

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

Board of Directors
General Session Meeting Minutes

September 16, 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
Greg Pifer, Director
Jan Wallace, Director

Board Members Absent:

Sean McNulty, Vice President
Beth Patton, Director
Brad Whitehouse, Director

FirstService Residential Representative:

Kamin Havens, Community Manager
Marco Regalado, Regional Director, Southeast Division

Three Homeowners were Present

I. Call to Order

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

II. Review and Approval of August Meeting Minutes

MOTION: Dave Kovach moved to approve the August 19, 2019 meeting minutes as presented, seconded by Jan Wallace. Motion passed 6-0.

III. Review of August HOA Financial Statement

Treasurer Jeff Brown reviewed the HOA Financials.

Income: Under budget \$12,500 in assessment income for August, and YTD is over by \$1800. Over budget \$2900 in working capital as more homeowners moved into the neighborhood than anticipated. Under budget \$340 for violation fines because a homeowner's payment was classified wrong. Over budget \$5000 for reimburse expense as the June and July invoices were grouped together.

Administrative Expenses: \$3300 under budget in management salaries as only one billing period came in for the month. \$2500 under budget for rebill expense as the invoice for August came in late. \$450 under

budget in legal expense for August as we are not using a lot of legal services. \$116 over budget in social expenses. YTD \$18,300 under budget in Administrative Expenses.

Utilities: Water was over budget \$3500 for August as there was no rain. It is the first month we were over budget for water all year. Utilities were under budget \$7200 YTD.

Landscaping: The contract will be over budget \$1300 each month with the new company. Irrigation repairs under budget \$2000 in August. Fertilizer over budget \$8000 for aphids on the Oleanders. Next month we will be over budget as the aphids moved to the Lantana. Dump fees over budget \$1050 for both the July and August invoices as we have not been reimbursed yet by the Golf Course.

Security: Patrol service was under budget \$700 in August. \$150 under budget in vehicle maintenance. \$232 over budget for security gas. Security was \$1650 over budget YTD, which should even out.

Common Area: \$265 over budget for the tot lot inspection and flags for the Boy Scouts. \$1250 under budget YTD in Common Area expenses.

Total expenses: Total expenses had an under-run of \$31,000 YTD. Surplus/(Deficit) before reserves was \$94,000 YTD. We should stay close to that through the end of the year. Total Surplus/(Deficit) YTD had an under-run of \$10,000 due to the transfer into reserves. Everything is looking good.

MOTION: Dave Kovach moved to accept the August HOA Financial Statement as presented, seconded by Jan Wallace. Motion passed 6-0.

IV. Review of August Golf Financial Statement

Treasurer Jeff Brown reviewed the Golf Financials. Insurance was over budget \$425 for the reimbursement. YTD over budget \$71,500 in income. Administrative expenses were \$2250 under budget in professional fees as the assessment was budgeted in another month. \$1350 over budget for insurance due to how the bill is paid. We have now switched to an automatic monthly withdrawal.

Total expenses were under budget \$5700 YTD. The Surplus/(Deficit) before reserves had an over-run of \$77,000. Reserve contributions had an over-run of \$16,000. We are getting more from the food and beverage than we anticipated as we really didn't know how to budget for that. Total under-run of \$69,200. We are in a solid position now.

MOTION: Dave Kovach moved to accept the August Golf Financial Statement as presented, seconded by Jan Wallace. Motion passed 6-0.

V. Homeowner Forum

Christian Gossett has received \$350 in fines for parking on the street (Neville). He did not see any signs prohibiting parking on the public street and has seen other cars parked in the street. He recently moved in with his parents in Park Central and was not aware of the rules. He was gone for a month traveling and when he got the mail there were two violation letters. He had asked security in the white truck where to

park and was told he could park on the street but that things were changing in the HOA and that he should call them. He did not follow up on that. He acknowledged that he was in the wrong and apologized. His parents have two cars in the garage. He asked where he can park.

Lisa Quedens advised that the CC&Rs prohibit parking on the street after midnight.

Kamin Havens advised Christian to contact Kara at Park Central about a parking permit for a third car. She did not know what the cost would be. The Master Association enforces the rules on Neville as that is not in Park Central.

Christian asked what to do if he can't get a permit.

Kamin stated some people park at O'Reilly's or Albertson's. She has been working with Park Central on their parking policy as they had so many visitor spots open, although cars will get towed for parking there overnight. Kamin asked Christian to email Kara at Park Central with a copy to her so together they can figure out how to get his car inside Park Central.

Christian stated has been towed when he parked in a visitor spot.

Kamin believed you are allowed to park in a visitor spot 10 times in 90 days. She will provide Kara's information. After the parking situation is resolved, he can then ask the Board to waive the fines.

Barry suggested asking Kara for a copy of the CC&Rs for Park Central so he and his parents can be aware of the rules.

