

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

Present: Jim Becker (President), Tim Schaid (Vice-President) by phone, 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 (39 people signed in). Jim mentioned that we would be looking at having a "Town Hall" meeting for owners and renters to talk to the Board directly where they would have more time to talk. Jim also thanked owners for their patience as continue our software switch to Caliber – software upgrades or changes almost always cause a certain amount of problems in transition. Jim also mentioned that we are improving communications with an updated website that was put together by one of our home owners, use of email blasts for more urgent matters, and a new Board email address (villaswestboard@gmail.com) – one of the Board Members would respond – this in addition to sending a letter to Board Members at the office. For those who are not digital, we will try to post timely information in/at the office. Jim reminded everyone of Board meeting etiquette:
- Board meetings are for the purpose of giving you the owners an update on the association standing and information on ongoing and upcoming projects and events. The Board also uses this time to make motions and pass actions.
- No letters and or reports regarding a single unit or owner shall be read by either the Board or member.
- All "owner input" should be for the good of the whole community and not for any single individual agenda or villa.
- All private matters should be discussed with the Board in private. You can contact your Board through our office either by letter delivered to their mailbox or by request that you be contacted.
- The Board will not tolerate any offensive language, insults, harassment, racist or obscene remarks.

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 Lila Szedlus to adopt the agenda; seconded by Tim Schaid.
Motion passed unanimously.

D. Approval of Minutes

A motion was made by Chris Fisher to approve the minutes of the Regular Board Meeting of October 8, 2019 and Executive Meeting o0f October 17, 2019 and seconded by Tim Schaid.
The motion passed unanimously.

E. Manager's Report

- General Manager Cathy Russell welcomed everyone and thanked all the veterans for their service since today was the day after Veteran's Day.
- She informed the members present that Nina Gallego was no longer with the organization and thanked Mary (Meister), Chris (Fisher) and Heather (her daughter) for helping out at the front desk as things are now getting busy for Villas West. She has been interviewing for the past two weeks to find a person who not only has strong administrative skills but the right personality for the front desk. She feels she has found that person, Karmyn Cousins (like Carmen) who will be starting Wednesday morning (November 13). She feels that Karmyn possesses both the softer side (smile, sense of humor) and a tougher side and believes she will bring a lot to the team and to Villas West.
- Cathy indicated that we have had a busy start to the season and we are coming to the end of many projects including the water heater closet clean-outs. She anticipates this will be done by the end of the week (mid-November – 9 closets left) – all cleaned out, repairs documented and repairs in progress.
- Reminder that there will be two open spots on the Board if anyone would like to fill out an application and be of service. Some applications were placed on the entrance table by the door. The deadline to turn applications in is Wednesday, November 27th at noon (corrected from Nov. 29). She reminded those interested to be sure they fill out the application completely and if they have questions to feel free to reach out to Bob Opoka. The updated Board Application includes a few additional questions from the past that some owners felt would be useful. Personal information on the last page will be kept for office use only.
- She also reminded everyone to please break down your boxes. Sunday when she was in the office, the area was full of boxes (not broken down), unpacking material, Styrofoam coolers – creating havoc at the recycle area. Monday Titan doing the garbage and Diggins for recycling cleaned up the mess.
- Finally, a reminder to Owners that Board Meetings are for villa owners only. If tenants have issues they need to contact their landlords as our purpose here is the operations of our Association, Our Owners and the Community.

F. Approve Treasurer's Report

- Chris Fisher presented the financial report – all figures as of September 30, 2019, as the October finances have not been verified and close out. The Operating Fund received \$1,217,489 year to date through September 2019 (\$24,014 over budget). After a contribution of \$27,500 to the Reserve Fund we had a net decrease of \$39,013. Operating expenses Year to date were \$1,036,889 which is \$24,014 over budget projections. After a contribution of \$27,500 to the Reserve Fund we had a net decrease of \$39,013.
- The Major Maintenance Fund had total expenses of \$464,655, \$146,905 over budget. The expenditures included \$279,614 for roof replacements, and \$142,905 in HVAC replacements. \$42,995 was spent on HVAC replacements in September alone. For a perspective on major maintenance expenses, YTD we are \$82,595 over budget in HVAC replacements and \$91,864 over budget in roof replacements. We have over 250 HVAC's that are over 25 years old.
- Account Balances as of September 30, 2019 were: Operating Fund \$56,442 and Reserve Fund \$2,382,602 (of which fixed assets have net book value of \$631,441).
- For more details please review the financial information on the Villas West Website (and November 2019 Newsletter).

