

TVPOA Board Meeting

November 13, 2024

4:00 PM

Tubac Community Center

Present: Torry Hinder Johnson, President; Maggie Steffan, Vice-President; Deborah Rottschaffer, Treasurer; Connie Schmitz, Secretary; Paul Plett, Director and Roads Committee Chair; Steve Morris, Director and Architectural Committee Chair; Bob Klosek, Director and Architectural Committee Member

Guests: Tracy Johnson, Administrative Assistant

Members: Bob Maurer, Sandy Johnson, Marie Daniel, Larry Weelborg, Cheryl Taylor, Amalia Barreda, Mary Heideman Bruce Bennett Dupont Bill and Kelly Lonigan, Satish Thosar, Ricca Jaggia

Agenda:

1. **Call to Order** – Torry called the meeting to order at 4:00, welcomed everyone, and said she hoped to keep the meeting to one hour in length although we have a longer agenda than usual.
2. **President's Remarks** – Torry thanked Jim and Kathy Cathey for hosting the early November social gathering, and also Michael and Alyssa O'Rourke for supporting the effort.
3. **Secretary Report** – Connie reported no further changes had been submitted by members since the second draft had been circulated. Torry made a motion to accept the minutes, Steve seconded, and the motion carried.
4. **Treasurer Report** – Debbie reported on the Year-to-Date Cash Flow statement (January 1, 2024 – October 31, 2024).
 - The total revenue from member dues (\$107,668.97), architectural review fees paid by members (\$8,575), interest collected on our CD (4,296.82), and other sources of income amounted to \$129,303.78. Total expenses amounted to \$51,216.39. Our largest expenses were in C&R enforcement (\$18,370.93), common area mowing and weeding (\$17,580), fees paid to the supervising architect (\$12,975), and the final payment for our new road signs (\$10,746). Our starting balance on January 1 was \$310,612.13. This included carryover from 2023 from the operating account (\$207,034) and our CD (\$103,577.03). Our net cash change (inflow minus outflow during the year) was a positive \$51,216.39. The total ending balance for this time period (CD plus operating account) was \$361,828.52. Discussion: Paul moved to approve the treasurer's report, Torry seconded, and the motion carried.

5. **Roads Committee Report** and 2025 Road Plan Approval – Paul spoke from a summary sheet that addressed 8 topics.

- Two-Pronged Approach to Road Resurfacing. The Committee has studied the traffic patterns and condition of all our roads and concluded that TVPOA roads incur greatly varied degrees of use. Otero, Anza, and the eastern section of Belderrain, for example, get a lot more traffic than Figueroa and Gutierrez. Therefore, the Committee will adopt different, cost-effective strategies for repairing and maintaining the roads with that in mind. Heavy-use roads need more expensive treatment – “chip and seal” coatings – in spring and summer. Lower-use roads can benefit from less expensive treatment – “crack sealing” – in the winter.
- Anza Resurfacing. We are contracting with Sundland Asphalt to resurface the road from Otero on the south, to just north of Belderrain on the north. This will be a “Polyseal” finish. This work will take place when the weather warms up, about May-June of 2025. The cost estimate is \$87,000.
- Otero Drain Problem. Paul described the persistent drain problem which creates a roughly 20’ pool at the S.E. corner of C. de Prado (W) and Otero Road. The committee has already contracted for the fixing of this problem. The cost was \$7,000. The Tubac Resort will pay 75% of half the cost (\$2,625).
- Otero Resurface. We have obtained a quote from Sunland Asphalt to Polyseal the entire length of the roadway from the arches on the west (at the frontage road) to the Resort Clubhouse on the east. Since March, the Committee has been soliciting multiple companies for proposals to do this work. By default, we ended up with Sunland Asphalt (because no one else responded). “But they are a very good company; they do multiple HOAs.” The estimated cost is \$103,055. The Resort had requested that we give them an estimate by November of 2024 for their budgeting purposes for 2026. We did that. They now tell us that they are not prepared to have the work done in 2026. And they have asked that we get at least one other estimate.
- Otero Road Edge Deterioration. The northern edge of Otero at the Kennedy’s residence (lot #250) and the northern edge of Otero at the senior Rognlin’s residence (lot #28) are eroded with at least a 4” drop and need to be repaired. We reviewed this with the Resort. They have agreed to review the estimate and pay their 75% of the cost. The timeline is 3 months.
- Weeds. We have weeds. Although some people prefer the “wild” look and others prefer the “Beverly Hills look;” the Committee opted for a compromise. Which is to mow twice a year for the sake of fire prevention. Perrydise Landscape mowed the road weeds and the common areas this fall. The Committee has considered ways

to make this less expensive. “We considered buying a mower and doing it ourselves, but we have no place to store a mower. We also need to hire a licensed and bonded mower, because they are professional and insured. It is too expensive to go with unlicensed contractors because then we would have to buy our own insurance to cover them.”

