TVPOA Board Meeting

September 13, 2023
4:00 PM
Tubac Community Center

Present: Steve Page (President), George Renz (Vice President, Treasurer, and "Roads Czar"), Torry Johnson (Secretary), Steve Morris (Chair, Architectural Committee), Bob Klosek (Architectural Committee), Maggie Steffen (Member at Large), Connie Schmitz (Member at Large)

Guests: Tracy Johnson (Administrative Assistant), Art Coppola (Supervising Architect), Raul Martinez (Consulting Engineer)

Absent:

Members: Nan Fitzerald, JoAnn Appleyard, Bob Maurer, Bob Schmitz, Bruce Bracker, Paul Plett, Stan and Jeannie Fitzgerald, Jim Beckett, Greg Paffrath, Sam and Sherri Chilicote.

1. **Call to Order and Call to Members**
   Meeting called to order by Steve at 4:05.
   Steve P welcomed members and explained some ground rules for their participation in this open meeting. The Board will take short questions from property owners, answer them quickly if possible, or table them to later in the meeting, or meet with them outside of the meeting.
   Board members introduced themselves.

2. **Officer Change**
   Steve P explained that George was being asked to do three jobs (Vice President, Treasurer, and Roads Czar), and that the officers felt it best to spread these responsibilities differently across other Board members. A motion was made to reassign the Treasurer position to Torry Johnson (current Secretary), and to elect Connie Schmitz (current member at large) to become Secretary. A motion to affect this change was made, seconded, and approved.

3. **Secretary Report**
   Connie said she was working with Torry and Tracy (the Administrative Assistant) to learn the position. All minutes will be drafted, circulated among the Board, corrected, and when approved, posted to the website.

   A motion to approve the previous (June 28) Board meeting was made, seconded, and approved.

4. **Financial Report** – Torry

Torry's report covered three subjects: (1) the TVPOA Cash Flow Statement for the Checking Account (01/01/2023 through 08/31/2023) and our CD balance; (2) a proposal to hire an independent website contractor to revamp our website; and (3) and fee increases for two areas: late fees for property owners who have not paid their dues on time, and the cost of sending title companies the "HOA packet" when properties are being sold.

(1) Financial: As shown on a financial spreadsheet, the TVPOA currently has $82,636,44 in operating account revenues, derived almost entirely from dues collected in 2023 (with some carryover from 2022). A small portion ($313) consisted of interest collected on the bank account. Year-to-date expenses came to $16,548.79. The main costs stemmed from Supervising Architect fees ($7,500 – including some previously unbilled and unpaid fees for work done in late 2022); Administrative Support ($3,101); D&O Insurance ($3,101); and roadside trash clean-up ($1,350). Other cost categories included attorney fees, internet/website, road work, property tax on common areas, and "other." As of August 31,2023, the checking account totaled $242,625.28, the current CD totaled $101.813.72 for a grand total of $344,449.00.

Steve P explained that the POA pays Ms. Sobeida an hourly rate to pick up roadside trash. He also explained that the size of the POA current holdings reflects the foresight of previous presidents to raise dues in order to ensure the POA would have sufficient funds to pay for ongoing road maintenance and improvements. The POA (not the county) is responsible for 4.5 paved miles of roads (and for the drainage areas on either side of the roads). As such, roads constitute our biggest expense, accounting for $70K-$90K a year.

(2) Website. Torry explained that the POA needs to make some significant improvements in the "back office" functions which support the POA. Currently the POA has no accounting system: cash flow and profit and loss statements are done by hand with spreadsheets. Currently, communication with property owners and the collection of annual dues is labor intensive, done with email accounts and USPS mail, both of which have become increasingly unreliable. Torry and Tracy therefore contacted and interviewed three website designers with the goals of modernizing our website and accounting support systems. The proposal selected by Torry and Tracy to be presented to the Board, from Kristin Miller, included two options: Option 1 ($1,500) was to clean up the existing website and integrate it with an online payment system; Option 2 ($5,000) was to create a new "user friendly" website and integrate it with online payment options for dues using a cost accounting system called "Wave," which will allow the website to generate automatic invoices, as well as compile reports on payment of dues and late fees. The new website will also incorporate a quarterly newsletter (to be written/ edited by volunteer Nan Fitzerald), new photos of board members and videos of some of the

properties, self-instructional videos on "how to pay online," and also self-instructional videos for Board members on how to use several of the website features. The Board met with Ms. Miller in a previous meeting; they were impressed with her presentation, had an opportunity to ask questions, and discuss some potential issues.

Steve P asked for property owner reactions and questions. Bruce commented that $5,000 for the package described lay well within reasonable costs. A motion was then made to accept Ms. Miller's proposal for Option 2, seconded, and unanimously approved. It is hoped the new system will be operational by the 2024 Annual Meeting.

