII. Adjournment of Open Session

With no other business before the Board, Lisa Quedens adjourned the General Meeting at 8:24 P.M.

Respectfully Submitted,

Dana Desing (TE: 14082507)
Acting Recording Secretary