- Cost-Sharing with Owners Living in the Valley Vistas. There are 72 lots in the Valley Vistas (*parcel of land north of TVPOA*). It has been observed that many of these owners use our roads (primarily Belderrain) “24/7/365” when going to the frontage road leading to I-19. They reportedly pay only \$30 in HOA fees. We are going to meet with them and discuss this continued use, and ask them to help pay for road maintenance.
- Otero Speed Tables. Paul reviewed the problem of drivers speeding on the Otero stretch from the arches on the west, down to the Resort Clubhouse on the east. Drivers basically ignore all the speed signs (“they appear to consider them ‘suggestions’”) and are regularly reaching 35 to 40 MPH. The Resort has said they will allow us to install two speed “tables,” which are flat rises, rather than bumps. The tables will be approximately 3.5” high and about 8’ long. Vehicles will drive up onto the “table” and back down off of it. The tables will be clearly marked with bright lines. There will be new signs alerting drivers to the “tables.” The Otero tables will be positioned at lot #250 and lot #28. Paul has gone to 8-9 people who live on Otero to see what they thought of speed tables, and they all agreed to this. We will also be installing a speed table at 2290 C. de Anza. The cost for all three speed tables is about \$24,000. The Resort will not be sharing in this cost. Our agreement with them states they are responsible for “surfacing and repairs,” but not “improvement. This work will be done by the end of the year.

Discussion. Bob Mauer asked why the Resort will contribute only “75% of half the cost” of fixing the Otero drain problem. Paul said the Resort believed the flooding was “50% on Otero and the other half on Prado.” Torry said Paul “took the high road on this,” even though the only reason the water was backing up on Prado was because of the berm on Otero that caused the water to back up on Prado. Torry added that “we did make it clear we need prompt reimbursement.” In the past, the Resort has not always been prompt in payment. The current invoice to them starts late fees after 30 days.

Another member from the audience asked “which will come first: speed tables or resurfacing?” Paul said speed tables. Sandy Johnson asked about the cost of maintaining speed tables: Paul said “negligible.” Connie asked who Paul would be talking to in the Vistas about cost-sharing; he said he didn’t know yet. Steve Morris commented on Vistas use of our roads. He said that a while back a previous neighbor who was disturbed about the amount of travel coming out of the Vistas went and asked

them to contribute to road repairs. The answer was “no.” Steve’s neighbor tried to get authority to block off the road on their south entrance connecting them to Belderrain, forcing those residents to head in and out via Chavez Siding. But that did not work, and an audience member said a barrier at that location could create a safety hazard for Vista residents.

Torry made a motion to move ahead with putting in speed tables, Connie seconded, and the motion passed. Paul moved to approve the expense of resurfacing Anza, from Otero north to Belderrain, which was seconded by Steve, and was unanimously carried.

6. Architectural Committee Report – Steve reported on a couple of current projects going on in the TVPOA; the status of Calle Diaz (lot #92); and a proposal to hire a professional community management company to conduct regular C&R enforcement activities.

- New Projects. Construction on Circulo de Prado Lot #233 on the far west side is fully enclosed, with work continuing inside and outside the structure. Construction on Circulo de Anza lot #58 on the far east side now has slabs poured and masonry block walls going up rapidly. It is one of the “neatest” building sites Steve has seen in his experience. The building fence is locked, trash and debris are being removed, the placement of the porta potty is discrete. It is a “shining example of what I hope other contractors will do with new builds.” Since our last meeting, there has been only one exterior inspection request, for an existing house for sale near the Country Club. That inspection was completed today and forwarded to the TVPOA Administrative Secretary for completion of the Real Estate Package for the transaction.
- Calle Diaz. Steve then gave a status report on the Calle Diaz (lot #92) construction site. The owners have read and signed the Judgment Lien Lease Agreement drawn up by our TVPOA legal counsel, and agreed to the conditions contained therein. The document has specific details of the monetary fees they owe, specific requirements for amended construction plans, and specific requirements regarding the need to get approval by the Supervising Architect (SA) if there are any changes to the plans to ensure they are within C&Rs. Violations by the previous owner/contractor (Esplendor) have to be paid attention to and satisfied by the SA before construction can go forward. Specific deadlines are given for various components of the Agreement.

