

San Ignacio Vistas, Inc.
Homeowners Association
Minutes Board Meeting – April 11, 2013
APPROVED BY THE BOARD: April 14, 2013

The meeting was held at 4731 S Harvest Moon Drive. There was a quorum of the Board: Marianne Bishop, Paul Gilmore and Ann Striker. Also present were Jim Callahan, Architectural; Gary Powers and Terry Arnholt, Financial Advisory and Pat Imgrund and Jerry Bodmer, Maintenance Committee.

Vice President Ann Striker called the meeting to order.

1. OFFICERS' REPORTS

A. Treasurer

The Financial statement ending March 31, 2013 was reviewed **Attachment A)**

B. Secretary

A MOTION was MADE by Paul Gilmore SECONDED and UNANIMOUSLY PASSED ratifying the February 19, 2013 Board and organizational minutes as distributed for approval via email.

A MOTION was MADE by Ann Striker SECONDED and PASSED ratifying the unanimous approval of the Board conducted via email to proceed with road repairs by Sunland Asphalt even though water damage on King Arthur Ct, could be an estimated \$1,000 to \$5,000 higher than the request for funds.

GVR is requesting we submit room requests for 2014.

A request will be submitted for the Saguaro Room at Canoa Center for Tuesday, February 18 from 8 AM to Noon for our Annual Meeting.

The following dates were agreed upon for this year's board meetings and will be conducted at Harvest Moon Drive starting at 2 PM. The only month that is not the second Thursday is in February 2014 because of the Annual Meeting.

May 9, Sept. 12, Oct. 10, Nov. 14, Dec. 12, Jan. 9 and **Feb 6**

2. COMMITTEE REPORTS

A. Architectural - **(Attachment B)**

The secretary contacted the owners of Lot 29 and found they are aware that the home is not painted using an approved color. This was done over 7 years ago and will be rectified the next time the home is painted. The homeowner database has been noted.

B. Financial Advisory **(Attachment C 1-2)**

Minutes of the committee meeting held March 28 were distributed. Terry Arnholt raised the question as to why the investment with Vanguard was made using Wellesley (VWIAX) vs. the Total Stock Market Fund (VTSAX). Since this was the first time the Board has deviated from investing in CDs the Treasurer and Vice President looked at the two funds and compared performance since inception as well as the largest loss. Based on these facts and looking at the risk factor and volatility made the decision not to put the money in a fund that consisted of ALL stocks.

Since not all of the members of the board were present, Ann Striker asked that any discussion to move the funds from VWIAX to VTSAX be tabled. She thanked the members of the Financial Advisory Committee for their efforts and assured them that the board will consider their recommendations at the May board meeting.

C. Maintenance

1) Road Sub-Committee

Pat Imgrund reported that on April 8-10, 2013 Sunland Asphalt of Tucson completed six repairs to our roads. One repair each to Gloria View Ct and Gloria Vista involved asphalt removal and repaving. Two areas of Desert Sunset had asphalt removal and were repaved and a third area had a skin overlay. It was necessary to remove some of the road base on King Arthur and Gloria View that consisted of clay. Fill required an extra 17 tons of asphalt as well as adding unexpected labor and equipment hours.

This fall the repaired areas will be seal coated at an estimated cost of \$1388.00 plus tax and the next road maintenance project will be crack sealing in the spring of 2014.

2) Common Area Long-Range Sub-Committee (Attachment D 1-2)

Jerry Bodmer presented the progress report and encouraged all homeowners to use the link on the homepage of the association website ([www:sivhoa.org](http://www.sivhoa.org)) to monitor progress of this sub-committee.

3. CONTINUING BUSINESS - None

4. NEW BUSINESS - None

5. ADJOURNMENT

With no further business to be conducted, the meeting adjourned at 3:35 PM.

