

**MINUTES OF THE BOARD OF DIRECTORS
GREEN VALLEY VILLAS WEST CONDOMINIUM ASSOCIATION
March 12, 2019**

A regular board meeting of the Board of Directors of Green Valley Villas West Condominium Association was held at Friends in Deed Room D (301 W Camino Casa Verde, Green Valley, AZ 85614) at 9:30 a.m. on March 12, 2019.

Present: Jim Becker (President), Tim Schaid (Vice-President), Chris Fisher (Treasurer), Mary Meister (Secretary), Lila Szedlus (Director). Also in attendance was Cathy Russell, General Manager.

A. Call to Order, Pledge of Allegiance, President's Welcome

The meeting was called to order by Jim Becker at 9:30 a.m., the pledge of allegiance was recited and Jim welcomed members and thanked them for their attendance. Jim introduced the new Board Member – Tim Schaid who is replacing Andy Szedlus who resigned.

B. Roll Call and Establish Quorum

Jim Becker called the roll and established a quorum was present.

C. Adoption of Agenda

A motion was made by Tim Schaid to adopt the agenda; seconded by Chris Fisher.

Motion passed unanimously.

D. Manager's Report

General Manager Cathy Russell presented her report. Cathy welcomed the three new Board Members and feel they will bring some new ideas to help the community continue to move in a positive direction. She reported that Diggins Waste has arrived and will do recycle pick-up twice a week on Monday and Wednesday (during the summer will be once a week). Due to snow this winter, now starting back on tree removal project with 4 trees tagged for removal – between 387 & 460 Quinta, at 93 Sarta, at 104 Pena and between 206 & 184 La Canada. Waiting for quotes to get these scheduled. Reminder to everyone with rental properties – CC&R's 4.17 requires that all leases must be at least 30 days, and upon leasing unit, the owner is required to promptly notify the office of the commencement date and termination date of the lease and the names of each lessee or other person that will be occupying the unit during the term of the lease. We will soon be drafting forms for tenant information and age verification that will be required to be filled out and submitted to the office. Just received a partial report on the sewers this morning – Valentine Plumbing has been addressing the problem areas that we had mapped out to assure they are all clear and no major issues going on. So far only came across 1 collapsed line behind 184 La Canada – again the biggest issue is heavy roots which are being cleared as they are discovered. A few trouble areas that have been done are areas behind 184 La Canada, areas behind 452 & 484 La Canada, area behind 328 Pena, areas behind 234 Quinta, areas behind 472 Quinta, behind 456 Penasco and behind 188 & 218 Sarta. Other areas have also been completed but will need to review the recent report first.

E. Approval of Minutes

A motion was made by Lila Szedlus to approve the minutes of the Regular Board Meeting of January 1, 2019, Organizational Meeting of February 12, 2019 and Executive Session meetings of February 6, 2019, February 21, 2019, March 1, 2019 and March 8, 2019.

The motion passed unanimously.

F. Approve Treasurer's Report

Chris Fisher presented the January 2019 Financial Report and thanked Jim Becker and Cathy Russell for their help in preparing the first report. The Operating Fund received \$179,606 cash year to date through January 2019, which included \$43,666 in prepaid assessments. Operating Expenses for January were \$108,140 for a net increase of \$71,466 which was higher than budgeted by \$47,405. After a contribution of \$42,500 to the Reserve Fund we had a net increase of \$18,205. The Reserve Fund was increased by \$27,200 year to date after contribution and expenses. The expenditures included \$21,802 for roof repairs and replacements, and \$18,000 in HVAC repairs and replacements. Cash Balances as of January 31, 2019 were: Operating Fund cash of \$56,334; Reserve Fund cash of \$8,799 and Reserve Fund Investments of \$1,896,419. Fixed Assets have a Net Book Value of \$535,847.

A motion was made by Jim Becker to approve the Treasurer's Report. Tim Schaid Seconded.

The motion passed unanimously.