To date, the current owners have satisfied the monetary requirements and fees and they are finishing up the details on the construction plans. “The monies are here. We are hoping everything will be approved. We are heading in positive direction.”

Discussion: Questions from members (neighbors of the Calle Diaz house) concerned the timelines for completion and what the deadlines dates are. Steve said the deadline for receiving the money has already been met. The deadline for submitting finished construction plans is “one week from today.” “The committee is not giving the owners any more leeway.” Requirements in the signed agreement include the submission of a construction schedule, “so we should get that in a week. Then we can share with you the timeline for completing the building.” Marie Daniel asked if they doing anything with the roof line (i.e., lower the roof). Steve said the roof is going to stay as it is. “That was part of a mutual agreement between the owners and the people who live to the west.” Marie Daniel said, “Why weren’t we consulted? How about everyone who lives there?” Steve said he was not aware of their concerns. Marie said they had spoken with the previous BOD many times. Bill Lonigan said the current roof height and style were not consistent with the C&Rs. Steve said he would stay after the meeting to meet with these neighbors to more fully discuss their concerns and guarantee transparency with the timeline.

- Proposed Partnership with Property Management Company. Steve said that Architectural Committee members spend a lot of time fining people for violations. “It is very time consuming for volunteers like us” to deal with not only sporadic one-time violations, but chronic offenders that require significant enforcement to bring into compliance.” The Committee has been investigating the costs and benefits of entering a partnership with Stellar Property Management (SPM) in Tucson. SPM provides services for the Barrio homes HOAs and has a good reputation. Our contract with SPM would be less extensive that what they do for the Barrio. Primarily we would ask them to identify C&R violations through monthly “drive-by’s” and conduct follow-up enforcement activities (e.g., letters of notification, followed by fines if the violation is not remedied, any further correspondence leading to hearings). This kind of enforcement is important for problems with things like inappropriate RV storage, construction storage, golf cart storage. “Unless we get notifications by neighbors or happen to see violations, we don’t necessarily know about it.” The Committee will come up with a schedule of specific fines and penalties and present it to the TVPOA for approval, as they did for the Calle Diaz house.

The cost of hiring SPM is \$300 per month, with an additional \$25 for new call-in violations discovered by Committee members. An added value of hiring SPM is that they have been in business many years, they are insured, and they are well versed in HOA laws and regulations in Arizona. “They can bring professionalism, consistency, and regularity to our enforcement process. They have a software program that shortcuts administrative tasks, generates letters of notification and/or violation, tracks the histories of properties, and references the TVPOA C&Rs when necessary.”

Discussion. Paul asked whether we were ever able to foreclose on Esplendor's other properties [in an attempt to recoup our costs]. Torry said this was "an epic failure," despite much time spent on this. The County allowed Esplendor to sell those other lots and would not honor foreclosure proceedings. Steve clarified that Esplendor moved titles to those properties to other people (e.g., family members).

Cheryl Taylor said she had been part of a previous HOA that had a form for neighbors to fill out if she (or other neighbors) saw violations in their community. She asked about the process here. Steve said she should notify him, and he would notify SPM, who then reports back to him.

Steve elaborated that "Lot #92 was not the only hard-core violation we have had to deal with." When Steve came on to the BOD he found that things [violations] had "snuck under the radar." Some violations are "intentional and repeated; others occur with honest ignorance. Chronic sore spots will be better dealt with by SPM than by the Committee." Connie gave strong support for hiring SPM because doing this is hard for volunteers. She liked the idea of their professionalism, experience, and consistency. Bill Lonigan questioned the value of having a property manager and "whether they will really know the C&Rs?" He said there were a lot of violations all over the TVPOA lots, wondered if the C&Rs need to be changed, and whether \$300 a month is worth it. Steve said Lot #92 was approved by the previous SA. And during construction, Esplendor's made alterations that were not approved by the SA. The assumption was that the submitted, approved plan would be followed. The County inspectors, not the AC, are supposed to make sure approved plans are followed.

Torry asked about Bob Klosek's interest in 3rd party property management. Bob approved of the idea; "We would avoid neighbors vs. neighbors; and a lot of us are out of town and don't always know when violations happen." Torry asked Cheryl Taylor for her opinion. Cheryl liked the idea. She also likes the idea of neighbors filling out forms when they see a violation and giving them to a property manager. She has seen it work in her Tucson experience. "It took care of a lot of issues." Steve added that Committee members are often gone in summer, and related an experience of coming back in the fall and finding a new structure going up, when nothing had gone to the SA. "We shut that operation down and owners tore us up and down."

