



## Annual Meeting

January 24, 2018 Scottsdale Ranch Community Center 7:00 p.m.

**PRESENT:** Barry Bader, Hilda Banyon, Doug Clark, Debra Castro, Bob Bernstein

**ALSO PRESENT:** Gordon Minier, Steve Banyon, Dave & Sally White, Frank Hausen, Cam Clark, Shelley Bader, Richard Brody, Bea Diaz, Betty Shellenberger, Wanda James, Trish Wimpy, Jeanne Viola-Balding, Ralph Balding, Kathleen Moran, Jim Moran, Pat & John Good, Catherine Sellinger, Rose Delola, Brenda Williams, Shirley & Bud Ayer, Robin Silberman, Patti Westphal, John Bauer, Delores malo, Randy & Frieda Vogel, Ralph Friedly, Rozanne Bernstein, Oda Lomax, Barb Gould, Maureen & Ed Burke, Ken Huettl, Jody Schnable, Leslye & Ron Lebakken, Jean Dunsing, Mike Wolfe, Ginny Beroncino, Raliegth Farrell, Ann Harris and Susan Recsetar

**CALL TO ORDER:** President Bader called the meeting to order at 7:05 p.m. Immediately followed by introduction of the HOA Board of Directors and Committee Members.

New Community residents, Barb Gould and Ginny Bertincino, were introduced.

Bader thanked Ralph & Jeanne Balding for their many years of services chairing the Landscape Committee and Day of Work events.

**APPROVAL OF MINUTES:** Banyon moved, Bader second that the minutes of the January 11, 2017 be approved. One correction noted: *Dunn Edwards* **Motion approved.**

**NOMINATIONS FOR 2018-2020 BOARD MEMBERS.** Bader asked for nominations from the floor for two open seats on the HOA Board of Directors. Hearing none, the nominations were closed. Debra Castro will count ballots brought tonight, adding to those mailed in and report results at the end of the meeting.

Bader thanked all residents for coming out to the annual meeting and showing support for our community. We have several projects to work on in the coming months – garage door policy, new paint colors, short term leases, pool issues that continue.

**FINANCE:** Treasurer, Doug Clark, presented the 2017 financial report and narrative (on file)

**POOL:** Pool Chair, Leslye Lebakken, reported that we have run into additional leaks which have results in additional repairs. Right now it appears we will be finished around mid-February. We are asking for everyone's cooperation while we undergo the extensive repairs needed.

**ARCHITECTURAL CONTROL COMMITTEE:** Chair, Bob Bernstein, reported that the mission of the ACC is to "enforce community rules in our CC&R's". During 2017, we had 21 inspections and several complaints of violations of CC&R's: i.e. overnight street parking; people not picking up pet waste; unpicked fruit; bulk

trash & brush. If we all follow the rules, it will make things a lot smoother in our community. Most complaints are resolved with the homeowners just bringing it to their attention. We thank everyone for their cooperation.

The Landscape Committee is overseen by the ACC. The two committees work very closely together and will continue to review and modify policies where needed. The goal is to make things easy for the community members.

**LANDSCAPE:** Landscape Chair, Randy Vogel, thanked Ralph & Jeanne for their help in transitioning Randy into his new role as Landscape Chair. During 2017, Randy prepared a written contract with Mauricio, signed by both parties, detailing expectations, etc. There is an approved increase of 4.2% for Desert Landscaping – the first in several years. Things are running very smoothly. We continue to try to deal with the areas that grass doesn't grow in the summers. There are 10-12 homes that are looking at options. The tree policy has been redone. Storm damage during August was very light in 2017 so we did some additional tree trimming. In 2018, the large trees on the perimeter will be done and should be done every 3-5 yrs. Olive trees will be sprayed as usual. All gravel areas will be top-dressed. Randy is preparing a month-to-month schedule for landscaping.

**COMMUNICATIONS:** Communications Chair, Hilda Banyon, thanked Sandra Pallaich, Web Site Administrator and Diana Love and Debra Castro for their assistance with Communications. 2017 the focus was on getting timely communications out to residents that are of interest. We encourage anyone that would like to see additional information included in our Community Bulletins, etc to please let us know. Banyon monitors the Casa del Cielo website ([casadelcieloscottsdale@gmail.com](mailto:casadelcieloscottsdale@gmail.com)) on a daily basis along with the CdC Helpline 480 767 5940. If Banyon cannot answer your questions, she will attempt to get the answer for you. If you are reporting an issue, your report will be sent to the appropriate party.

**SOCIAL:** Social Chair, Hilda Banyon, thanked Ann Harris for her support of the Saturday morning coffees (currently discontinued). In addition, the other Social Committees were introduced and thanked: Sally White, pool parties; Shirley Ayer & Patti Westphal, Book Club; Jeanne Balding, Work Day; Cam Clark, Annual Holiday Party and all the people who helped on each of the committees. Thank you for a very fun 2017 season.

Bader advised the attendees that continual late payments are causing problems which have resulted in increased CPA fees. In an effort to control our fees, we are looking at the option of providing a discount to those who pay their HOA fees in one lump sum. Currently we cannot do this because it must be part of our CC&R's to do so.

Scottsdale Ranch is currently looking at the issue of Short Term leases. Scottsdale Ranch and each sub-association must have their own rules. Once we have determined where we feel CdC should fall in this area we will be asking for an amendment to our CC&R's. If you would like to give input into either of these issues, Bader encouraged residents to attend the monthly board meetings.

We will be sending out communications regarding these two issues in the near future and will be asking you to vote to change our CC&R's. We ask that you respond favorably to what your Board of Directors is asking. We need 70% "yes" votes for passage.

