

## Casa Del Cielo HOA Board Meeting

April 8, 2018

**Present:** Debra Castro, Barry Bader, Robin Silberman, Doug Clark

**Absent:** Hilda Banyon

**Also Present:** Leslye LeBakken, Dave and Sally White, Diana Love, Romane Roman, Ginny Bertoncino

**Call to Order:** by President Castro at 10:30 a.m.

Castro reported February minutes were transmitted to board members prior to April meeting. Minutes were approved via email and posted to website.

**Finance:** Doug Clark reported on the February financial statements:

- Net Income of \$5,377 prior to Pool Renovation Expense of \$1,560 for the month.
- All expense items with the exception of General & Administration Expense (“G&A”) and Water Utility Expense were within Monthly Budget. Water Expense increase over Monthly Budget was reflective of ongoing irrigation (Water Expense at Pool was miniscule) while G&A increases reflected stationary costs for our AGM, Legal for proposed CCR amendment and CPA costs in preparation of AGM and Pool renovations.
- No late Fees for Homeowner Dues in the month, while no Disclosure Fees associated Home Sales.
- Cash Balances at Month End, less Prepaid Assessments, were approximately \$125,000.

The March 2018 Financial Statements will show an overall deficit, with reduced net income and cash balances after the majority of remaining costs for Pool Renovations are expensed in March.

Per the Board’s request, Clark has investigated options for earning a higher interest rate on idle cash. He has moved \$194,000 to the savings account which pays slightly higher interest. Chase offers a sweep account (which may not be available to HOAs) but would have monthly fees that would negate the increased interest; CdC currently has an account with no fees that is no longer offered to new customers.

**Reserve Study**-Clark reported that following the Board’s request, he has received a proposal from Association Reserves for a 30-year study cost of community upkeep expenses, with a detailed inventory to use for planning and budgeting purposes. This study will cost \$1600. The study will begin in 8-10 weeks. Castro and Silberman are available to provide access to the pool area for an inventory to be taken.

**Motion to approve \$1600 for reserve study: Motion by Clark, second by Silberman. Approved unanimously.**

Clark noted that in accordance with CdC's collection policy, he will ask Ann Couch to send written late notices by US Mail to owners whose payments are more than 15 days late. Bader reaffirmed that the collection policy was approved last year and is posted on the website.

LeBakken questioned who is responsible – CdC or SRCA -- for irrigation of the land on Mountain View as well as 100<sup>th</sup> St. Randy Vogel to find out the correct answer.

**Pool:** LeBakken stated she would be ordering new pool cover for the hand railing. The pool service contractor will also try to get excess sand out of the bottom of the pool.

Extra keys have been made for residents who lose a key. Lebakken stressed that only Board members and Pool Committee members are authorized to distribute or make additional keys. A \$25.00 fee MUST be imposed for any person who wants a key. Collect a check payable to CdC or call Clark or Couch to send an invoice.

A new pool cleaning person, Marion Chevy, has started, working twice monthly for \$100 a month. Lebakken will have her complete a W-9 form. She cleans bathrooms, kitchen, furniture, shower, etc. Between cleanings, any Board or committee members who sees a need to replenish supplies or have emergency cleaning done should either do it or call LeBakken.

Acting at the Board's request, LeBakken received three proposals for bringing electric service in the pool/kitchen area up to today's standards and CdC's needs. After discussion, the board approved the low bidder, Shields Electric (recommended by Dave White) to: Install two 20-amp outlets on own circuit by pool, install two 20-amp outlets in kitchen each on its own circuit, and re-feed two existing outlets in kitchen and put them on their own circuit. The cost will be \$1580.

**Motion to approve electrical improvement project: Bader moved, second by Clark, approved unanimously.**

LeBakken will explore new signage in pool area, including prohibitions on glass and depositing dog waste. LeBakken will obtain an updated pool bid in the fall for new cooling decking. Clark said this likely will not be approved for an expenditure this year as the deck is in serviceable condition. Lebakken said in the future, an ad hoc committee should be responsible when pool upgrades are needed; the Pool Committee is responsible for maintenance and operations.

Lebakken reported a violation notice was received from Maricopa County concerning the sail cloth, which protects bathers from burning themselves on the bannister along the pool steps, because it supposedly doesn't handle rain appropriately. The sail has been in place for many years with no problems, but was installed earlier this year because of the early high temperatures. Dennis Mack on behalf of the Pool Committee filed an appeal (\$250 fee) with the County for a variance. Lebakken will keep the Board posted on the results.