A motion was made by Lila Szedlus to approve the Treasurer's Report through 9/30/2019. Mary Meister seconded.

The motion passed unanimously.

G. Committee Reports

Architectural – Jim Becker: Jim reported 8 architectural requests since October 1st: handrails, windows, plumbing for shed, security door, etc. All were approved.

A motion was made by Mary Meister to approve the Architectural applications. Tim Schaid Seconded.

The motion passed unanimously.

Jim indicated that the Architectural Committee will be working on updating the Architectural Specifications along with the Documents Committee. Jim reminded homeowners if they wish to change or update anything on common ground, windows, or doors to please remember to complete an Architectural Request.

Budget and Finance Committee – Chris Fisher: Per Villas West Condominium Association By-Laws, this committee shall review the operating costs of the Association. It shall assist in preparing the annual budget for presentation to the Board. The Villas West Budget and Finance Committee met on October 15, 2019 – Chuck Wallace, Jim Becker and Chris Fisher (Chairman) were in attendance. Discussion centered on the current expenses, expected future expenses, and anticipated income figures for 2020. Major concerns included HVAC replacements, roof replacements, and street maintenance and improvements. A line item review of the 2020 budget items followed, with a few areas identified where savings might be possible, though not in significant amounts. The rate that the Reserve and Major Maintenance Funds are being diminished is especially concerning to the

committee and those funds must be maintained at current levels at a minimum to maintain the “Good” rating we earned in our last Reserve Study.

Documents and Communications – Mary Meister: Mary reported that the committee met on 10/31/2019 with Mary Meister (chairperson), Barb Fisher, Carleen Otto and Inge Finney present. The meeting was focused on the updated website/usability and the materials for the annual packet. Mary thanked Barb Fisher for volunteering to learn the website platform and updating the website to what you see today (a big, big, thanks to Barb). As part of that she not only re-typed and formatted many of the documents and the other website information over the past few months. She has volunteered to continue as our “webmaster” until this duty can be passed on to the new administrative assistant. The group navigated the website on IPad and phones and discussed ways to conserve on paper/postage by increasing two sided coping where possible, how to present any dues increase, inclusion of a two-sided short owner survey and possibly helping to stuff packets after receiving material on possible Board nominees. The packets need to be out by December 6 or 9 at the latest. The committee will be moving on to other documents in the future.

Grounds – Lila Szedlus: Lila reported that grounds workers will be back doing grounds and maintenance doing maintenance – any digging will be done by our guys after hours. Bushes are being trimmed and grass reseeded/mowed. There were 28 ground requests approved (including those from last Board Meeting which could not be voted on at that time) and 5 requests denied. Only one is still outstanding and she has talked with that person.

A motion was made by Chris Fisher to approve the Grounds requests and denials. Mary Seconded.

The motion passed unanimously.

Maintenance – Tim Schaid: Jim asked for everyone to thank the Maintenance Committee members for all their work and dedication toward keeping Villas West a safe, enjoyable and aesthetically pleasing place to live. The committee is composed of Mike Flynn, Bruce Macleod, Bob Opoka and Tim Schaid (Chairperson). They met via telephone conference on Monday, November 4 – a summary of this meeting was provided to Cathy Russell and the Board along with some maintenance questions and suggestions. Roof replacements and repairs to date: 8 roofs replaced in 2019 so far and 2 additional replacements are in progress. 21 roofs have been repaired to date. Sewers continue to be inspected and repaired section by section and Cathy Russell believes they will be finished by the end of November. Holbrook Asphalt is scheduled to begin the first phase of our street repair and resurfacing project on December 10 and 11 – Phase I includes Pena north of Penasco, Quinta south of Penasco, Tiera north of Penasco and a small section of the Tierra round-about near the Tierra Townhouses. Tierra Townhouses will be paying 1% of the cost of repairs/resurfacing work on Tierra and 7% of the costs of this work on Penasco. There were 281 work orders from October 1, 2019 to October 30, 2019, 22 of which were HVAC related and 4 of which were sewer related. The Tierra gating project has been put on hold in an effort to provide time to Cathy Russell to evaluate staffing and employee work assignments.