Barbara Ezyk felt that the flags advertising Scratch restaurant at the entrances look tacky as they are weathered, faded and worn. Her neighbors have the same complaints. Augusta Ranch is a beautiful community and those signs deter from that. She would like to see something else put up that looks nicer and suggested something similar to the sign at the Golf Course entrance that would complement the fountain and the Augusta Ranch sign. She understood the push to advertise the restaurant, but now people know about it and it is doing well. There is a big community coming in across Ellsworth. We need to have something that is a little classier that will match the community and the Golf Course.

Barry Matlack stated we were trying to keep some costs down for the restaurant while they were getting established. Things are going well now. We meet with them once a month and can discuss some options.

Bill Stumpf has been a resident in Augusta Ranch since 1999 and has accumulated parking fines over a 20-year period. It is now up to \$1,100. They are very social and hold a lot of parties on the weekends. The violations are for cars from family and friends that come over. He felt it was better to have them spend the night than to try to drive home. A few years ago, he requested a waiver by email and was told it would be wiped away provided there was 90 days without an incident. That did not happen. He loves the neighborhood and plans to stay here. Recently, he paid the HOA dues early and the money went toward the fines as opposed to the dues so he got a late notice for the dues. He

could not remember when the last violation occurred, but he believed in the past 12 months there were no fines assessed.

Lisa Quedens asked Bill why he waited so long to come to the Board. The Board tries to be very fair on weighting things. If something is allowed to keep adding up over years, the Board would be less compassionate with those fines.

Bill stated the fees just sit in the account and it has been frustrating. He has a number of friends who also have balances on their accounts. He could see having that parking rule on weekdays but felt on the weekends it was out of hand. He did understand about being proactive. He did address this 3 or 4 years ago and it was going to be wiped clean, although he had an incident within the 90 days.

Barry once had a fine a few years ago for a guest who stayed over. He paid the fine as it was his fault. An overnight parking request can be done even at midnight. The spirit of the rule is not to fine people, but to make sure vehicles get off the streets so that security can properly patrol. He had an experience with people planning to rob houses along the golf course. He heard them talking outside as his bedroom window was open. He went downstairs and then called security and Mesa PD. Kamin noted that security does stop and look inside cars on the street. They find people sleeping, etc.

Bill understood the reasons for the CC&Rs and felt it helps property values and keeps the neighborhood cleaner and safer. He will be more proactive in the future.

Barbara Ezyk suggested Bill set up a payment plan for the fines.

Bill respectfully asked that the Board waive the \$1,100 in fines.

The Board will discuss the matter in Executive session. Typically, if fines are waived, it is stipulated that there be no further occurrences within 6 months.

VI. Golf Course Report

A. Golf Course Meeting Update - The meeting covered capital projects, pond maintenance, and the assessment done in July. Kamin advised that the Golf Course lease will be up in January 2020 and the attorney is working on a few revisions for the Board to review and approve, such as defining maintenance, repairs, and capital improvements. The Vue lease had been assigned over to Don and that will go to an F&B lease. Don takes care of repairs up to \$12,000, and anything beyond that the HOA pays after a \$500 deductible, which Don pays. The Board has learned over the last couple years what it takes to run the Golf Course and now we need to define that in the new lease to make sure it is consistent and fair on both sides. There were some unexpected items that came up this year such as the pump and condenser.

B. Driving Range Mats - We have an opportunity to get 13 of the 26 mats at a good price. Half of the mats were scheduled in the capital plan for next year. The mats are now at the end of their useful life.

There was discussion on whether that expense would fall under operations, maintenance, repair, or capital expenses and where the responsibility would fall once new mats are purchased.

Barry suggested tabling this item until the attorneys have worked out the language and definitions for the new lease. Kamin noted that the same language from the current lease will be used, but with a few additional sentences for clarification. It is the same language the IRS uses. **ITEM TABLED.**

VII. Manager's Report

Administrative Update: FSRConnect Reports:

107 Total calls for August

16 New homeowners in the community for August.

12 Architectural requests received for the September meeting.

119 Violations were sent out in August.

- A. 2020 HOA Budget** - The HOA Budget, Budget Narrative, and Monthly HOA Budget were provided for the Board to review over the next month. We will be looking to raise the HOA dues by \$10 per quarter. Since we will overseed in 2020, Kamin took the prior numbers and added 3% as a cushion to cover the water increase. The City of Mesa will not have an exact percentage for the increase until April. Board members may contact Kamin with any questions on the Budget prior to the next Board meeting, when the budget will need to be approved.
- B. 2020 Golf Budget** - The Board was provided with the same documents for the Golf Budget to review over the next month. Send any questions to Kamin prior to the October Board meeting.
- C. Neighboring Assessments** - Kamin reached out to a local realtor for information on other communities in the area. The dues for Villages of Eastridge is \$222/quarter. Augusta Ranch has a golf course, security, and we do events and we are \$22 cheaper. Crismon Creek is \$120/month, Mesquite Canyon \$156/quarter, Mulberry \$131/month, and Eastmark \$118/month (2018).
- D. Increase Letter to Homeowners** - A draft letter to homeowners was reviewed regarding an increase in HOA Dues by \$10 per quarter (\$5/quarter for Sub-Associations). There was a period of 8 or 9 years when the dues were \$152. That was during a tough time and a lot of things were cut. The letter reviews some of the operational expenses that have increased since last year. The administrative expense has increased by \$25,000 (11%), utilities have increased by \$12,000 (8%), landscaping has increased \$5,000 (1.2%), and the Reserve has increased by \$22,000 (27%). We are only asking for a 5% increase for homeowners.