Steve made a motion to hire SPM for one year and see how it works. Connie seconded the motion and it passed

7. **2025 Budget Approval** – Debbie then presented a Proposed 2025 Budget with accompanying spreadsheet. The 2025 budget was organized in three sections: Operating Fund; Road Fund; and C&R Enforcement.

- The Operating Fund columns showed the 2024 budget, and the monies spent through September 30, 2024, alongside the proposed 2025 budget. Expected revenues for 2025 show a slight increase from 2024, overall. Dues remain the same (\$425 per lot, with \$25 discount for early bird payment). Expected expenses in 2025 show a \$13,185 increase from 2024. The projected cost increases are mainly due to more monies anticipated for administrative support, more early bird dues discounts, and allocations for common area trimming and weeding. Ninety-five thousand dollars (\$95,000) will be transferred from the Operating Budget reserves to the Road Fund and the C&R Enforcement fund. The total projected ending fund balance for the 2025 Operating Fund (prior to 2026 billing) is \$224,222.77.
- The Road Fund columns showed the 2024 budget, and the monies spent through September 30, 2024, alongside the proposed 2025 budget. The Road Fund consists of \$85,000 transferred from Operating Fund reserves, plus the Resport's payment for Otero flooding repair (\$2,625). Most of the monies available for road work in 2024 (\$184,796.25) were not spent, as a final plan for road resurfacing was not yet in place. The proposed 2025 Roads Fund has \$156,345 available for several projects. Of that amount, we expect to spend \$30,000 on road repairs; \$95,000 for road resurfacing; and \$1,000 on road signs, leaving a projected ending Road Fund balance (prior to 2026 billing) of \$30,345.
- The C&R Enforcement Fund columns showed the 2024 budget, and the monies spent through September 30, 2024, alongside a proposed 2025 budget of \$10,000, transferred from the Operating Fund. We expect to spend \$5,000 from this fund in 2025, leaving a balance in the C&R Enforcement Fund of \$5,000.

Discussion. Members asked if they could get a copy of the treasurer's reports. Tracy said they will be available on the website after this meeting. Torry clarified that the 2025 proposed budget presented today "is only for approval, by the Board, to present it at the 2025 Annual Member Meeting for discussion and review." Connie clarified that dues do not go up. Paul asked whether we can pass any future attorney fees to violations that go to court. Torry said in some cases we can, and others we can't; right now, we don't anticipate having to use any attorneys for enforcement next year. Torry made a motion to accept the proposed budget for presentation to members at the 2025 Annual Meeting; Steve seconded, and all were in favor.

8. **2025 Nominating Committee** – Maggie is leading the Nominations Committee. She said three positions will be opening up in 2025. Bob Klosek has been on the Board for 6 years and is termed out. Paul Plett is finishing up the 3rd year of George Rentz's term, so technically the seat is up for renomination. Torry is finishing her 3-year term, so her seat is also up for renomination. If you have anyone you wish to nominate, or if you want to nominate yourself, contact our secretary, Connie Schmitz.

9. Other Old Business – Connie said she had no old business to report.

10. New Business – Torry discussed some new federal regulations, the “Corporate Transparency Act (CTA),” which was passed in January, 2021, and impacts HOAs. The CTA was designed to combat money laundering, terrorist financing, and other illicit activities by shedding light on “the true ownership of corporations, limited liability companies (LLCs), and other similar entities.” Because community boards such as ours are often structured as corporations or LLCs, we become subject to CTA reporting requirements. Which are complex, time-consuming, and involve financial, organizational, and personal data with verification. Inaccurate reporting leads to penalties and other repercussions.

Long story short: the TVPOA needs to submit lengthy documents to appropriate authorities by January 1, 2025. Failure to do so leads to fines starting at \$500 a day. Torry feels we need outside help to comply with these regulations. She asked Stellar Property Management for help, but they said they could not file it for us – but that a lawyer could. Torry called a lawyer from Smith + Wamsley, a firm that provides limited representation for community associations. The lawyer said he could do it for \$675 plus \$100 for supplemental filings. Torry said she would like to steer clear [of trying to file ourselves] and also prefers to stay out of jail.” She made a motion to hire the lawyer, Steve seconded, and the motion carried.

11. Adjourn 5:18,

Connie Schmitz/Secretary