Social Activities – Lila Szedlus: Lila reported that the October Fun in the Sun Coffee hour was well attended (51 people). The next one will be November 14 – 10 a.m. until whenever the coffee runs out (if you get there at 9 a.m. fine). Lee Anna Schuepp will continue to make scones and if you like to bake, let Lila know that you want to bring something and what – leave your name and phone number with office. She will cut back on donuts based on what you are bringing. Lee Anna Schuepp reported to Lila that Octoberfest had 82 degree weather and 82 people attended. Marlene Becker helped out as did Janette, Trudy and Sharon – thank you to all of them for putting on a great spread with Jim Becker grilling in advance the 125 Brats. There was also baked beans and potato salad with German Chocolate cake. Bruce provided music from the 70's and 80's – a few people brought dishes to share – one, a sweet corn salad was a big hit and Lila hopes we can get the recipe and put on the website. Coming events include the Xmas Patio Lights Contest – from Nov. 15 – Jan. 15 – sign up at office or the next coffee – Name, phone number and villa address. There will be 4 prizes – judging just before Christmas. Winner announced at Fun in the Sun in January. December 14 is the Xmas Party at the American Legion on Duval. Options are chicken or Salmon. Cost is \$12 for owners/renters and \$18 for guests. Each person should bring a new top for Toys for Tots or \$5 donation. Limit is 150 people and tentative sign up cut off is December 3.

H. Old Business

1. Tierra Road Closure Revisited.

- Just a few comments about this. We did get approval from the Green Valley Fire Department. There were a few people at last Board Meeting who felt the \$5,000 budgeted and approved was too much – a few people didn't think we needed it. Since we are spending a lot to re-do our streets, it's probably worth doing. Chris Fisher mentioned at the Octoberfest he counted 20-25 cars that went around the Penasco Park over to the HOA west of us. He has been walking around complex and have heard from some people on Tierra that cars speed through there and a few people mentioned having speed bumps. Jim and Cathy mentioned the plan is for a gate at the South end of Tierra by the Townhouses (It would be a lock box for Fire Dept. only) and a decorative wall at Penasco (to have a similar look to our entrance on LaCanada) and pillars at north end off Tierra. Jim mentioned we are down a few people on the work crew so we will consider working on this when we get back to a full work force – it would be most cost effective for us to do with our own crew. Jim also mentioned that we are not "band-aiding" things anymore but doing them right once and hopefully we won't have to revisit for some time.

I. New Business

1. Approve the change from ADT security system to Cox. Board approved via email since the last board meeting in October. It will include some cameras and is a more secure system and will be cheaper and more efficient than ADT in the long term.

A motion was made by Tim Schaid to confirm the approval of Cox security system. Chris Fisher seconded.

The motion passed unanimously.

2. Approve the 2020 budget and increase in monthly assessment of \$15 (monthly dues).
 - Chris Fisher went over the key reason for increased dues – funding of reserve to maintain at least a 70% level (we were at 89% in January 2019 at point Reserve Study started future projections). Previous major projects (Roofs, HVAC's, sewer upgrades, pool equipment upgrades, etc.) have reduced the Reserve Fund in the neighborhood of \$250,000 in past 3 years.
 - With the forecast of at least 8-10 roof replacements at \$25,000 - \$30,000 each, 10+ HVAC replacements at about \$4,600 each and \$120,000 street maintenance project (over next 2 years), it is important to maintain and build a strong Reserve Fund. With the increase in dues and based on the proposed budget, we will not be contributing much to the Reserve Fund but only holding it at the current level (which is lower than Jan., 2019 – we have reduced our percentage relative to fully funded to 83% from 89% 1/2019 – recommended range from 70%-130% to reduce risk for special assessments to low – anything less than 70% increase risk to medium and below 30% to high).
 - Chris reminded audience that we are owners too and we don't like to see monthly dues increases either – but, they are necessary considering the age of the villas (50+ years old).
 - An audience member wondered why we can't just take what we need out of the investment fund – like 10% without penalty – felt that we had like \$2 million in investments vs. taxing us \$15. A couple board members explained that the investment fund is our Reserve Fund and it is no longer at \$2 million as it was a couple years ago – now down to about \$1.8 million and we continue to draw from the Reserve Fund for roofs, HVAC's, Sewer, Streets, etc. We make about \$35,000-\$40,000 interest on the Reserve Fund investment and put that back in but it does not cover the increased need to withdraw funds from the Reserve Fund for these projects. Owners in the 1980's and 1990's helped fund the Reserve Fund for future needs knowing the age of the complex. What happens 10 years from now if we just use it up – what about future owners? (Board responsibility to maintain the value of the property).
 - Audience member thought we were limited to a \$5 or \$10 increase. Another board member explained that the CC&R's allows for up to a 10% increase in dues over the previous year (that would be \$20 for this year based on current dues of \$200) without a vote of the membership. She also explained the CC&R's specifically state that the preferred means of funding the Reserve Fund is through the monthly assessment and not a special assessment (requiring a vote of the membership and generally is a large assessment paid in that specific year – much more difficult for people who are on fixed incomes to handle).
 - Someone else in the audience mentioned that Villas East had to do a special assessment a couple years ago for like \$3,000 – we are trying to make it a little a year which is easier for everyone.
 - Audience member mentioned people on fixed income – we are all on fixed income since most of us are not working. Another board member mentioned that he doesn't like his Cable bill going up \$15 either – just as we put money away for future while working so we