Respectfully submitted,
/s/ Marianne Bishop, Secretary

4/9/2013
Cash Basis

ATTACHMENT A
San Ignacio Vistas, Inc
Assets, Liabilities and Fund Balances
As of March 31, 2012

ASSETS

Current Assets	<u>Operating</u>	<u>Reserve</u>	<u>Total</u>
Checking/Savings			
120 · COMMERCE CHECKING	<u>53,198</u>		
Reserve Account			
1500 · COMMERCE - 9/15/13 APY 2%		52,536	
1502 · COMMERCE RESERVE CK.		79,443	
1503 · WASH FEDERAL 1/12/15 APY 1.55%		101,890	
1504 · WASH FEDERAL 2/11/13 APY .50%		50,317	
1505 - VANGUARD INVESTMENT		<u>100,725</u>	
Total Reserve Account		<u>384,911</u>	
Total Current Assets			<u>438,109</u>

LIABILITIES & EQUITY

Equity			
300 · Operating Fund Opening Balance			9,292
3000 · Reserve Fund Opening Balance			331,032
Net Income			<u>97,785</u>
Total Equity			438,109

TOTAL LIABILITIES & EQUITY

438,109

San Ignacio Vistas, Inc
Budget vs. Actual
3 MONTHS ENDING 3-31-12

	<u>Operating Fund</u>		<u>Reserve Fund</u>		<u>Total</u>	
	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>
REVENUE						
400 · Assessments	108,300	108,300				
410 · Transfer and Document Fees	600	2,400				
420 · Operating Fund Interest	54	204				
	<u>108,954</u>	<u>110,904</u>				
4200 · Reserve Fund Interest			1,957	2,650		
			<u>1,957</u>	<u>2,650</u>		
Total Revenue					110,911	113,554
EXPENSE						
Maintenance						
500 · Yearly Contract	6,688	26,580				
502 · Tree Trimming	0	4,000				
503 · Utilities	81	400				
505 · Other Maintenance	49	3,000				
506 · Erosion Mitigation	0	1,000				
Total Maintenance Expenditures	<u>6,818</u>	<u>34,980</u>				
4201 - Reserves - Misc Expense			75	-		
5000 - Street Repairs			-	25,000		
5006 - Erosion Mitigation			-	20,000		
Total Reserve Expense			<u>75</u>	<u>45,000</u>		
Administrative						
510 · Contract Service	2,550	10,200				
511 · Board	154	470				
512 · Legal	325	1,750				
513 · Communications						
513.1 · Computer and Internet	166	2,500				
513.2 · Telephone	221	1,020				
513.3 · Office Supplies	0	70				
513.4 · Printing/Reproduction	596	1,550				
513.5 · Postage/Delivery	61	300				
513.6 · Record Storage	420	420				
Total 513 · Communications	<u>1,464</u>	<u>5,860</u>				
Total Administrative	<u>4,493</u>	<u>18,280</u>				
Operating						
520 - Audit and Accounting						
521 - Insurance	0	3,200				
522.2 · GV Council	1,710	1,710				
523 · Taxes and Contingency						
523.1 · Taxes - Property		30				
523.3 · Arizona Corporation Fee	10	10				
523.4 · Contingency	20	260				
Total 523 · Taxes and Contingency	<u>30</u>	<u>300</u>				
Total Operating	<u>1,740</u>	<u>5,210</u>				
Total Expenditures	<u>13,051</u>	<u>58,470</u>	<u>1,882</u>	<u>(42,350)</u>	<u>14,933</u>	<u>16,120</u>
ALLOCATION						
600 · Reserve Allocation	<u>(52,000)</u>	<u>(52,000)</u>				
6000 - Operating Fund Allocation			<u>52,000</u>	<u>52,000</u>		
Excess Revenue <Expenditures>	<u>43,903</u>	<u>434</u>	<u>53,882</u>	<u>9,650</u>	<u>97,785</u>	<u>10,084</u>
Beginning Fund Balances	<u>9,295</u>		<u>331,029</u>		<u>340,324</u>	
Ending Fund Balances	<u>53,198</u>		<u>384,911</u>		<u>438,109</u>	

