

**Armory Park Del Sol Homeowners' Association
Board of Directors Meeting
September 20, 2010, Armory Park Senior Center**

DRAFT 4 / 09-28-10

I. Call to order 5:30 p.m.

Present were: Matt Fischler, Mike Katz, Susan Klement, Ken Shackman, Brad Stroup, board members; Pam Lakey, LMRI representative, and homeowners PJ Crooks, Kathy Heyl*, Jack Millikin*, Darryl De Shurley*, Tom Skinner*, Bob Stauffacher*, Wanda Stauffacher*, and Allen Veaner. (Those members with an asterisk after their names left the meeting before its conclusion. Due to a scheduling problem by the Senior Center staff, the meeting took place in the senior center dining room. When noise became a problem, we moved outdoors, but darkness, wind and mosquitoes later became problems there.)

II. Directors' comments

There were none.

III. Approval of Board meeting minutes

a. August 16, 2010

Ken moved approval. Matt seconded. **Passed** unanimously.

IV. Reports

a. President's Report (Katz)

Mike had no specific report beyond what was covered below.

b. Treasurer's/ Finance Committee Report (Shackman)

The Treasurer's report stated that we have a surplus of approximately \$7,200 in the Year to Date (YTD) expenses (compared with budgeted expenses for eight months) at the end of August despite spending \$3,000 in August for half the tree service contractor's fee. Irrigation water costs are approximately \$1,000 below the budgeted amount through the end of August due to conservation efforts. Mike remarked that speaking of a "surplus" was not accurate as we are not likely to have a surplus at the end of the year. Six owners, excluding JWM Cos., owe quarterly dues. Reminder letters, in some cases, several, have been or will be sent to the owners. A collection agency will contact one owner. Brad asked whether the City was likely to raise water rates and the consensus was that this was likely

Ken reported that the Finance Committee met on August 17th. The committee members believe that the association's financial condition is good. There is a surplus of approximately \$6,100 after seven months and the irrigation water costs are reasonable. However, the application of pre-emergent and the pruning and removal of some trees will decrease this surplus.

Proposals received from the first two tree service contractors were significantly above the HOA budget amount. Several attempts to hire AZ Proscapes were unsuccessful. The board decided to ask Juan Barba, the HOA Certified Arborist, to team up with a tree service contractor to prepare a proposal to prune or remove the 44 highest priority trees. Mike accepted a proposal for \$6,000 and the work is underway. Engineering and Environmental Consultants Inc. (EEC), the engineering firm we hired to inspect the drainage facilities submitted its report and bill.

We will need to add new expenses to next year's budget, i.e., replacement of front yard light poles, the installation of rain sensors for the irrigation system, and the HOA website. As we did in 2010, we will need to budget funds for tree pruning, but we will create a separate account for this activity. Finance Committee members want to develop a budget with an increase in annual dues no greater than 10%. The committee prepared and discussed one proposal that does not include a dues increase and two proposals with a 10% dues increase.

The committee members briefly discussed installation of a rain sensor at Ashley Park, the proposed HOA website (annual cost approximately \$100), and questionable expenses made by JWM Cos. between January 2003 and February 2009 when it controlled the HOA board.

c. Manager's Report (Lakey)

Pam reported that she had sent an initial contact email to the owner of Lot 97 regarding removal of the Cat Caw Acacia blocking the house numbers on the garage to satisfy the City Code. The owner did not respond. Pam toured the community on September 9th and sent a report to Tom Skinner, Chair of the CC&R Compliance Committee. Previously, Pam did not send a hearing notice to the owner of Lot 92 about the repainting the seat wall on his front porch. He now lives out of state and told Pam that he had not received notifications about the repainting of his seat wall. He indicated in emails that he would complete the work. However, she has now sent a notice of hearing. Pam will inform the owner that he can participate in the hearing via Mike's mobile telephone, which can be on a speaker setting.

Pam forwarded a request for front yard common area landscaping at Lot 17 to the Landscape Committee, which approved the installation. Pam did not know whether Brad asked AZ Proscapes for an estimate. This discussion indicated that there is a problem with our procedures and changes are needed to prevent implementation delays. We may transition to only twice-yearly replacement of plants. Kathy reported that the Committee had also approved the Lot 26 request, but LMRI never received the latter information. Pam does not want to notify a homeowner that the Committee has approved a request before the board approves it, because the Board may object to the cost. Pam also said that the board could establish a blanket policy ratifying all Committee approvals below a certain maximum cost. The Committee will reconsider its procedures and make recommendations to the board.