G. Committee Reports

Architectural – Jim Becker: Jim reported that 10 architectural requests were made since January – all approved and some have already been completed. Jim reminded everyone that any changes to the villa (windows, doors, sheds, any inside changes that impact structure – plumbing, satellite dishes, etc.) needs to get an architectural request form the office or online and submit to the architectural committee for approval.

Budget and Finance Committee – Chris Fisher: Chris indicated at this time there is not much to report until fall when the new budget will be created.

Documents and Communications – Mary Meister: Mary reported that the committee continues to evaluate and update documents in relation to AZ Condominium Act, CC&R's and By-Laws. The "Living in Villas West" documents was recently updated and made easier to use. This is now available in the Office and on the Website (under Manager and Documents Tab). Will be looking at documents and forms to see how they can be improved and more useful. The committee will also look at ways to maximize current communications vehicles and distribution to accommodate the wide variety of residents – owners and renters, full-time and seasonal part-time residents, etc. (annual meeting mailed packet, website, manager's e-blast, etc.).

Grounds – Lila Szedlus: Lila reported that she is learning about the desert plants and that Marcos has been very helpful since he knows what plants don't need a lot of water and which are appropriate for what locations. She reminded everyone that April is the spring planting time. Lila is working with a girl scout who is working on a badge. She will be making a cactus garden out of

some of the large tree stumps – those closest to the sidewalk and the road. Marcos will cut out the center of the stumps. Lila indicated if any full time residents are interested in creating garden's in other stumps close to villas, they could leave their name, phone number and address at the office for her and indicate their interest to "adopting a stump" and she will get back to them. They would need to be responsible for watering (flowers, etc.) if not cactus plantings. **There were 5 ground requests of which 4 were denied and 1 approved.**

A motion was made by Tim Schaid to accept the grounds applications denials (4) or approval (1) be accepted. Mary Meister seconded.

Motion passed unanimously.

Social Activities – Lila Szedlus: Lila reported that Valentines Coffee was cold and rainy. March is a busy month with the Coffee Hour (Thursday), Business Meetings and St Patrick's party. Patio sales is now April 6, 8am -noon. Need help cooking and serving food for St. Patrick's day – Sunday 1-4p.m. For St. Pat's, bring a dish to pass enough for 8-10 people. No help for patio sale – woman who helped last year, if anyone knows who she is let Lila know so she can see if she will help again. If want to help, sign in back or leave name and phone number in office. Christmas party is scheduled for a Saturday. Last year it was well attended – 100% turnout last year. Don't have date yet.

Maintenance – Tim Schaid: Tim thanked colleagues for vote of confidence in appointing him to replace Andy Szedlus; looking forward to contributing to keeping Villas West the enjoyable place it is and better in future. Cathy Russell helped on first report since he has only been on Board for a little over a week. Two building roofs have been replaced by Red Mountain Roofing and the 3rd will be completed probably by end of week along with inspections. The New Roof Specifications are on the Villas West website along with the list of roofs to be replaced for 2019. Next 5 are being schedule soon hopefully before the monsoons. For roof repairs, 3 are completed and the Roof Repair Specifications are also on the website. Due to the cost of contracting out the spraying of olive trees, Villas West is planning to purchase the sprayer equipment and supplies to do the job in house. No trees will be missed and savings passed on to owners – all trees including those on patios will be done. This work will begin in the next couple of weeks. Three HVAC units were replaced in February. Work Order totals from January 1 – 28 were 514: heating/cooling related – 137, sewer related – 43, water leaks – 51. Appreciate Marcos and all the crew who keep our grounds and everything in good shape.

H. Old Business

None

I. New Business

- a. Accept write off – Lot 545 and Lot 972 – two units gone into foreclosure and been repurchased. Some back fees that haven't been paid but not responsibility of new owners. Amounts were \$1936.81 and \$2700. Discussion. Is there a way to help this from happening in future? Jim Becker indicated we have a law firm to take care of collection. If appears to be uncollectable may have to do a lien. Have done in past. In this case didn't have lien and one unit had first lien by mortgage co. Both prior homeowners had passed away.

