

**SUN LAKES VILLAS 46A HOMEOWNERS ASSOCIATION
ANNUAL MEETING MINUTES
March 17, 2020**

President Ron Betti called the meeting to order at 4:30PM. The meeting was held in the Oakwood Poolside building. Board members present included Mr. Betti, Susan Carew, Secretary/Treasurer, Mike Meyer, Vice President, and Larry Hanken and Julie Anderson, Members at Large.

Doug Anderson, Landscape Supervisor DBJ Landscaping, and Bob Deken, Accountant, were also present.

A quorum was reached.

INTRODUCTION OF BOARD & STAFF: Mr. Betti introduced the Board members and the staff.

Mr. Betti said even though the Coronavirus is keeping people isolated, the State of Arizona requires associations to hold an annual meeting. He thanked the few people who did attend today.

INTRODUCTION OF NEW OWNERS: None

APPROVAL OF MINUTES: Mr. Hanken made a motion to approve the March 19, 2019 Annual Meeting minutes as submitted; Ms. Carew was the second and the motion was unanimously passed.

FINANCIAL REPORTS: Mr. Deken referred to his written report which was attached to the handout for this meeting.

- As of December 31, 2019 there was \$12,271 in the operating account and \$4,503 in the market account.
- The painting contract, \$75,000, was paid from the money market reserve account.
- The Association has 3 CDs totaling \$180,110.
- There is one unpaid villa owner.
- Association assessments are \$515 for 2020.
- 13 properties transferred ownership in 2019.

MAINTENANCE MANAGER'S REPORT: No report.

LANDSCAPE MANAGER'S REPORT: Mr. Anderson thanked the Board for having his company back. Things are progressing well since they took over in January.

- One fourth of the trees will be trimmed; they are marked with a ribbon. This is part of a four-year plan to trim them all.
- Shrub trimming will begin Thursday, weather permitting.
- New plants will be planted after all the basics are completed.

NEW BUSINESS: None

PRESIDENT'S REPORT: Mr. Betti read from his report which will be incorporated with these minutes on the Villas website and in the Oakwood Clubhouse library. In addition, Mr. Betti thanked Mr. Myer for taking over in his absence last summer. The paint and stucco work took longer than anticipated but

the Board wanted the company that would do the best job. Ms. Carew will be stepping down from the Board so at least one new member is needed.

COMMENTS

Mr. Hanken commended Mr. Meyer and Mr. Betti on their due diligence on the painting project.

A homeowner said she thought the Board is doing a good job. She asked about the patio roof work sequence. Mr. Betti said the worst ones were done first. Mr. Paddock has a list and he will try to schedule 2 or 3 a month until all are done. There is money in the budget to complete the project. The painting company also does roofing and they have been asked to submit a bid on the work.

A homeowner thanked the Board for their leadership and said the landscape and painting work is outstanding.

Mr. Betti said people should take care of themselves and be responsive to what is asked. He thanked all for their support.

ADJOURNMENT: Mr. Hanken called for adjournment; Ms. Anderson was the second. The meeting concluded at 4:50PM.

Transcribed by
Karen Jorgensen

Secretary

Date

March 17, 2020 Annual Meeting

Presidents Report on 2019 Accomplishments

It was February 2019 that Past President Richard von Barandy moved from the Villas and I was elected President by the Board. The March 2019 Annual Meeting was the first meeting I presided as your President. It was also the 1st meeting in which Larry Hanken, who was elected to the Board by acclamation at the February 2019 meeting to fill Richards term, attended as a Board Member.

We instituted a pruning program of 200 trees over a 4 year period, 1/4 of which were done in 2019, our present Landscaper DBJ Maintenance will continue the program.