Pam received emails about a lot of trash behind the house at Lot 3 that would remain there the entire Labor Day Weekend. Homeowner volunteers removed the trash and placed it behind the owner's rear gate to avoid trash blowing around the community.

d. Architectural Review Committee (Fischler)—No report

e. CC&Rs Compliance Committee (Skinner)

Tom and Darryl did a routine inspection of the neighborhood on September 15th. Of the 20 open noncompliance items, 9 have been corrected, but they noted 16 new issues for a total of 27 outstanding items. They also made some general notes: Irrigation emitters are watering bare ground in some front yards. Vegetation looks dead or dying in some front yards and common areas. Residents have sprayed for weeds in some backyards but have not removed the dead ones and, elsewhere, some residents have allowed ground cover to encroach onto the street. Tom and Darryl will carry out their next inspection during the week of October 11th.

Pam will telephone Mr. Anderson about the weeds and will inform us as to whether he has paid his fines.

Pam recommended that we include a statement with every future board meeting agenda notifying the homeowners that we may need to go into executive session. We cannot discuss personal financial matters except in executive session and we must notify residents in advance of such a possibility.

Ken moved that we authorize AZ Proscapes to remove the existing weeds between the rear wall of Lot 3 and the street, spray the area, and bill the owner. Matt seconded. Pam confirmed that we have the authority to do this work, including spraying weeds, but we cannot add our administrative costs. She clarified that maintenance assessments are collectible in the same way as other assessments. Kathy suggested that individuals file complaints with the City about the weeds in the private yard at that lot. Brad will ask Proscapes for a recommendation as to how to prevent the weeds from returning. The motion **passed** unanimously.

Ken suggested some revisions to the spreadsheet prepared by the CC&R Compliance Committee. They included updating some of the entries to show that the various steps of the HOA Noncompliance Procedure were being followed, revising an incorrect address, deleting an editorial comment.

f. Clean and Safe Committee (Gohdes)—No report

g. Landscaping Committee (Albright/Heyl)

Kathy, Brad and Laurel Wilkening met with Paul Marchus of AZ Proscapes on August 31st regarding recent homeowner complaints about severe pruning of some shrubs in front yards. AZ Proscapes considers that some shrubs that are not periodically pruned adequately will ultimately suffer. Paul Marchus is aware that homeowners would like a less formal look, and that we are particularly sensitive to pruning prior to or during the period when plants are blooming. Everyone agreed that APdS and AZ Proscapes cannot provide “boutique” gardening to individual homeowners, but AZ Proscapes will make every effort not to prune during blooming times. Given the size of APdS and the range of homeowner opinions, some homeowners will not be satisfied, but the committee will acknowledge and address all legitimate concerns. After not doing it for several months, committee members are

capping emitters that do not water plants. Members realize this is a “band-aid approach” and hope the board will approach AZ Proscapes about a more permanent solution.

h. Governing Documents review committee (Klement)

Susan reported that committee members discussed whether there was a need for a rule stating that trash and recycling barrels should not remain at the curb other than on collection days. They concluded that because there are fines-enforced City rules on this matter an APdS rule is unnecessary.

i. Transition Committee (Katz)

Ken and Mike met with John Wesley Miller about disputed expenses made by the developer. They concentrated on two issues. One was a security cost that Mr. Miller said was due to homeowner requests. John stated that it was unnecessary for the protection of his houses under construction, as he carries insurance if his houses are burgled. He was noncommittal about the second issue, disputed legal costs related to the transition.

Ken met with Georgia Schwartz on a different date to discuss the 2008 shortfall dues. Georgia said she took steps with Gail Wikel, formally our LMRI representative, to pay certain expenses out of the reserves. These expenses were related to major maintenance to the drainage facilities and erosion prevention as well as the removal of the community garden improvements. It is Georgia’s and John’s position that there should be no shortfall dues because the expenses should have been paid using the reserves. Ken stated that there had been no discussion about using the reserves at the board meetings, which included two homeowners, in 2008 and early 2009. Such a discussion would have been legally required. The LMRI bookkeeper at the time does not remember anything about the matter. Mike moved that he and Ken have an up to one-hour consultation with our attorney about the disputed costs. Ken seconded. **Passed** unanimously. Ken and Mike will discuss the matter first with, Pam, Ken Bade and, possibly, Lisa O’Neill of LMRI.

j. Water Conservation Committee (Portillo)

Ernesto Portillo informed Mike that the committee is planning a fall seminar on water conservation and will provide information and an invitation to the membership.