Torry also explained that with the adoption of the website and new accounting system, the respective roles of the Treasurer and Administrative Assistant needed to be clarified. She presented a handout that itemized the tasks of the Administrative Assistant for maintaining the underlying data (e.g., master file of lot owners) that support the new website functions, as well as new tasks for streamlining financial management (e.g., "editing" Wave accounting software templates, creating templates for generating invoices). This handout also clarified the Treasurer functions (e.g., lead administrator for Wave, monthly reconciliation of bank statements, paying all bills, preparation and presentation of financial statements and annual budget preparation.) Comments from the group were supportive of enlarging the role of Administrative Assistant, and also complimentary of Tracy's abilities. But they cautioned that were Tracy to leave, the respective roles between the Treasurer and Administrative Assistant should be re-examined to ensure a proper fit.

(3) <u>Increased Fees</u>.

a. *"Late Fees."* TVPOA notifies property owners at the end of December / early January that it is time to pay their annual dues; dues must be paid by April 1 to avoid a late fee. The current late fee is $25. Torry proposed to raise the fee to $100 to increase compliance. If dues remain unpaid, the POA can put a lien on the property (to be released when the property is sold, or the funds are received). "Chasing down delinquent owners" and putting liens on properties triggers costs for the POA in terms of administrative time and filing fees ($60). Currently, 10 property owners have not paid their 2023 dues. Historically, the delinquent owners vary from year to year (few if any repeat offenders). Liens rarely last more than four months.

   The group discussed raising the late fee, the possibility of adding a second penalty date, and the costs and timing of the lien / lien release process. Consensus seemed to converge around two late fee dates: April 1 ($100 assessed); and a second penalty on July 1 (another $100), at which point the property would be liened. The latter fee would cover the costs of lien placement / removal. A motion was made to accept this change; it was seconded and passed.

b. *Cost of "HOA Sale / Resale Packet."* Arizona Statues require an HOA to send an information packet to a buyer (typically requested through a title company) for a pending sale / resale. Our packet includes such things as our bylaws, our last annual financial statement, the Architectural Committee Guidelines, minutes from a recent Board meeting and other information. It takes Tracy about 1.5 hours to compile and send this information. In 2023, Tracy compiled 32 HOA packets. This year, the count is down somewhat.

   Currently we charge no fee ($0). Based on Torry's research, the "going rate" charged by other HOAs for such a packet is $250. This fee is collected from the seller in the final closing statement and remitted to the HOA.

   Discussion ensued among the group about the proposed cost increase. Given that the TVPOA does not always know about a sale / resale, due to private family transactions (e.g., inheritance, and similar instances), it was clarified that the proposed increase would only apply to sales that go through a title company. A motion was made, seconded, and approved to pass along this $250 fee to the seller via the title company.

5. **Roads Report** – George (general) and Maggie (street name signs)
   Steve P introduced two guests to the meeting: Art Coppola, the Supervising Architect, who has been working with the POA for about a year, and has done "a phenomenal job;" and Raul Martinez, a professional engineer, who had been recommended by the Supervising Architect, and whom the Roads Committee got to know during their research on the best way to approach road maintenance. Steve said it was important to get a professional recommendation on road maintenance from someone other than a vendor. Steve asked for a motion to hire Mr. Martinez as a consultant as needed going forward. This motion was seconded and approved.

   <u>Overview of 2023-24 Road Maintenance</u>. George then gave an overview of 2023-24 plans that were sent in a written report (08/24/23) to all property owners and posted on the website. The plan is basically to do needed road repairs on shoulders, potholes, swales, etc. in advance of chip and seal paving. All the experts consulted recommended chip and sealing, which strengthens road surfaces, rather than seal coating and crack sealing, which are generally regarded as short-term fixes. George said 23 road repairs were made over the summer, mostly on Anza and Belderrain (as shown on a map). He said we can expect to see more repairs prior to paving. In 2024, shortly after the annual meeting, the Roads Committee will be in contact with 3-5 firms (including our current contractor, Sunland Asphalt), to bid on the paving job. George hopes to have bids by April, and to have the ensuing work completed during the summer. The general strategy is to repave 1/3 of the

roads at a time, and then to repeat the process (i.e., repairs prior to repaving) on an ongoing, rotating basis. The specifics of the scope of work may depend on costs: while there is some economy of scale doing more roads at a time, the budget will determine the exact plans. In response to a question from the audience, George clarified that there is "no expectation that there will be a special assessment on property owners" for road maintenance. Additionally, the plan for 2024 (and beyond) does *not* include Otero.

Bob Maurer asked whether the decision had been definitely made to move from seal coating and crack sealing to chip and seal, and Steve responded "yes," due to both the cost benefit of this approach and the aesthetic benefit.

Paul asked whether speed bumps will be re-installed on Otero and other roads, and Steve replied that there was no decision on that issue. Other members pointed out that speed bumps are controversial, "not universally loved," and stop signs are a potential option. Because both the POA and the Resort are responsible for Otero from the frontage road "Arch" to the clubhouse, decisions about speed bumps or signs would involve the Resort.

