

**Armory Park Del Sol Homeowners' Association
Board of Directors Special Meeting
October 6, 2010, Armory Park Senior Center**

DRAFT 3, 10/11/06

I. Call to order 6 p.m.

Present were: Matt Fischler, Mike Katz, Susan Klement, Ken Shackman, Brad Stroup, board members; and homeowners Alice Dance*, Fred Eisele*, Kathy Heyl, Maggie Kearns*, Tom Skinner, and Allen Veaner. (Those members with an asterisk after their names left the meeting before its conclusion.)

II. Directors' comments

There were none.

III. Riprap installation proposal

Arizona Proscapes submitted a proposal on September 3rd to place riprap surrounding both detention basin drains for a total of \$656. Ken moved to accept the proposal, Brad seconded. **Passed** unanimously.

IV. Arizona Proscapes landscaping contract 2011-2012

Mike approached Arizona Proscapes for a two-year contract that would coincide with our fiscal year. The company submitted a proposal on October 1st to provide weekly landscaping services identical to what they have provided in the past for the sum of \$2100 per month from January through December 2011 (\$25,200 for the year) and for \$2205 per month from January through December 2012 (\$26,460 for the year). Ken moved to accept the proposal, Brad seconded. **Passed** unanimously. Tom recommended that we ask AZ Proscapes to focus more on problem areas where, for example, there are emitters with no plants or broken emitters. Susan mentioned her concern that erosion is causing debris on the sidewalks of, especially, Third Avenue, 16th Street, and Southern Pacific. Although it is not a budgetary matter, she also expressed concern that erosion debris is damaging the streets. We should ask residents to prevent the erosion and sweep the streets because the City will not have the money to sweep often enough or to repair potholes. Maggie mentioned that she and Kausar Khan had received notices from the City about a year ago that plants were covering the water meters.

V. 2011 budget

Ken Shackman presented three draft budgets, one with no increase in the assessment, one with a 5% increase, and one with a 10% increase. The budgets are similar except that the No Increase budget assumes \$375 for an arborist while the 5% and 10% increase budgets assume \$750; the No Increase budget assumes \$4500 for tree pruning while the 5% and 10% increase budgets assume \$6000; the No Increase budget allows \$450 for 3 rain sensors while the other two budgets allow \$900 for 6 rain sensors; finally, the No Increase budget allows \$519 for a Contingency/Major Project, while the 5% increase budget allows \$1252 and the 10% budget allows \$4316. Lewis Management has agreed to continue charging \$500 per month as the management fee, which is significantly less than what we were paying at the beginning of 2009. Arizona Proscapes did not increase its fee for 2011. We have added an account line for tree pruning; we were not able to prune as much as we needed to in 2010. We did not previously have a Contingency/Major Projects line. We have had many leaks in the irrigation system recently, so, although we have not yet spent the \$5,000 budgeted for water, we may spend it in the latter part of the year.

A major issue for the association is the fact that we constantly contend with leaks in the irrigation system. They waste expensive and precious water and repairing them on a piecemeal basis is also wasteful. Ken explained the problem with the irrigation system in detail and brought sample piping. AZ Proscapes recommends replacing some of the system with additional PVC piping. The cost for the entire neighborhood would be in the vicinity of \$30,000, so replacement will obviously be a multi-year effort. Conceivably some of the money could come from the reserves, but the reserve account is small and would need to be replenished.

Discussion on the issue, by board members and other homeowners, covered many points, among them the following:

All HOA annual assessments (our dues) begin at artificially low levels so that developers can say, "Look at all you get for such a low price!" New developments require little infrastructure maintenance, but a low initial assessment does not take future needs into account. Any original or early owners who leave do not pay their fair share of the costs of maintenance. Unlike other organizations, including governments, HOAs have only one source of revenue, the assessment. In common with most other HOAs, our CC&Rs allow us to increase our assessment gradually by a small amount fairly easily, but make it very difficult to get a large increase suddenly. It is much easier for our members gradually to pay a little more rather than unexpectedly have to pay a lot of money for which they have not budgeted. If we wait until we need money and then ask our members for it, they may not vote for a special assessment in sufficient numbers.

Infrastructure maintenance is a requirement of the CC&Rs. If we do not do it, we not only reduce home values and the pleasure of living here, but we also increase our liability.

Our reserves are not great and are possibly lower than we require. Also, we borrowed from the reserves at the end of 2009. We hope to repay this money at the end of 2010.

We can expect Lewis Management, Arizona Proscapes, Tucson Water, and many other suppliers to raise their fees in the future. We managed to prune the highest priority trees and get the job done at a very reasonable cost. However, we must also prune the lower priority trees and pruning will be ongoing effort. Furthermore, we must replace parts of our irrigation system and maintain it on an ongoing basis. The same is true for our front yard light poles, which we have seen are deteriorating. We have also not tackled our walls, which will require some repairs. The walls are not in the current budget at all.

Almost all the complaints we receive relate to inadequate or slow services, not to paying too much. We had only two responses from our members to Mike's request for input on the budget, (although members knew the assessment might go up). Both responses asked for additional services and expenditures.

No one wants to pay more, especially in this tough economy, but our assessment is not unreasonably high, especially considering that it covers front yard maintenance and irrigation water. A 10% increase in the assessment would amount to 20 cents per day more than what we are now paying.

In answer to a question from Kathy, Ken stated that we cannot determine how much it is costing to irrigate Ashley Park because it is not on a separate zone. Any change to Ashley Park would require input from the owners.

Susan moved that we raise the assessment 10%. Ken seconded. **Passed** unanimously.

Susan mentioned that the website costs were not in the current budget.

Ken initiated a discussion on allowing a few board members to authorize normal expenditures up to a certain amount, such as \$300, outside of board meetings so as not to delay necessary projects. Although it seemed that there was general approval, it proved difficult to word the motion in the time remaining, so the matter was tabled.

Ken stated that the tree service contractor has not completed the scheduled work, but has requested a partial payment of what is owed. The board and its certified arborist still need to inspect the work completed to date. This inspection is scheduled for October 9th. There was no objection from the board members to paying the contractor \$2,000 of the \$3,000 still owed.

The meeting adjourned at 7:27 p.m.