In late April 2019, a committee of Mike Meyers, Craig Paddock and myself took on the task of addressing the mounting stucco problem. Contractors were solicited to inspect the problem and submit bids. It immediately became apparent that just stucco repair was not an option. Contractors were asked to submit bids to Paint all the Villas and stucco where required. It took more than a few months for the process to work itself out. The committee recommended GPS Remodeling LLC to do the work. The Board voted to award the contract to GPS Remodeling and work began on November 11th in earnest and was completed on January 27, 2020. There is a portion of the payment being withheld until all outstanding issues have been addressed.

The Board held a Special Work Session in August 2019 to:

- 1) Determine if a Special assessment was required - it was not
- 2) Reduce the Painting and Stucco bids to the best 3 - it was

The October 2019, Work Session on the 2020 Budget produced a recommendation, which was approved by the Board at the November 19th Meeting, for an increase from the \$470 per quarter per Villa fee to \$515 per quarter. \$500 would be earmarked to all the Budget items as normal. The extra \$15 per quarter per Villa would be in addition to the Reserve Fund budget allocation. Going forward the Association would be allocating a total of \$19,080 per year rather than the \$12,000 we presently put in the Reserve Fund. The goal is to build our contributions to the Reserve Fund so that over time we will have the funds to better address the future Reserve Fund needs.

Throughout the year we continued to address roof leaks which were handled by Empire Roofing through the assistance of Craig Paddock. We also continued to replace patio roofs, although at a slower pace due to budget constraints. We will attempt to get back on pace to do 20 new patio roofs in 2020.

Respectfully submitted,
Ron Betti
Villas 46A President

46A Villa association Annual Report 2019

This report will be a report on change in the Balance Sheet from 2018 to 2019. This will include cash in the bank, the reserve, accounts receivable, insurance and equity.

As of December, 31 2019 46A has \$12,271 in the operating account and \$4,503 in the market account. This change was caused by the start of the Painting contract in which \$75,000 was used from the Money Market Reserve account.

The reserve CD accounts increased in value by \$9,684. We have 3 CD's totaling \$180,110 for the CD'S. During May 2015 A 42-month CD of \$60,000 and a 28-month CD of \$65,000 were acquired. A three CD was purchased for \$40,000 and is maturing in September of 2020.

Interest rates were improving, and it is better than what we get in the money market that is until the news of this week.

Accounts Receivable reflects 1 unpaid villa owners totaling \$470. This is a decrease of \$1,915 over 2018

The prepaid insurance value is the result of the premium being paid in August. There was an increase in premium due to expanded coverage for volunteers that worked for the Association and an overall premium increase.

AS of December 31, 2018, there were 2 account with advance payments of homeowner's dues. The equity section of the Balance sheet is an important measurement of where the Association stands. One will see that "reserve equity" is listed as a separate item. This in effect is "restricted retained earnings" meaning these funds can only be used for reserve items. The reserve items that are designated include painting and roof repairs.

The reserve balance decreased by \$75,000. These funds were used for the painting contract. The "retained earnings" were also reduced as we used operating funds to pay for some of the painting.

Dues to the Association increase did not go up in 2019, but was increased to \$515 for 2020

There were 13 property transfers in 2019

Rocky Lake 2; Nacoma 5; Golfview 2; Arrowvale 0; and Champagne 4.