V. Old business

a. Member noncompliance updates

i. JWM vacant lot – update

John has agreed to grade and cover the former construction lot with decomposed granite within one month. Pam will communicate with John about removing weeds on all of his empty lots.

b. Landscaping issues

i. Tree pruning activities – update

As of today, the tree pruning may have been completed. The contractor is a nearby neighbor who wants to please us. A limited number of comments were received about the pruning and they have been positive. Ken suggested a walkthrough by the board with our arborist, Juan Barba, to review the pruning work and consider recommendations for the future.

ii. Fruiting olive trees—update

We need to ask Juan Barba about the type of olive trees we have in the community. We could do this during the walkthrough for the tree pruning activities.

iii. Landscape Guidelines—update on revision

The Landscape Committee wants to send the board the draft Landscape Guidelines before the end of the week for board consideration.

iv. Estimate for Lot 99 (Fischler) landscaping

We do not yet have an estimate from AZ Proscapes about this work. It will be for labor only since the plants will be provided by the HOA. Brad will obtain one.

v. Rain sensors—update

Arizona Proscapes installed a rain sensor at Ashley Park, but it failed. Matt Marchus is working on finding a sensor that fits our needs.

c. ABC Roofing/ACH Supply, 16th St. parking—update

Susan reported that she took a petition to the two companies on E. 16th Street between 2nd Avenue and Toole. The petition attempts to prohibit parking between 8 p.m. and 4 a.m., which Jack Millikin stated would have no impact on the two businesses. Jack believes that truckers who park all night on that block and who run their engines the entire time in order to have air conditioning or heating can park nearby in industrial districts where they will disturb no one and still arrive early enough to be first to unload at ABC Roofing. He believes that, in this way, we can all be good neighbors.

The manager at ACH Supply signed the petition immediately and was very friendly. However, the manager at ABC Roofing said that, although unloading starts at 4 a.m., his employees must arrive as early as 2:30 a.m. and need to park on the street. He stated that his company will strongly oppose any parking restrictions.

Jack believes it is unnecessary to have the signature of ABC Roofing because Susan's signature representing Armory Park del Sol, the ACH Supply's manager's signature, and the signature of the property manager of a vacant business further east on 16th Street are sufficient for the City to proceed. However, the petition states "Each block face will need to complete a separate petition form." Susan feels that the

board should expect possible legal battles if we continue, although the association may not become involved. Pam stated that people involved in lawsuits tend to sue everyone involved. As a result, the association should not be mentioned on the petition. The board agreed that Susan's name as a representative of the board should be removed. Pam said she would obtain the signature of the manager of ACH Supply a second time and Jack will sign as the initiator of the petition and obtain the signature of the property manager. Jack can then proceed with his attempt to restrict parking on 16th Street.

d. 2011 budget—proposals from Finance Committee

Ken presented four draft budget proposals for the 2011 fiscal year. Two of these proposals are based on a 10% increase in the dues assessment, one is based on a 5% increase and one does not necessitate any increase at all. The board will need to take action at the October meeting in order to place a 2011 budget before the membership within the required 60 days prior to the new fiscal year. The majority of the Finance Committee members favor a zero percent increase. No one on the committee favors a 10% increase but the members would consider a 5% increase to be a compromise. One proposal with a 10% increase would provide \$9000 for tree pruning. A second proposal with a 10% increase budget allows the HOA to hire a different landscaper if AZ Proscapes does not renew our contract. Ken Bade of LMRI has said he will not increase our management fee for 2011. Susan is concerned that the board not pass a budget without knowing what costs to expect from our landscaping contractor. Ken will attempt to determine what AZ Proscapes intends to charge us next year, assuming that the firm is willing to renew the contract. Brad stated that he is worried that major repairs to the irrigation system may be necessary. There was a lengthy discussion regarding what expenses can be paid for out of the reserves, establishing a contingency fund, and requesting special assessments. Mike indicated the need for a special board meeting soon to discuss the budget.

e. APdS website – update

The meeting adjourned without discussing this matter due to the pressure of time.

VI. New Business

a. Detention basin rip rap proposal

Arizona Proscapes proposes to install 6" to 8" oversized riprap rock around the outside edges of both concrete drains in the retention basin for a total cost of \$656 for labor and materials. We did not discuss this issue due to time pressures.

b. Irrigation system

i. Security

Mike indicated that he is concerned about the security of the irrigation system valves but there was no time for discussion of this issue.

ii. Procedure for handling leaks

Again, this matter was not discussed due to time pressures.

VII. Call to the audience/homeowner input

There was no time for homeowner input and, in any case, most homeowners had left by this point in the agenda.

VIII. Date for next Board meeting is October 18, 2010

IX. Adjournment

The meeting adjourned at 7:27 p.m.