**HOMEOWNERS FORM:** A number of residents asked questions regarding policies and procedures at CdC. We will continue to publish these types of questions and answers in our Community Bulletin.

Bader reminded residents that all committee meetings are open and encouraged everyone to attend.

Casa del Cielo has the lowest HOA dues on Scottsdale Ranch. Other sub-associations have hired Property Management Companies. We feel we have better service than if we had a property Management Company. However, in order to maintain our current position, we need people to step forward to serve as Board and Committee members. If you are interested in learning more about our Board or Committees, please feel free to ask any board member or Committee Chair. We are always in needs of volunteers!

**NOMINATIONS:** Debra Castro, Nominations Chair, indicated that Doug Clark and Robin Silberman have been elected for a 3 year term.

Meeting adjourned 8:20 p.m.

Respectfully submitted,

Hilda Banyon, Secretary

CASA DEL CIELO HOMEOWNERS' ASSOCIATION, INC.

Treasurer's Report

For Annual General Meeting January 24, 2018

The Financial Reports presented are:

1. Actual Results: Income Expenses vs. Budget/Operating Plan for the year ended December 31, 2017.
2. Revenues and Expenses for the years ended December 31, 2017 and December 31, 2016.
3. Balance Sheet as of December 31, 2017 and December 31, 2016.
4. 2018 Budget/Operating Plan.
5. Historical Income Statements, including 2018 Operating Plan.

In summary, for the year ended December 31, 2017, the Revenues exceeded the Expenses by \$18,725, versus a projected surplus of \$13,647.

Assessment Revenue was higher as a consequence of increased HOA dues and late payment fees while overall Revenue was down as Disclosure Fees on home sales was less as a result of fewer home sales in Casa del Cielo in 2017. Net income was higher than projected largely as Grounds Expense (principally, Turf & Weed Control and Yard Conversions) for the year were less than forecast.

General and Administrative Expenses were higher than expected due to the mid-year renegotiation of the outside CPA contract to maintain the dues collection and bookkeeping and the employment of a new third party CPA to conduct a review of the 2016 financial statements. Retaining the services of our outside CPA firm to perform financial administration has the benefit of segregating those duties from the oversight and fiduciary responsibilities of the Board's Treasurer, which is consistent with good governance practices.

As noted, Grounds Expense was under budget! A big thank you to the Landscape Advisory Committee for keeping Casa del Cielo in its great condition so efficiently.

Pool expenses were above budget in 2017 due to the major repair and replacement of a heater and other unanticipated needed mechanical repairs. As you will note in 2018 Operating Plan, significant capital expenditures are being made to the Pool and Spa, and will be treated as a major non-recurring expense in 2018.

The Operating Plan for 2018 forecasts an excess of Revenue over Expenses of \$9,910, prior to the non-recurring capital expense for the Pool. The cash deficit for the year, after this one-time expense, will be funded through our existing cash balances, which were \$ 134,100 at year end 2017.

At the end of 2017, the amount of unpaid dues over 90 days was \$1,470, a great reflection on our responsible homeowners.

We remain financially strong, in part, because of the efforts of the committees and board members. We are also financially strong because we have a committed group of homeowners.

January 24, 2018

Casa del Cielo 2018 Forecast with Comparisons (\$)

	Audited Year <u>2015</u>	Reviewed Year <u>2016</u>	Internal Year <u>2017</u>	Internal Projected <u>2017</u>	Internal Projected <u>2018</u>	
REVENUE						
Assessments/Late Fees	207,000	208,270	217,245	216,435	216,000	
Other	<u>3,336</u>	<u>8,127</u>	<u>2,556</u>	<u>5,201</u>	<u>3,650</u>	
TOTAL	210,336	216,397	219,801	221,636	219,650	
DISBURSEMENTS						
CPA Expense	-	6,907	11,559	7,500	10,000	CPA Employed
Other Admin.	<u>7,213</u>	<u>6,490</u>	<u>5,287</u>	<u>7,219</u>	<u>6,090</u>	
Total Admin.	7,213	13,397	16,846	14,719	16,090	
Maint. Contract	84,000	84,000	84,000	84,000	87,600	3% Increase
Tree Trim	9,180	1,625	17,360	15,000	12,500	
Other Grounds Exp.	<u>29,196</u>	<u>30,367</u>	<u>12,584</u>	<u>24,500</u>	<u>28,500</u>	Major Other
Total Grounds Exp.	122,376	115,992	113,944	123,500	128,600	Ground Exp. Sprinkler Repair
Repairs and Replacements	7,662	14,264	10,352	8,000	-	Age of System
Other Pool Expense	<u>7,413</u>	<u>7,364</u>	<u>7,064</u>	<u>6,570</u>	<u>8,250</u>	
Total Pool Expense	15,075	21,628	17,416	14,570	8,250	
Electrical/Gas	15,316	13,213	10,444	15,100	13,100	
Water	<u>36,545</u>	<u>40,109</u>	42,426	<u>40,100</u>	<u>43,700</u>	
Total Utilities	51,861	53,322	52,870	55,200	56,800	
Total DISBURSEMENTS	<u>196,525</u>	<u>204,339</u>	<u>201,076</u>	<u>207,989</u>	<u>209,740</u>	
Net Ordinary Receipts		12,058		13,647		Grounds Contract/CPA

	13,811		18,725		9,910	
NonRecurring Capital Exp.	<u>      -</u>	<u>      -</u>	<u>      -</u>	<u>      -</u>	<u>25,600</u>	Major Pool Repair
Net Income	<u>13,811</u>	<u>12,058</u>	<u>18,725</u>	<u>13,647</u>	<u>(15,690)</u>	
Equity	<u>104,082</u>	<u>115,374</u>	<u>134,100</u>		<u>118,410</u>	