SUN LAKES VILLA ASSN #46A INC
Profit & Loss Budget Performance
December 2019

	<u>Jan - Dec 19</u>	<u>Jan - Dec 18</u>	<u>Change</u>
Ordinary Income/Expense			
Income			
4000 · Income			
4010 · Homeowner Dues	221,840	221,843	(3)
4012 · Recycling income	1,050	399	651
4020 · Transfer fees	3,610	4,989	(1,379)
4032 · Interest Income	27	31	(4)
4033 · Interest Income - Reserve	274	103	171
4034 · interest income Reserve CD	3,662	2,999	834
Total 4000 · Income	<u>230,463</u>	<u>230,364</u>	<u>270</u>
4026 · Reycling	-21	0	(21)
4080 · Transfer to Reserve	-13,973	-12,198	(1,775)
49900 · Uncategorized Income	0	455	(455)
Total Income	<u>216,469</u>	<u>218,621</u>	<u>(2,152)</u>
Gross Profit	216,469	218,621	(2,152)
Expense			
6000 · Lawn Maintenance Expenses			
6004 · Tree Trimming	9,455	0	9,455
6005 · Cutting & Trimming	57,700	51,578	6,122
6010 · Irrigation Expenses	5,501	4,767	734
6011 · Aeration	2,300	0	2,300
6016 · Water	19,908	18,459	1,449
6017 · Water equipment lease	4,230	0	4,230
6025 · Seed	4,650	5,400	(750)
6026 · Fertilizer	776	1,986	(1,210)
6027 · Chemicals	29	637	(608)
6028 · Labor -	2,860	1,868	992
6035 · Plant & Tree Replacement	682	6,481	(5,799)
6040 · Aggregate replacement	325	1,055	(730)
Total 6000 · Lawn Maintenance Expenses	<u>108,416</u>	<u>92,231</u>	<u>16,185</u>
6050 · Roofing			
6060 · Roof repair	26,932	11,760	15,172
6070 · Patio Roofs	16,380	25,290	(8,910)
Total 6050 · Roofing	<u>43,312</u>	<u>37,050</u>	<u>6,262</u>
6075 · Painting			
6085 · Villa Trim/touchup	1,553	3,600	2,047
6075 · Painting - Other	90,000	150	89,850
Total 6075 · Painting	<u>91,553</u>	<u>3,750</u>	<u>91,897</u>
6105 · Miscellaneous Repairs & Fees			

SUN LAKES VILLA ASSN #46A INC
Profit & Loss Budget Performance
December 2019

	<u>Jan - Dec 19</u>	<u>Jan - Dec 18</u>	<u>Change</u>
6106 · Concrete	1,485	7,698	(6,293)
6110 · Concrete spacers	0	250	(250)
6112 · Stucco Repair	100	1,000	(900)
6116 · Glass/Repair/Replacment	848	492	356
6124 · Pest Control	5,050	4,875	175
6125 · Waste Disposal	16,654	15,438	1,216
6129 · Miscellaneous Repair	1,443	2,033	(590)
6130 · Tree repair from storm	0	300	(300)
Total 6105 · Miscellaneous Repairs & Fees	<u>25,580</u>	<u>32,086</u>	<u>(6,586)</u>
6270 · Professional Fees			
6275 · Management Fees	9,920	10,114	(194)
6290 · Accounting Fees	9,855	9,600	255
6294 · Legal Fee	1,509	35	1,474
Total 6270 · Professional Fees	<u>21,284</u>	<u>19,749</u>	<u>1,535</u>
6500 · Administrative Expenses			
6501 · Administrative Expenses	428	53	385
6505 · Insurance	17,940	17,829	111
6510 · Printing/Postage/Copies	134	473	(339)
6515 · Dues & Subscriptions	0	344	(344)
6525 · Meetings & Social Committees	0	0	-
6530 · Board Expense	796	610	186
6535 · Office Supplies	67	86	(19)
6540 · Bank Charges	172	31	141
Total 6500 · Administrative Expenses	<u>19,537</u>	<u>19,426</u>	<u>121</u>
66900 · Reconciliation Discrepancies	0	498	(498)
6820 · Taxes			
6840 · Local Sales Tax	29	835	(806)
6850 · Property	7	7	-
6860 · State	50	50	-
Total 6820 · Taxes	<u>86</u>	<u>892</u>	<u>(806)</u>
Total Expense	<u>309,768</u>	<u>205,682</u>	<u>102,906</u>
Net Ordinary Income	<u>-93,299</u>	<u>12,939</u>	<u>106,238</u>
Net Income	<u>-93,299</u>	<u>12,939</u>	<u>106,238</u>