could live here, Reserve Fund for the future. Villas are 55 years old – there are things we can't even anticipate! Another board member mentioned the current streets fix is around \$120,000 over two years and may last us 10 years (with maintenance). Then we are likely to need a complete re-do which will be vastly more expensive.

- Chris mentioned that some Board Members felt we should increase the dues by \$20 to keep reserves up but we compromised at \$15.
- Another audience member reminded everyone that many of them used to own a home where they were responsible for water, sewer, garbage, heating/air conditioning units, etc. Now all that and more is taken care of with your \$200 per month. It's a gamble we pay the \$200 and it is there so you are helping to replace my HVAC and I'm helping to replace your HVAC, etc. If you were paying for utilities alone it would be more than what it represents in our \$200 (a board member mentioned water is about \$12,000 a year and sewer about \$6,000 alone).
- Another audience member wondered if we were still watering only two times a day to save water after seeing watering at all hours on the green areas – a board member mentioned seeing more watering right now for re-seeding but will be back to 2x per day.
- Another audience member mentioned that she has lived here 9 years and gone through 3 GM's and wanted to thank Cathy for being prudent for putting out fires every single day – with air conditioner breakdowns and all. This Board and Cathy have done more for us in one year – our \$200 is well spent (clapping from audience).
- Cathy Russell mentioned that she is working on a strategy to deal with the large number of HVAC's that are reaching the end of the useful life – many have been failing that were installed around 1987-1989. Might be able to save some money since air conditioning companies not as busy in winter – might be able to start a replacement schedule that could save us some money. When owners' come back and flip the switch and the thing is dead. Everyone deserves to live in comfort – hard to predict – would like to take action earlier on these older units.

A motion was made by Mary Meister to approve the 2020 budget and \$15 increase in monthly assessment (\$215 for 2020). Lila seconded.

The motion passed unanimously.

3. Discussion of a “Town Hall” Meeting (or Community Meeting).

- The Board President talked about the Board trying to set up a “Town Hall” type meeting with residents (owners/tenants) to listen to everyone who lives here – they know what some of the issues are. With changes in the front office, some board members have been busy filling in and keeping things moving but wanted to have a first meeting as quickly as possible. We have tentatively set November 26 as a date for a first meeting with residents – we don't think it will be the last but are taking this one step at a time – have to plan ahead if this involves the Board (10 days advance notice to owners). The Board is looking forward to listening and hearing from

all residents who want to participate. We have received some input recently in the form of some notes and a folder today with comments and some suggestions (10 written pieces from community members who attended the advisory council meeting October 25th). The regular Board Meeting is a business meeting and we will continue to listen to owner comments at the end of the meeting as time allows. But, the Board feels that a focused listening session is a good idea. The Board continues to work to make Villas West a great place to live.