A motion was made by Jim Becker to accept a write-off for Lot 545 and Lot 972 and move off books. Seconded by Chris Fisher.

The motion passed unanimously.

b. Accept Insurance claim and roof proposal for 188 Paseo Pena

Have a roof with obvious hail damage that could be applied to current insurance. Made a hail claim for 188 Pena. Have cost/claim information from American Family, and roof replacement cost. This replacement will pretty much be covered by the insurance.

A motion was made by Mar Meister to accept the insurance claim and roof replacement proposal for 188 Paseo Pena. Chris Fisher seconded.

The motion passed unanimously.

c. Accept contract for Borderland Pest Control and Larry Cederholm – Bee Service

We have annual contracts for pest control with Borderland and Cederholm and we utilize them a lot; they have both done a good job in the past (6-7 bee reports right after signing with Larry Cederholm last year).

A motion was made by Tim Schaid to accept contracts for Borderland Pest Control and Larry Cederholm for bee service for the current year of 2019. Lila Szedlus seconded.

The motion passed unanimously.

d. Adopt Villas West Roof Replacement Specifications and Roof Repair Specifications

Two roof related specifications have been developed with input from Andy Szedlus, Cathy Russell and the GAF manufacturer who provides the material for the roof replacement we have decided to go with in the future. Both specification documents are available on the website.

A motion was made by Chris Fisher to adopt the Roof Replacement and Roof Repair Specifications. Lila Szedlus seconded.

The motion passed unanimously.

e. Accept Quote from Horizon for Tree Sprayer

A motion was made to accept the quote from Horizon for the purchase of a Tree Sprayer. Every year have problems with olives. Services past two years done mediocre job (missed trees and had to reimburse some owners) and it costs over \$4,000 to do it. In past asked homeowners with olive trees in patios to fork over a few dollars for spraying. Whole system not working well. Marcos, Dorothy and other employees came up with idea to purchase the same tree sprayer the service uses at \$2,500; a one-time purchase and the chemicals are about \$200-\$300/year. Plan to cover patio trees since they impact common grounds. Owners will be notified when ready to do the trees this spring as trees about to bud – keep from fertilizing. Motion to accept quote for purchasing the tree sprayer from Horizon and cover all olive trees on Villas West including those on the patios at no additional cost to owners.

A motion was made by Tim Schaid to accept the quote from Horizon. Chris Fisher seconded.

The motion passed unanimously.

f. Approval proposals from Red Mountain Roofing on next 5 roof replacements

Question – are all buildings on list 4 units (yes). All same price depending on whether patio roof involved, if tiles, a little less expensive. Question - what about plywood sheets – what if find

more damaged than expected? (Estimated into price, but if something like whole roof needed new plywood sheets, change order would be needed).

A motion was made by Chris Fisher to accept the proposals from Red Mountain Roofing for next 5 roof replacement. Tim Schaid seconded.

The motion passed with 4 – Yes and 1 No (Lila Szdedlus: Red Mountain Roofing is a good company with good product, haven't received other bids from other companies, feel we need additional bids for comparison. (Cathy Russell indicated that we had looked into 2 other roofing companies but they determined they couldn't meet the specifications required for the GAF roofing product and warranty. If we want to get these fixed want to do it now. Takes time, highest priority list are 30 roofs, have identified top 12 to get done in the year. We know we have to fight weather, logistics, scheduling. We've seen a proven product with Red Mountain and we will be on top of making sure they continue to do a good job. Jim Becker indicated Marcos has been given training and knowledge and will be key guy to oversee roofers on daily basis – oversee not micromanage – if he sees problem as we go, we will address. Feel comfortable with them, no one has any personal interest with Red Mountain Roofing. Marco's will be getting extra training from the roofing company and still going to look to see if other roofing companies available.) Question about having more than one person to oversee in case Marcos not available or something? (Cathy indicated this is a good idea.) Red Mountain Roofing been in business since 1987. (GAF, the product manufacturer, also have people who come out to evaluate the roof in order to warranty the product – 20 year warranty. Cathy Russell indicated she will continue to seek area vendors who are certified by the manufacturer to install the GAF roof system in order to qualify for the 20 year warranty.

