

DESERT GREENS 2001 HOA EXECUTIVE BOARD MEETING

DATE: November 29, 2019
PRESENT: Buzz Heldt, President; Jerry Holmes, Vice President; Dennis Suter, Treasurer
Arlene Chandler, Director
Linda Axford: Secretary for the Board
ABSENT:
HOMEOWNERS: Loui DeCainio
CALLED TO ORDER: 9:00 a.m.
ADJOURNED: 10:20 a.m.

AGENDA ITEMS: Review and acceptance of proposed 2020 Operating and Reserve Budgets

OPERATING BUDGET- submitted by Dennis S. See attached.

Has projected assessment income for 2020 based on an additional 20 new homes. Dennis has had a conversation with Darren Proulx who thinks 20 is a conservative estimate. Water and trash are the two major items that increase with new homes.

One adjustment as %unapplied cash payment income+in QuickBooks (P&L report) of \$5400 that Kim could not explain. Jerry H. thinks it was probably a well expense that had been paid from Operating funds and then money was transferred from Reserves to Operating funds because it should have been a Reserve expense.

Linda A: Does QB allow comments to be entered? Arlene C.: Yes. Comments may not show up on reports, but will be viewable when actually in QuickBooks.

Budget for professional legal expenses was roughly the same as 2019. Hopefully it is substantially more than will be needed. We know that Great Basin is planning another increase in water costs in 2020.

Late payment fees are down . this is good. Foreclosures still represent some lost income. Linda A.: Request monthly Treasurer's report includes a list of overdue assessments so these home do not slip through the cracks. Problems at times finding out who owns the home with homes that have reverse mortgages. Suggest we send letters regarding overdue assessments to whoever is on the tax record to establish a paper trail demonstrating our effort to collect assessment monies.

Still having discussion on where to most logically put things in QuickBooks. Dennis suggests workshop with Kim to revise how entries are made into QuickBooks (ie what goes into what categories). Put on a To-Do list for another meeting and the new treasurer in 2020.

Jerry made a motion to accept the proposed 2020 Operating Budget; Arlene 2nd; All in favor.

RESERVE BUDGET . Linda A.: Worksheet and proposed budget has been sent to the Board. See attached. At some time in 2019 the monthly transfer to Reserves changed from \$12/home to a standard \$3,825. What does the Board want to do for 2020? Both Buzz H. and Jerry H. think it is advisable to leave it at the standard \$3,825. Everything is aging and we expect reserve expenses to increase.

Arlene C. made a motion to continue using a standard \$3,825/home from assessments as the monthly deposit to reserves in 2020; Dennis 2nd. All in favor

Linda A.: We are over 100% funded according to the reserve study, but remember that the exterior wall and water/sewer infrastructure were not included in the study.

Jerry H.: There are also projects we have been putting on hold that will need to be addressed. And I am concerned about the well.

Linda A.: There is nothing in the reserve study about the well except for pump and motor.

Jerry H.: One of our major expenses with the well was needing to have it relined. That need was not identified in the study.

Dennis S.: Difficulty with reserve projections is that the useful life of an item is an estimate only. It may last longer or need replacement (or major work) sooner than expected.

Review of 2019 Reserve expenses: question about a maintenance cart missing. We purchased from Intermountain for approximately \$4500. Linda will check for this . it was not in the 2019 folder for reserve expenses. Does not effect budget for 2020, but will effect the 2019 summary. (Note: 11/30 . this purchase occurred in 2018)

Discussion about vehicle gate operators . Reserve Study identified them as needing replacement in 2016. Not yet needed to be done. Is there any projection for 2020?

Dennis S.: One reason they have lasted longer than the study expected is that they stay open all day, rather than opening and closing repeatedly that would wear them out sooner. Irritating that they don't install Zerk fittings in the hinges that would allow lubrication and increase life expectancy.

Buzz H. will call Dave, who does maintenance on gates, and inquire about the possibility of installing Zerk fittings on the hinges. Wednesday, when electricity went out, the back gate did not open. Will call him about this also . back gate should have battery backup that opens up the gate.

Jerry H.: Regarding the back gate . there is a breaker box on the lot next to the gate (north side). Sometimes turning the breaker off and then back on fixes problems with the gate not functioning properly. Rain sometimes is a problem.

Wrought iron fencing & gate repainting is due. Is it needed?

Buzz H.: Yes, it is needed.

Linda: No monies were allocated in spite of the item being identified in the 2015 study. Unknown why. Any idea of the cost for 250 linear feet for all the fencing?

Buzz H.: We would need a professional estimate to be accurate. Will guess at this time about \$2500.

Renovate landscaping: Is anything needed?

Buzz H.: There is a dying tree on the outside wall. Don't know about anything else.

Dennis: Suggest just estimating \$1,000 for this item. General agreement.

Heating & air conditioning units . partial replace is due. Buzz H.: Minor work has been done during the twice a year maintenance. They are still working. Will not include this for planned expense in 2020.

Pond and sprinkler pumps: Jerry H. . We've talked about replacing the old pumps. Every time we lose a pump it causes us to lose a motor. Pumps are about \$1400 and motors are about \$2500. We've got two of the original pumps left. Think we should replace those pumps before we lose those motors. Cost? Estimate \$3600 for two pumps plus labor at approx. \$200/hr. - \$6500 (three pumps and labor)

Wrought iron fencing partial replace? Buzz H. . We have a couple places at the walk-in gates that need work but not replacing.

Walls . The remaining south and north walls - do they need to be done next year? Buzz . don't think so. They still look OK.

Clubhouse exterior? Dennis painted the back a few years ago. Buzz H.: It definitely needs some repair. There are cracks. It also needs cleaning . at least be power washed. Dennis S.: Suggest estimate \$6,000 for the exterior clubhouse cleaning and repair and some painting.

Jerry H.: At what point would a Board need to consider returning money to homeowners or reducing assessments when we are more than 100% funded?

Linda A.: Have looked into this. Could not find a fixed numerical amount. Found the sources using terms like %a reasonable amount+of surplus is acceptable.

Dennis S.: Recommend the Board see what the next reserve study reports.

Linda A.: Have always felt better that we were overfunded (according to the last reserve study) because of the water/sewer infrastructure that is not even in the reserve study. This year, through October, we

have spent \$22,214 (36% of spending for the entire reserve funding). Suggest \$30,00 in the 2020 budget for repair of water lines.

Well: Jerry H. . If talking about shocking it, probably \$4000. If talking about a new well, around \$50,000. Dennis recommends \$5,000 for well repair. We are getting water, but not getting the flow we should be getting. We are having to rotate filling the ponds - can no longer fill all the ponds at the same time.

Mailboxes: Is in the Reserve Study, but no monies allocated. We have additional components if we needed to add mailboxes. Suggest no money needs to be allocated for 2020 . we have sufficient boxes currently in place that are not being used.

Dennis S. made a motion to accept the proposed 2020 Reserve Budget with adjusted numbers. Jerry H. 2nd; All in favor.

Linda will update the numbers and send to all Board members.

Budgets will go out door-to-door early next week along with the Senior Moments. Dennis will coordinate finding volunteers to help distribute them.

Dennis S. made a motion to adjourn; Jerry 2nd. All in favor.

ADJOURNED: 10:20 a.m.

SUBMITTED BY: Linda Axford, Secretary