Jeff noted that other communities raise their dues every year, but their communities don't look any better.

Lisa noted in the second paragraph it should state an increase to the quarterly dues "by" \$10 instead of "to" \$10.

Barry offered to make a graph of the operating cost increases compared to the HOA dues increases. He suggested focusing on the bottom line of the cost to do business as well as the comps.

Greg Pifer asked when the loan would be paid off.

Kamin stated it will be paid off in 13 years. There are people who want a clubhouse, pickleball courts, and splash pad. There are places in the community where such amenities could go and the HOA would have some money when the Golf Course lease is paid off. Then it will be an asset, not a liability.

- E. Volunteers for October Fest, October 19, 2-6 p.m.** Board members selected assignments from the volunteer sign-up sheet for the event. There are spots for other adults and kids in the community to sign up to volunteer. The ROTC will also volunteer at the event.

VIII. Landscape/Irrigation

- A. Landscape Report** - The crew is shorthanded because we had to let two people go. We are working on getting a full-time crew. There are three workers coming from the East Valley yard, although the third doesn't have a license and needs to be picked up. Dan wants to make sure he is fully staffed when the leaves turn. We treated the Oleanders and some of the Lantana for aphids. Dave needs to hold some money for trees. He was going to buy Dan and Jose lunch as they have been working so hard, but they said they would rather have the money added to their Christmas bonuses. They are a little behind on mowing, but should catch up this week.

Homeowners had an opportunity to sign up for tree trimming at a special price by ProQual. They will do the work between September 30 and October 4. We usually do that before the monsoons, but it was later this year as we switched landscape companies.

Barry asked if the pine beetle treatment worked. Dave has not heard any bad news from Dan. The pines are under stress without any rain.

- B. Water Savings** - We went through quite a bit of water last month because we didn't get any rain. We are currently at 22,400,000 gallons, which is in line with where we should be.

IX. Website Report

Dave Kovach reported that the popular pages stayed almost exactly the same as well as the cities and countries. The Board dropped to number 18 and visits were down 25%. People are using social media more and go to the website for documents and overnight parking requests. People should report suspicious activity on the website as that is the quickest way to get action.

X. Security

- A. Security Report** - There was no formal report this month. Lisa Quedens reported that things have been quiet. There were reports of open garage doors and parking violations, but nothing major.

XI. Architectural Requests

Kamin Havens reviewed the Architectural Requests:

- A. 9732 E. Lompoc - Paint
- B. 2630 S. Bristol - Paint
- C. 2738 S. Vincent - Cement Pad
- D. 2743 S. Keene - Paint
- E. 9247 E. Monte - Paint
- F. 9629 E. Keats - Paint
- G. 9814 E. Kiva - Windows
- H. 2463 S. Duval - Paint
- I. 9830 E. Navarro - Shed (Approved with stipulation)
- J. 2532 S. Drexel - Windows
- K. 9534 E. Nido - Paint Trim

Discussion: 9830 E. Navarro - The homeowner obtained a permit from the City for a shed to house a golf cart. The shed is 9'9" but there was a question regarding the height at the rear wall. The structure can't be more than 3' above the wall. Kamin will talk to the homeowner regarding those measurements. Approval was recommended with the stipulation that it not be more than 3' above the wall.

New Requests:

2528 S. Keene - Windows (Approved)

9628 E Lindner - Flag pole (Approved)

2357 S. Bristol - Detached garage (Approved with stipulation). The homeowner has a permit from the City of Mesa for a 2-car garage. The property backs to Crismon and there is only one neighbor that would see the garage. Accessory buildings are allowed per the CC&Rs as long as there is a 5' setback, it matches the home, and the City approves the permit. All of those requirements have been met. The homeowner stated they would not be running a business, which would violate City Code.

Kamin will contact the neighbor to make sure they are aware of the project, although we cannot let a neighbor dictate what goes on someone else's property. The Board reviewed the plans and approved the request as long as it is for personal use only.

MOTION: Dave Kovach moved to approve the Architectural Requests as noted; seconded by Jan Wallace. Motion passed 6-0.

XII. Next Meeting Date

The next Board meeting will be held on October 21, 2019.

XIII. Adjournment of Open Session

With no further business before the Board, President Quedens adjourned the meeting at 7:43 P.M.

Respectfully Submitted,

Dana Desing (TE: 10482507)
Acting Recording Secretary