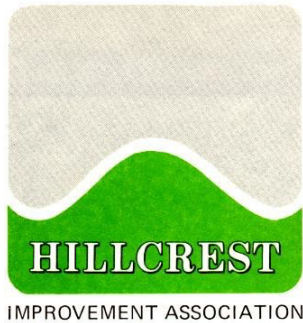




**Approved Copy
557th Minutes of the
Hillcrest Improvement
Association
Board of Directors
September 23, 2025- 6 p.m.
(Zoom)**

Board Members Present:

President, Steve Larson; VP/Architecture Chairperson, Mike Yore; Treasurer, Cheri Gries; Secretary, Sandy Kaye; Membership Chairperson, Jeremy Grimm; Infrastructure Chairperson, Dave Hendrickson; Landscape Chairperson, Judith Levin (for first hour); Hospitality, Sandy Matchette

Joining from the Community: Jon Fountain, Jack Yardley, Mike Farrell, Ellen Kirschbaum, Winkie Schwartz, Brenda Boyd, Molly York, Kendra York, Kenny and Linda Roynestad, Vicki Greenfield, Wendy Sticht, Gordon Weagle, Micki Eccles, Cynthia Kerr, Michael Price, Nancy and Dick Krause, Pat Clegg, Brent Laizure, Mark Hallan, Kathy Christmann, John Bosch

Guest Speaker: Tom Thompson, Advanced Research Solutions (ARS), Inc.

Steve Larson called the meeting to order at 6:00 p.m.

President's Report

Steve announced guidelines for speaking.

Speak when recognized by the President and please respect the 3-minute limit.

State your name for the Secretary to note in meeting minutes.

Featured Speaker Segment

Mike Yore, Chair for the Budget Committee, introduced Mike Farrell to present the study and introduce Tom Thompson. Mike Farrell began by saying the Long Term Asset Study was the culmination of a process that began in May to reduce dues. ARS was hired to look at our infrastructure and to report how to fund a 36 year plan using various industry standards. Mike stated that our dues had risen 10% in the last years to pay for a re-construct of our roads, a cost of \$1.3 million in 2039. He stated that the major component of our budget is operating expenses. The report is an effective way, in a predictable manner, to look at expenses so the amounts are not fluctuating other than for inflation. The report should be reviewed annually. Every element, approximately 35 items are listed with an estimated cost.

The Budget Committee recommends the Board adopt the study to stay on track. Mike Farrell said the report was created by someone with outside experience with no interest or ax to grind, a neutral entity.

Committee members (need list) , point men Mike Farrell and Dave Hendrickson were thanked

Tom Thompson of ARS was introduced. Tom started with information about his company: business owned with his brother, doing reserve studies for 30 years, 11,000 studies for all kinds of businesses and structures. His mission is to do an accurate report, not caring what the results are, as long as they are accurate. We are welcome to make changes in line with how we want to manage our association.

Tom had a list of questions that arose when the report was released and he addressed them.