g. Approve Purchase Procedures for General Manager

Need to document purchasing procedures for Villas West and General Manager – in past, often just verbal. Jim Becker recommends based on his accounting and auditing background the following Purchase Approval hierarchy:

Operating Funds

Board Approved Budget Items:	General Manager approves purchase.
Non-Approved Budget Items:	Over \$500 up to \$2,000 requires Board President approval.
	Over \$2,000 requires Board approval.

Reserve Fund (major maintenance issues – Sewer, HVAC, Gas Lines, Roofs, etc.)

Board Approved Budget Items:	General Manager Approves HVAC replacements, Gas line restorations or any purchase less than \$2,000.
	Capital Equipment and Contingencies – Board President approves up to \$5,000.
	All other purchases and Contractual Agreements requires Board approval (like roof replacements).
Non Budget Approved Items:	Board approval required.

Tim indicated as a past Executive Director this is not out of line – so as not to strap general manager but also provide some checks and balances. The Procedure document will be posted on the website.

A motion was made by Tim Schaid to approve the purchase procedure policy. Chris Fisher seconded.

The motion passed unanimously.

J. Unit Owner Input

- 174 D Paseo Quinta – Guy indicated he had recently had his roof replaced by Red Mountain Roofers and felt they had done an excellent job and he is very satisfied with the job. He wanted to thank Andy and Lila Szedlus and the Board for finally getting his problems solved – in past, board ignored these situations and “band-aided” the problems like leaks. Also wanted to thank Fernando for doing an excellent job fixing his ceiling – very happy and glad we have an employee like Fernando. Also, if need info on desert plants, AZ agricultural extension has a lot of information available. (Jim Becker responded that going forward with new General Manager and Board in agreement – going to do the job right – not be exclusive – still weight the costs, but want to maintain the high value in the villas. Not just roofing but also sewers - Valentine Plumbing has been assessing and fixing sewer and not costing that much. Not going to happen in two weeks or a year but we are heading in right direction).
- Question from owner on whether the workers will be trained regarding the tree sprayer and chemicals – concerned about the workers and their health. (Jim Becker indicated that they would be trained before spraying).
- Richard Allison 160 C Pena – Still concerned about the roofs – after reading roof analysis report by Red Mountain Roofing, 29 roofs considered in need of replacement (“major issue, in need of immediate attention, repair may not be possible”) but only 12 being done this year. What about the others? Why not replace those too? Concern that at this rate, how long is it going to take to replace the roofs? He has a leaky roof (Cathy mentioned his is #5 on list – he said thank-you but). (Cathy Russell and Jim Becker mentioned that we have to weight logistics, finances, weather, everything into the equation and it takes 2-3 weeks to do a roof. Some concern that Board doesn’t want to spend the money. (Jim Becker indicated that wasn’t true, that reserves are at \$1.8 million but were over \$2 million a couple years ago.) Richard’s uncle at 92 Paseo Pena has had 4 leaks in 2 years (his has just been repaired). Feels Villas has the right philosophy, do it right, not band-aids, but what about getting more roofers to replace roofs. Feel like will never get ahead at this rate. Another owner mentioned that their roof was replace last year by someone else and others have been replaced more recently – those don’t need to be done right away. Richard brought up raising dues (a lot of groans) to get caught up. (Chris Fisher said if his roof leaking, he would feel the same way. He indicated we want to spend the money to get a good roof – looking for another roofing company that can put on the product we have chosen and meet standard for the 20 year warranty.)