ATTACHMENT B

**Architectural Committee (AC) Report
April 11, 2013**

LOT	REQUEST DATE	REQUEST	ACTION	DATE
164	2-07-13	LANDSCAPE CHANGES	APPROVED	2-9-13
153	2-22-13	NEW GATE FRONT ENTRY WAY	APPROVED	3-4-13
169	2-28-13	NEW GARAGE DOOR	APPROVED	2-28-13
089	3-12-13	DOOR AND 6 NEW WINDOWS	APPROVED	3-14-13
213	3-18-13	SOLAR SCREENS AND ROLLING SHUTTERS	APPROVED	3-19-13

REPAINTING WITH APPROVED COLORS:

Lots:

104
169
179
181
227

ATTACHMENT C-1
MARCH 28, 2013 MEETING MINUTES

Present: Terry Arnholt, Joyce Bulau, Pat Imgrund, Gary Powers

Excused: Marianne Bishop

1. Joyce Bulau reviewed the Board action regarding the investment policy from December 2012 through the February 2013 meeting. The FAC agreed with the investment policy amendment for uninsured investments made at the February 2013 board meeting.
2. Joyce Bulau gave an overview of our investment portfolio as of March 24, 2013. It was also noted that we have approximately \$100,000 invested in CDs maturing in September 2013 and January 2014 which will be reinvested in insured instruments. At the same time from dues received by January 1, 2014 we should have about \$50,000 to invest.
3. The committee thoroughly discussed the merits of the Vanguard investment (Vanguard Wellesley Income Fund) made by the Board in January 2013, versus the fund (Vanguard Total Stock Market Index Fund) recommended by the FAC. Our strategy should be to invest in funds that will give the best return over 25 years. Funds with a high percentage of bonds do not perform, in the long run, as well as do funds totally comprised of equities. Bonds perform poorly in rising rate environments. Our recommendation is still to invest 25 percent of our investment portfolio in equities.
4. The FAC recommends the investment policy be amended to require uninsured investment be reviewed annually for quality, using Dow Jones US Total Stock market Index or Center For Research in Security Prices.

ATTACHMENT C-2
FUND COMPARISON

Share classes for these two funds are as follows:

Total Stock Market: Investor, Admiral and EFT
Wellesley Fund: Investor and Admiral

Since EFTS are not a consideration we will not go there.

Generally investor shares require a smaller minimum purchase (\$3,000) and have a higher expense ratio. Admiral shares are the opposite, requiring a larger minimum (\$10 to \$50 K) with lower expense ratio. I mention this only because investor shares came first so they have a longer track record for comparison. In both cases investor and admiral are the same fund with the same portfolio holdings. See below for both funds and their respective share class data.

IN - Investor shares
AD - Admiral Shares
EX - expense ratio
YTD - Year to date

VANGUARD TOTAL STOCK MARKET INDEX FUND

IN - SYMBOL: VTSMX INCEPTION = 1993
AD - SYMBOL: VTSAX INCEPTION = 2000

	EX	YIELD	YTD	1 YR	3 YR	5 YR	10 YR	I
IN	.17	1.85	9.59	13.67	11.77	5.39	8.81	8.89
AD	.06	1.97	9.64	13.85	11.90	5.51	8.92	4.05

IN YRS UP: 15 YRS DOWN: 5 LARGEST LOSS: **37%** 12/2008
AD YRS UP: 9 YRS DOWN: 3 LARGEST LOSS: **37%** 12/2008

Comprised of: 3257 stocks

VANGUARD WELLESLEY INCOME FUND

IN - SYMBOL: VWINX INCEPTION = 1970
AD - SYMBOL: VWIAX INCEPTION = 2001

	EX	YIELD	YTD	1 YR	3 YR	5 YR	10 YR	I
IN	.25	2.43	4.41	11.14	10.63	7.99	7.33	10.20
AD	.18	2.50	4.47	11.26	10.71	8.08	7.83	7.21