Pertaining to Otero, Steve P explained the agreement between TVPOA and the Resort about sharing the costs for road maintenance. Historically, we pay 25%, the Resort pays 75%, and the Resort also has 100% responsibility for Arch. There were questions from the audience about "what triggers" a review of Otero Road conditions and needed maintenance. Bob Maurer encouraged the Board to "start the conversation (with the Resort) sooner, rather than later," because they may be operating on two- or three-year planning cycles. Steve said he would follow up with the Resort: he felt comfortable doing so "now that we have Raoul."

Street Name Signs. Maggie presented two different prototypes of road signs that had been procured over the summer: one made of black painted metal with white letters made of plastic stickers, the other made of a black colored composite with engraved letters painted white. In prior discussions with several Board members, the composite version seemed better, as it would "last forever." Made by "Company Sign Magic," the estimated cost is $16,166 (about $247 per sign): materials = $5,436, labor = $8,330, and installation = $2,400. The contractor requires 50% down and says the job could be finished in 6 weeks.

JoAnn Appleyard brought up the topic of the street name: B**e**lderrain or B**a**lderrain? Historic sources suggest the latter. Maggie said her research said the former. She also felt it "was what has been in place" for quite some time, and is familiar to property owners and UPS and other carriers. Bruce suggested we go with "whatever has been platted by the County." Torry then pulled up the county's official address map online and it said "Balderrain." Maggie will follow up on this.

Stan and Jean expressed interest in changing the font of the names to be "more Spanish-like." Other views regarding the aesthetics of the signs were expressed. The Board authorized Maggie to proceed with the composite option, but to work with a homeowner committee to finalize the lettering.

6. **Architectural Committee (AC) Report** – Steve M
Steve M said that last year the AC published guidelines, and there is now an update about roadways and reviews by the Supervising Architect (AC). He presented a handout with current and proposed new fees for:

(a) Landscaping Plan Review (from $250 to $600, paid in two equal installations, with the second payment waived if the project is completed on time)
(b) Remodel Plan Review (from $500 to $1,250, paid in two equal installations, with the second payment waived if the project is completed on time)
(c) New Build (from $1,000 to $2,500, also in two installments, with the second payment waived if the project is completed on time) and
(d) Solar installation -- $1,000, fully refundable upon completion.

The rationale for increasing the fees and charging them in two installments is to incent property owners / contractors to complete the job within a year. We have had problems with stalled jobs, owners disappearing, etc. At this time, Steve M does not expect many houses to *not* be finished within a year.

Steve M clarified the reviews basically apply to home exteriors – anything that affects the footprint or exterior presentation of the house – not to interior remodeling, or landscaping that occurs within walled patios – "unless they are building a tower in the patio" or something similar.

Steve P clarified that what triggers a landscape review is the clearing of land outside its walls. If there are existing trees, bushes, plants – and the owner intends to remove them – the owner's plans need to be reviewed by the SA.

A tangent discussion involved the dissatisfaction with a large home being built at the end of Calle Ayer. This home is not within our POA, but it triggered concern about height restrictions that may (or may not) exist with HOAs that adjoin our properties. In our POA, two-story homes are not permitted, and the SA has control over building height. The only solution is for us to have conversations with other HOAs (and the Resort) on buildings that change the views from current homes.

Bruce suggested it would be really good policy for our POA to limit new tree height, given that excessive height can block site lines for other homes. Steve P said our current guidelines require native plants (including tall trees) to be preserved. If native vegetation is to be substantially removed, then a landscape plan must be submitted and approved by the SA; but there is a need to address restrictions on new tall trees more formally.

Another issue involves owner driveways that are "hardscape" (e.g., concrete, pavers) and their interference with road resurfacing. Steve M said the AC recently reviewed all driveways and found 13-14 driveways that are going to become a problem as we start to repave the road. Hardscape surface driveways cannot impede roadside swales and drainage, as doing so can cause road damage (culverts may be ok). Some owners and contractors violated this restriction because they just didn't know it existed and were unaware of the problem. Driveways need to stop at the property line and have a "soft interface" (e.g., gravel) with the POA shoulder. Members of the AC will pair up and visit these home owners to explain some options for fixing this problem prior to road surfacing.

Lastly, Steve M said the POA has filed a legal complaint with the County court regarding the stalled home on Calle Diaz, which was started in 2020 and never completed. We filed the complaint after we had given the contractor (title owner) "lots of warnings, sent many letters, made many attempts at negotiation, and held an in-person hearing that led to a faulty completion time-table and no follow-through."

Steve P clarified that the complaint requests fines of $100 day retroactive to March and coverage of our attorney fees. He and our POA attorney have been in contact with the lawyers for another suit filed by the contract buyers. "This has been an unsatisfactory situation but is now in hands of the attorneys and the court. It will be pursued."

7. New Business

As there was no new business, the meeting was adjourned at 6:00.

Connie Schmitz/Secretary