- The Reserve Fund balance was incorrect (he received the wrong number) and will be corrected to the amount of \$290,000. The corrected data will flow through the entire report once input properly.
- It was suggested the interest contribution in the report was too low. Tom told us the specific formula couldn't be changed. It assumes all expenses occur on Day 1 and ends up making a conservative number. We will have more interest than listed and that is a much better scenario than too little. Our interest rate on our Reserve Flourish account is going down slightly.
- Tom explained "Percent Funded" means how much you have, how much you need. 100% funded means you are on track and should stay on track. But you could be at risk for an assessment or loan if you don't have a proper reserve funding plan in place. He said that we are in firmly solid shape with our Reserve Funding at this time.
- Tom explained the four types of asphalt treatments: (1) Crack fill, sealing cracks; (2) Repair, like filling potholes; (3) Sealing, like a seal coat, fog coat or HA5; (4) Signature overlay or some kind of rubberized seal or total removal. He said the longer delay to the total removal stage the better. Our asphalt is in good condition. He said the HA5 is a high density mineral bond and is a replacement for seal coating. Seal coating has a 1 year warranty and is good for a 4 year cycle while HA5 has a 5 year warranty with a 7-8 year cycle. Tom said he receives no kickbacks from the HA5 company (Holbrook Asphalt). Using HA5, we may not need to replace the road until 2045. He said other companies agree with his assessment on the quality of the application. Tom said he became aware of the company in 2009-10 and has seen 300-400 applications. The HA5 company is owned by J. Holbrook, Holbrook Asphalt. Tom has recommended it for 6 or 7 years for many different road conditions. Mike Yore said Mulcahy Law Firm also mentioned the company.
- As for the kitchen remodel, nothing is set in stone, we need to look at it and decide how best to manage what we want done.
- As for the Pool resurfacing and pool decking, the pool was resurfaced with Pebble Tec in 2009-10. Tom didn't think it was needed any time soon, if ever. He said he had not seen one Pebble Tec coated pool that needed resurfacing for the purpose of aging. The useful life was pegged at 25 years.
- The pool salt cell was discussed as an operating expense or reserve asset expense as was re-plumbing the pool equipment. A second salt cell was brought up but Tom was unaware of this when initially doing the report.
- Tom said the report sometimes generates a blank page, not missing anything.
- Irrigation costs can be subjective.
- Gordon Weagle asked if the data contained in the report could be presented in spreadsheet format with date on a single page. Tom said he can export the data into a spreadsheet and we can format it any way we like.
- Pat Clegg asked about Tom's magic ball to predict future costs and inflation. Tom explained they use an historical model dating back to 1914 to get a rolling picture of inflation at any time. He said the high rate

was 5.8% with standard inflation being 3%. He mentioned a rule of 72, if you have an 8% rate, you divide 72 by 8 and every cost will double in 9 years. (Secretary's note: I don't understand this)
You can't plan with a rate like that nor could you ever afford to fund it.
He recommended reviewing costs every few years to stay on top of things.

- The Cul de Sac's electrical components don't meet standard reserve component qualification.
Tom will include them if we want.

Mike Yore said we need to determine which points we want redone soon because we have a 90 day window to update. Tom said he would give us a 30 day extension to get our changes to him.

Steve mentioned our interest on the Reserve Fund is now less than 4%. He thanked Tom for all the information and thanked the Budget Committee again for the work.
Tom dropped off the call.

Steve repeated the Guide for Speaking.

Call to Public

Gordon Weagle asked the Board to consider an outside bookkeeper to help with day to day entries of the HIA. He recommended the use of Quicken. He volunteered to research bookkeepers. A co-Treasurer was mentioned as was the purchase of a computer for the Treasurer/Financials. This will be taken under consideration and investigated.

Secretary's Report

Sandy Kaye made a motion to approve the minutes from the August Board of Directors' meeting. It was approved unanimously.

Treasurer's Report – Cheri Gries

9/23/2025 Meeting

We now have three bank accounts. Thank you, Steve Larson, for helping me open the additional Flourish account.

We now have two accounts for our Operating funds -

Pima Federal Credit Union (checking account)

Operating Flourish account

Money needed for operations will be transferred from our Operating Flourish account to our Pima Federal Credit Union as needed to pay our expenses.

One for our Reserve funds -

Reserve Flourish account.

Both Flourish accounts are earning 4% interest.

I emailed our insurance company (CAU) the required documents for our renewal on 9/10/25. I've asked for them to send the renewal back by 10/10/25 so we can review them before our October meeting. Steve is getting quotes from other companies. Our annual insurance is due 11/16/25.

I am working on the budget for 2026. The first draft will be sent to the board before our meeting on October 14.

August Financials: see report emailed on 9/17/2025.

Total Expenditures for August 2025: \$ 12,823.69

Thank you, Board, for reviewing the Financials.

Largest expenses:

Water \$ 5,632 Last month - \$ 5691

Landscaping \$ 2,738 Last month - \$ 2,128

Pool \$ 1,669 Last month - \$1,823 –

July & August service + bulb & gasket and shock & chlorine

APS \$ 881 - Last month - \$ 884

Flourish interest earned on 8/04/25 - \$1,232.56

Total Assets: **\$ 360,139.17**

Motion: I move that the Board approve the August 2025 Financials. The motion was approved unanimously.