- The spokesperson of the advisory council expressed several concerns. (Note: the advisory council is outside the governing structure of Villas West Condominium Association – Villas West Board and Standing Committees – Maintenance, Budget and Finance, Communications, Documents, Grounds).
 - The Board of Directors was co-opting the term “Town Hall” that they felt had only been mentioned in relation to the forming of an advisory council. (Although the term was suggested by a different audience member at the October 8, 2019 Board Meeting for a special meeting with residents to talk about issues/solutions).
 - That the advisory group was unable to get the Board to attend their November 8 “Town Hall” after they had their first meeting on October 25, 2019 (where they met, had a structured meeting at a location with plenty of seats and close to Villas with two microphones, took notes and had some attendees with written comments). They sent this material to the Board after their meeting.
 - Indicated that this group wanted the Board to commit to a monthly “Town Hall” meeting. That the meeting should result in a “merit of order list” (priority list) that is important to residents, the Board and General Manager.
 - That it was the first time in Villas West history that some residents got together like this. (Another audience member mentioned that she had been in Villas West for 17 years and there have been meetings before. Another mentioned they had been here 14 years and there have been meetings while the advisory person has been here only 5 years).
- A Board Member reminded the individual that they had indicated at the October 8, 2019 Board Meeting that the advisory council would be formed, meet and gather issues/concerns and suggested solutions and present to the Board in a “calm and organized manner” (vs. people just expression complaints at the end of the regular Board Meeting). The Board received some notes after the advisory council October 25 2019 initial meeting (notes were not organized, not written up as “clean-up” minutes of a formal meeting – just notes on what people at the meeting said and in a format Board Members could not initially open – Apples pages). The Board was also given some written comments by some of those who attended the October 25 advisory council meeting (10 people) at the beginning of the November 12, 2019 Board Meeting (a file folder of copied written documents). We had not received advisory council input in an organized and useful way as indicated was the intent of this advisory council.
 - A Board Member indicated that the Board cannot just set up a meeting without following Villas West CC&R's & By-Law procedures (10 days' notice to membership), and that the advisory council had not contacted the Board to select a date that would work

for both the advisory council and the Villas West Board of Directors. November 8th was not possible (Some Board Members had been working the front office until a new Administrative Assistant was hired, not all in-town Board Members could attend that date, and not enough time had been given for the 10 days' notice) – which was communicated to the advisory council.

- The Board also indicated that it would not commit to a monthly “special meeting” with residents, but would, take it step by step and see how productive this type of meeting is. The Board of Directors already commits a significant amount of time to Villas West, and as volunteers, they also have a personal life.
- The Board President expressed concern about where the idea that the Board did not want to go forward and work together with the advisory group and all residents of Villas West was coming from. The Board President reiterated that the Board is interested in moving forward in an orderly manner to meet and listen to as many Villas West residents as possible.

J. Adjournment of Business Portion of Meeting

A motion was made by Lila Szedlus to adjourn the business portion of the meeting at 10:50 a.m. Chris Fisher Seconded. Motion passed unanimously.

K. Unit Owner Input

Owner Input (Following Business Segment of Board Meeting)

- An owner wanted to know if watering was going back to 2 x a day since noticed a lot of watering lately at all hours. Board Member noted that this only happens when re-seeding; it will go back to 2x a day.
- Owner wanted a six member board so that one person would not have both Grounds and Social committees but responsible for just one. Board member indicated that the board required an odd number of members in case of a tie vote. Also that the Social committee was not a standing committee and that anyone could be the chairperson for the Social committee.
- Owner indicated it would be a good idea to send out an e-blast to building residents when their roofs were going to be replaced. There was a lot of roofing material being stacked in spots close to her building. General Manager indicated that her building and another close by were next up for replacement – would be starting around November 18.
- Another owner mentioned that he had a car following him on Penasco that sped up to pass him on Penasco and then proceeded to go the wrong way on the traffic circle (to save time) and ended up by townhouses at the southwest end of the Villas. The resident followed the car and got the license plate number and talked to the person who knew they were in the wrong but didn't care. The resident wondered what could be done about this behavior. A Board Member indicated that Villas West is private property and the General Manager indicated that we might be able to contact the Townhomes and see what they could do about it – they are usually pretty good to deal with. He would send the license plate information to the office.

- Another owner concerned about the grounds crew desecrating a perfectly good tree – that they need a skilled arborist to teach them some basic pruning skills. She indicated this tree looked terrible – the tree is in front of 403 Tierra (A/B area).

Dates to Remember

- Fun in the Sun at Penasco Park: Thursday November 14, Penasco Park
- First Board “Town Hall” or “Community Meeting”: Tuesday, November 26 at 11 a.m. in Penasco Park open to owners and renters to share with the Board (issues and suggested solutions)
- Deadline for Board Applications –Wednesday, November 27 at Noon
- Christmas Party at American Legion Post 66 – Duval Mine Road – December 14, 2019
- Next Regular Board Meeting – Tuesday, January 14, 2020

Recorded by and respectfully submitted,

Mary Meister
Secretary