Eucalyptus trees another concern. Is there a plan for getting rid of the 60 that are left? (Cathy indicated that not all are dangerous at this point – some are healthy and not in a location that would cause a big problem. Working on those between houses and could do major damage first. There is a map with every tree numbered.) Richard's question is what is the yearly plan/5 year plan for removal – how many each year? Should be a plan and related budget. (Jim Becker indicated this was another balancing act in terms of what we can afford along with all the other things we are trying to do – can't do everything at one time. Can't deplete the Reserve Fund or lose a lot of money we earn on CD's by cashing early. We have CD's layered so they come due at different times. Mary Meister indicated that the Reserve Study indicates we should have just over \$2 million to be at 100% and the range considered good is 80% - 130%. We are at around 89% so at the lower end of good. If we wanted to do a lot of roofs quickly, we would probably need a special assessment which would require a 2/3rds vote of the members. Even if we wanted to raise the annual assessment by more than 20%, we would need to take a vote of the membership – 2/3rds would have to agree. Can only go so far in getting more money without a vote to the membership. Probably needed to raise dues more than we have in the past).

Roads are another concern. A lot of the roads, the pavement is cracked with gaps – with all the water we have had = pothole formation. We were getting so far behind – appreciate that you have been trying to catch up, but if not maintaining things than we have to repair things later at a lot more expense. If we need to have someone come out and do an examination, it doesn't take much time or cost that much. Concern is that we are not scheduling anything this year and we probably need a chip sealing as soon as possible on Quinta – if not done soon, 1-2 years need to do a complete re-do (a lot more expensive). Is there a schedule for one road, two roads this year? (Cathy Russell indicated that according to budget, there is \$25,000 for roads. She contacted Sunland asphalt along with another company. She would like to do something similar to roofs and get the roads evaluated. Reserve Study indicated Sarta needed to be done right away – 0 life left. The Reserve Study indicated Quinta had another 1-2 years left. Like idea of having professional evaluate and let us know what we need to do - there are funds for road work. Prefer within budget to spend for high quality.) Someone mentioned Penasco looks great and that was 5 years ago.

- Another owner commented that she really appreciates the sense of transparency that that she sees now vs. past 3-8 years. Needs to check out the website more and thinks Cathy Russell's e-blasts are a great idea. (Send email to Cathy directly at office or send through website – she is accumulating names and email addresses.) Another person indicated that Cathy was good at getting back with an email. (Cathy mentioned schedules also on the website – painting – getting back on schedule – adding quite a bit to the painting procedures like cleaning off the roofs, checking if brick work needs to be done, roof work needs to be done – tackle while already there. If all on roof look good, will recoat roof at that time.)
- Sue, another owner reminded everyone that Cathy Russell (General Manager) has only been here just over a year – Sue has been here 8 years and she has seen a lot done in this past year. (Cathy indicated that the Board has been proactive (and that not always the case) and gotten crews put together and everyone is working together and she is grateful for that.)

- Another owner wondering if Eucalyptus trees would eventually all be gone since they are so dangerous. He has been here 20 years and they have grown a lot since then and block a lot of scenery of mountains. Cathy indicated that they will eventually all come down but if you have a concern about one near units, let her know and she and Marcos will take a look. Working on the ones that the arborist indicated were of the greatest concern first. Some are still healthy and don't pose as much of a threat to units. Those will come out later. Eventually all will be gone.)
- Another owner concerned that as trees are taken down that we do replanting so that Green Valley is still green and continue to be attractive.
- Jim Becker mentioned that if owners see things that are not working like lights at night, please report to the office since Board and staff are not around at night most of the time and don't see every area of the complex. We need home owners and renters to be the eyes and ears.

K. Adjournment

A motion was made by Tim Schaid to adjourn the meeting at 11:00 a.m. Chris Fisher Seconded.
Motion passed unanimously.

Dates to Remember

March Fun in the Sun: March 14th

Saint Patrick's Day Party: March 17th (Penasco Park)

Next Regular Board Meeting – Tuesday, April 9, 2019

Recorded by and respectfully submitted,

Mary Meister
 Secretary