Thank you,

Cheri Gries – Treasurer

Hillcrest Improvement Association

Old Business

Parks Signs: Leashed pet signs installed at the north and south ends of the North Park

Entry Signs: Welcome to Hillcrest, etc. sign installed at Boca entrance

Pool Pavilion Furniture: Sandy Kaye proposed we purchase inexpensive chaise lounge chairs for the Pool Pavilion since our furniture has disintegrated. Discussion followed.

Dave made a motion to purchase 4 fabric lounge chairs to get us through the winter months and look at replacements at the beginning of next summer. The motion passed unanimously. (Secretary's note: 4 chaise lounges were ordered from Walmart for approximately \$328.00).

New Business

Engage Mulcahy for clarifications to HIA CC&R's concerning casitas. There was much discussion on this. Some of it included: what else to discuss with Mulcahy while we have them on the docket; casita rentals, parking, our internal document on architecture rules; a Town Hall to discuss; importance of communication. Brent Laizure brought up legal precedents from the AZ Supreme Court and Court of Appeals for casitas and said he would forward this information to the Secretary for the Board. Ellen Kirschbaum and Vicki Greenfield both spoke to getting a legal opinion on this matter. Other comments included setback distance and traffic flow. Brent assured the Board that any improvements to his property would not be rented out. This matter will be continued as Old Business.

Committee Reports:

Architecture report: Mike Yore

ARCHITECTURAL REPORT

September 23, 2025

There was one request for architectural approvals since the last board meeting.

- Laura Wilkinson asked to put pavers on her front walk and along the side of her house. She requested to install a pony wall on the side of her house to enclose her garbage bins. She also asked to remove old plants and replace them with new plants. The request was approved.

Submitted by Mike Yore

Membership report: Jeremy Grimm

Data Current, As Of: 9/22/2025

Last HOA meeting: 8/12/2025

Home Sales Closed Since Last Meeting: 3

- 34 East Boca Raton Road
- 110 East Boca Raton Road
- 38 East Calavar Road

Homes In Escrow: 1

- 136 East Boca Raton Road

Homes for Sale: 3

- 43 East Boca Raton Road
- 113 East Boca Raton Road
- 6 East Piping Rock Road

Rentals: 2

- 3 East Piping Rock Road
- 14029 North Medinan Drive

Vacant properties: 0

Properties with under age 55 occupants: 2 (17 allowed):

- 9 E Calavar Road
- 109 E Tam Oshanter Drive

Hospitality/Social report: Sandy Matchette

Pool Pavilion Reserved: 10/4; 11/15; 11/22; 12/7

- Oktoberfest is 10/11. Deadline for reservations is 10/5. 20 sign-ups so far
- Arts and Crafts Fair is 11/15. No crafters this year yet
- La Posada is 12/6
- Cookie Exchange is 12/12.

Bowling Event is 10/19 at noon at Desert Hills Bowling. Cost is \$18.

Pool Pavilion reservation fee is \$75

Infrastructure: Dave Hendrickson

HILLCREST IMPROVEMENT ASSOCIATION

INFRASTRUCTURE REPORT

SEPTEMBER 23, 2025

Pool:

Our pool continues to receive quality care from our vendor and from our pool testers, Barbara, Vicki, and Clay.

Our pool vendor has advised me that a pool of our size should have two salt cells to keep a higher level of chlorine in the pool, especially during our summer months. I have learned that at one time, we did have two cells. Why one cell was removed, and by whom, is unknown to me. Adding a second cell will help decrease the costly amounts of extra liquid and tablet form chlorine that has to be added during our hot summer months. The vendor also has a remedy for our low-pressure aerators. The remedy involves re-plumbing the cleaning system to push more water through the aerators. The additional salt cell and the re-plumbing of our system will be on the Board's agenda for discussion in early 2026.

The deadbolt on the pool's east gate has been repaired.

We are getting down to the last of our pool furniture. The sun takes a toll on the chair fabric and causes it to shred. So far, all chaise lounges have been taken out of service. I will work with Sandy Matchette to come up with suitable furniture that will last more than 2 years. It is hoped that the pool will have new furniture before the next swimming season.