IN YRS UP: 36 YRS DOWN: 6 LARGEST LOSS: **9.84%** 12/2008
AD YRS UP: 10 YRS DOWN: 6 LARGEST LOSS: **9.79%** 12/2008

Comprised of: 60% bonds and 40% stocks

ATTACHMENT D-1

San Ignacio Vistas Common Area Long Range Plan Sub-committee

Progress Report: April 11, 2013

1. Team Organization

- 1.1. Team members identified (one resignation).
- 1.2. Meeting day, time, and places set through August, 2013 (normally twice monthly beginning March 4, 2013).
- 1.3. Team kick-off meeting held (introductions, operating guidelines, project orientation, critical tasks, etc.)
- 1.4. Created a project website linked to SIV HOA web page to share progress with home owners.

2. Home Owner Survey

- 2.1. Survey designed and data collection format created and agreed upon.
- 2.2. Survey distributed and all surveys received have had their data logged.
- 2.3. Survey data is in the process of being reviewed and analyzed by the Team.
- 2.4. Survey summary results should be posted to the project website the week of April 15 (needs Team agreement regarding format and content).

3. Common Area Inventory

- 3.1. Reviewed plats and Pima County documents and Orders impacting designated "Open Space" and "HDZ" (Hill Development Zone) areas contained in the common areas.
- 3.2. Base-lining common area acres by type of surface and length, location, and surface area of drainage ways by street location: 70% complete.
- 3.3. Base-lining common area attributes (e.g. vegetation type, amount, location; physical structures, erosion, general condition) by lot and street: +60% complete.

4. Issues Lists

- 4.1. Identified list of known and possible failure modes of past common area efforts, and are reviewing possible solutions for each.
- 4.2. Began logging common area special maintenance agreements between home owners and the HOA, and similar issues where no agreement is present.

5. Common Area Long Range Plan

- 5.1. Using survey data and other findings, starting creation of draft Core Values, Vision, and Mission for the Plan.
- 5.2. Creation of Strategies, Objectives, and detailed Initiatives will come later.
- 5.3. August, 2013 recommendations to the Board still doable, but tight.

6. Issues Requiring Input or Resolution by the Board

- 6.1. See following page

ATTACHMENT D-2

San Ignacio Vistas
Common Area Long Range Plan Sub-committee

Failure Modes Potentially Related to SIV HOA Board

Item	Failure Mode	Team Ability to Solve	Solution
1a	Differing and hidden agendas on the Board: personal agendas.	No Control	Educate board members regarding their responsibilities, and provide data-driven and survey-driven recommendations.
1b	Board president totally against cutting down any trees.	Influence	Provide data-driven and survey-driven recommendations with a compelling call to action.
1c	Board politics.	Influence	Educate board members regarding their responsibilities, and provide data-driven and survey-driven recommendations.
2	The Board president did not want to offend anyone so no decision was made.	Influence	Push hard for a formal vote and response to recommendations from the entire Board.
3	Lack of Board support for recommendations	Control	Provide a clear plan and data driven recommendations with a compelling call to action. Continually communicate with the Board regarding progress and issues.
4a	Unclear outcome of Board action/inaction.	Control	Push hard for a formal vote and response to recommendations from the entire Board.
4b	No agreement on the Board.	Control	Push hard for a formal vote and response to recommendations from the entire Board.
5	Homeowner demands.	Influence	Board must follow agreed upon Plan vs. bending to individual home owner pressure.

The SIV Board needs to be aware of these potential barriers to successful completion and execution of an agreed upon Common Area Long Range Plan.

- **The Sub-committee will meet its objective of delivering a Plan that is driven by home owner preferences and that is data-driven.**
- **The Board must ask tough questions and make timely decisions on Plan recommendations on their merits ... not personal agendas.**