**Architectural Control:** Bader stated that Scottsdale Ranch's Architectural Committee had rejected our application for new palettes 11-15, 16-15 and 18-15 pallets. However, it said it would look favorably if CdC reapplied for palettes 11-15 (without door color Sunken Ship); and 13-15, with only door colors Dark Pewter, Made of Steel, Weathered Brown, and Spiced Berry. There is no change to the existing paint colors. While recognizing that the SRCA has ultimate authority over CdC color schemes, Bader said he was disappointed that after extensive work with staff to choose new palettes, that SRCA had rejected

two of three requested palettes. He has informed the Ranch that in the future, we will want an informal consultation with the Architecture Committee's "design expert" before submitting a formal request. After approval SRCA, Bader will ask webmaster Palaich to update CdC website, and SRCA will update the Dunn Edwards paint palettes on its charts.

**Motion to submit revised application: Bader moved, Castro seconded, approved unanimously.**

Bader introduced a draft General Fine Policy and specific Fine Policy for Short-term Rental violations, the latter to be in effect when the pending CC&R amendment is approved. Carpenter Hazlewood, CdC's legal counsel, drafted the fine policies at the CdC Board's request, in response to the Arizona Court of Appeals decision in Turtle Rock III HOA v. Fisher, which held that "monetary policies adopted (by an HOA) without an adopted fine schedule are per se unreasonable and therefore invalid." The draft policies provide for notice of a violation of the CC&Rs or Board policies to a homeowner, with successively higher fines:

- First notice: no fine
- Second notice (unresolved after 14 days): \$25
- Third notice (unresolved after next 14 days): \$50
- Continuing violations (unresolved after 14 days): \$100 every 14 days.

Bader said the ACC discussed the policies extensively and generally agreed with the content. Because the 14 days seemed very short, especially in the summer, and was concerned that fines would be assessed automatically, with no opportunity to work with homeowners cooperatively. Legal counsel has confirmed that the time lines may be lengthened and that the Board always has the discretion to waive or reduce fines. Clark expressed concern the new policy would be interpreted as CdC taking a "policing approach" to its rules. Bader said the fine policy makes no changes in CdC's current approach to requiring residents to follow architectural rules; it only responds to a recent state court decision that HOAs must have and follow a specific fine policy to enforce fines. He said the ACC feels strongly that if the HOA won't make an effort to enforce compliance, there's no point in issuing violation notices. Several Board and community members agreed.

**Bader moved approval of the fine policies, with the timelines extended to 21 days, and associated legal documents. Clark seconded, approved unanimously. The new policy will be posted on the CdC website and explained in the Community Bulletin.**

**Fruit Removal Policy:** Bader ACC had approved a policy that clarifies an owner's responsibility, as part of backyard maintenance, to pick ripe fruit and not attract roof rats or other pests. Upon a complaint, the ACC will send a notice to the homeowner that the fruit must be picked within 7 days. If the owner does not respond or fails to comply, the HOA will authorize its contractor to remove the fruit and the owner will be responsible for costs up to \$250 plus being subject to a fine. Generally, fruit should be picked between April 15 and 30.

**Silberman moved approval of the fruit removal policy; Clark seconded, approved unanimously. The policy will be posted on the website and discussed in the Community Bulletin.**

**CC&R Ballot Amendments:** Diana Love reported on behalf of Hilda Banyon that a total of 106 ballots were returned so far, with all in favor except 5 against the short term lease amendment and 3 against discounting HOA fees for those who use more efficient payment options. Love said letters and emails will be sent to those who haven't yet voted. Bader asked who could volunteer to assist Love: the Whites and Ginny Bertoncino volunteered.

**Investigation of HOA management companies:** Silberman gave a progress report of her explorations and reported that she has received proposals from seven property management firms (including Tri-City; Brown; Integrity 1<sup>st</sup>; AZ Community; Community Mgmt.) at fees ranging from \$5-\$10/month. Many responsibilities include responding to residents' complaints and needs and handling monthly financials. Silberman said the monthly fee will cover most services, but there are some per diem charges. Several Board members stressed that no decision to hire a management company has been made – the investigation is only exploratory because of challenges in getting enough qualified volunteers for Board and committee tasks. Bader recommended that Silberman develop evaluation criteria and summarize the proposals, along with her recommendation of several companies for the Board to interview in the fall. He said the community must be involved, and the move will need a community vote if dues would increase more than 5%.

**Old business:** The evergreen topic of dog poop was raised. Ginny Bertoncino graciously offered to contact the City of Scottsdale and/or Scottsdale Ranch about putting signs up at the entrances to CdC.

Castro said that based on travel schedules, there will be no in-person meeting of the Board in May; an electronic meeting date will be set and announced on the website, and any business will transacted by email.

The meeting adjourned at 12:02 pm.

Respectfully submitted,

Barry Bader