Island lighting:

Kenny Roynestad, Ed Jeter, and Steve Hayes continue to investigate types of lighting that will work best on our islands. They recently made a nighttime visit to a community that has bollard mounted solar lights installed by the lighting supplier that they visited last month. They were impressed with the quality of the lights as well as the lighting output. This work, if approved, will take place in 2026. (Secretary's Note: Dave said this lighting could cost \$25,000 for 14 installed lights on 7 of the 8 islands.)

New signage:

Thanks go out to Sandy Kaye and Elizabeth d'Huart for researching and procuring the dog signs for the North Park and the information signs in the main entrance. Thanks also to Ken Groom and Kenny Roynestad for their assistance in installing the signs, and to Elizabeth for determining the sign locations. The sign post in the entry was donated by our member/Realtor/Broker Dave Dix. Thanks Dave, much appreciated!

Thanks:

Continued thanks go out to our lamplighters, Steve Hayes and Kenny Roynestad, for keeping our parks and entrances lit up. Thanks guys!

Landscape: Judith Levin (report read by Sandy Kaye for Judith who dropped off call)

August 2025 Landscape Report

Removal of grass project on W Piping Rock Rd Bids:

Impact \$3,648

Divine Design \$900

Chips Tree Service \$2,380

Impact Landscape increased their monthly fee from \$1,850 to \$1,950. We attempted to obtain another company to just prune, since this part of Impact's work did not satisfy us but the cost was prohibitive.

Winter Rye will be \$3096 to help nourish how grass and provide more winter beauty. This is a savings of \$2,879 compared to when we last overseeded in 2023.

Pine on E Tam Oshanter is leaning and a neighbor fears it may fall on his house. Impact examined and says yes it is leaning and recommended removing it at a price of \$2,430 without stump grinding. Roy at Savatree also said the pine tree is leaning but there is no signs of the roots around the tree being unearthed nor any soggiess on the ground. He was surprised how good it looked considering the beetles he had already informed us last year about. He did not recommend removing it, but if we did it would cost \$3991 including stump grinding. We will monitor this situation and the Board will take it up for advisement. Impact will credit us 21 plants of all that have died and claims at least 13 died of heat stress which is entirely possible. We believe if plants are pruned appropriately, they have a

better chance of enduring the heat and also if they receive adequate water. Water was also an issue concerning these dead plants which we held Impact responsible since they planted and was in charge of the amount of water they received.

A resident was requested to stop watering, since it makes it harder to know what our landscape is in need of when this is happening. Please, let us know if you notice plants failing to thrive so we can inform our landscape vendor of the situation. Thank you.

Sandy Kaye made a motion on Judith's behalf to spend \$900 for grass removal and \$2,220 for Kurapia plants and fertilizer for a total of \$3,120 for the west end Piping Rock Island.

The Landscape Budget has \$8,803 remaining. Discussion ensued on this motion and the plan to overseed with rye grass. Judith wanted to request \$3,096 for the overseed project. The Board felt they did not have enough information to make a decision on overseeding so it was tabled until next time. Discussion included more communication with community and landscapers, water waste, plants.

A vote was held on the motion and it passed unanimously.

Next Meeting: October 14, 2025

Motion to Adjourn: Dave made a motion to adjourn at 8:15. It passed unanimously.

Addendum: BlockWatch

August 2025

Dear Homeowners in the Hillcrest Improvement Association,

We trust that you are having a great summer despite the heat. For swimming, the heat is welcome. We are wondering what new safety and security challenges have occurred during summer. We are aware that Members are watching and thinking about our common quest to live in a safety-conscious community.

This is a reminder about closing garage doors. I have noticed that it is happening! Great! It also helps insulate homes from the heat. Also, I am reminded that I need to provide personal emergency information to my trusted neighbor on the other side of my home. We never know when the contact information will be needed. Best of all is getting to know the new people in the neighborhood and the people on our street. More of that will happen when the temperatures drop. We are so lucky to have a great community of very interesting and talented people!

Sandy Matchette, our Social Chair Extrordinaire, has a lineup of events for 2025-2026 (including an arts festival). This might be a time to get out those paint brushes and start creating.

And, please text me (Nancy Kroening, Block Watch Captain) about any new safety concerns you have. Thank you! 602-705-1394

