

Minutes of the Board of Directors Meeting
Sands McCormick Townhomes Association (SMTA)
September 12, 2023

Attendees:

Doug Eggleston, President
Jim Mercier, Vice President-Community Maintenance
Diana Nashban, Director-Landscaping
Dave Clouse, Treasurer
Dave Lattanzio, Secretary

The meeting was called to order at 6:00 p.m.

The minutes of the June 12, 2023 Board Meeting were previously approved electronically.

President:

SMTA paint project: We continue to work with the Dunn Edwards color specialist and are preparing to present colors to MRPOA. One thing we discovered in this process is that while we are keeping our original "New Sands McCormick" color, we are allowing 2 accent colors as options for homeowners that want to use accents. Then we introduced 3 additional "body colors", each with 2 accents that go with that particular body color. All colors are designed and selected to blend together and complement each other so it does not matter which color home is next door--they will all complement each other while offering each owner individuality.

What we discovered in the process of building color charts showing the 3 paint options together is that to keep a clean look and avoid any one home looking "too busy", Sands McCormick will only allow one accent color that accompanies the selected base color to be used on the face of any one home. The accent color will be limited to garage doors or inset walls. We want to maintain a clean look throughout Sands McCormick.

On a motion by Doug and seconded by Jim it was agreed to present the four-color schemes to the MRPOA for their approval.

Tennis court update: An additional screening has been installed on the perimeter fencing of the tennis court to deter the leaves and debris that blow into the tennis court area. The screening used was under \$90 and the court cleaning and installation again was done by a board member (free labor).

Water fountain repair in the community area: A board member noticed a water leak coming from the Elkay water fountain by the pool. After some online research, the board member ordered the replacement parts and installed the new parts for just the cost of parts (\$100). Fountain was only inoperative for about a week as we waited for parts to be delivered.

Palm trees: Good news for palm tree trimming bids for owners that have palm trees on their parcels. This year we connected a few homeowners that had palms and found great palm tree trimming companies to pool together and get their palms trimmed for a better price and all done at the same time. If other homeowners with palms would like to be included in this group, you can email a request and we will connect you to the neighbors who benefited this year from the group bid.

Mechanical gate locks to replace key style locks on front gates: A number of homeowners have installed mechanical keypad entry gate locks and loved them. They have shared the source of a very reasonably priced lock source and a welder that has installed new boxes when needed and will install locks for you. If interested, email us and we will connect you with the information.

Pool water quality: A homeowner questioned the water quality in our pool early this summer and took the time to submit samples of our pool water to Leslie's pool supply for testing. The results were fairly common for a high use pool in summer. Particulates were high and because of frequent use water quality, while acceptable to Maricopa County inspections, was found to be below the standards Leslie's Pool recommends. The board took immediate action and notified our pool service to address the issues with chemicals and increase the backwashing of the filters.

We had planned to drain the pool early in the season to acid wash the surface but the frequent rains early this year made that difficult. Rather than drain the pool completely, we have opted to drain the water a few feet low, so it can be quickly refilled and does not require closing the pool for days.

We are also including signage to encourage owners and visitors to shower briefly before and after swimming which helps dramatically with keeping bacteria and oils from bodies getting into the pool water, but also keeps the chlorine from drying skin and dulling hair. It is proven in studies that a quick shower right before entering water and right after exiting pool, will dramatically reduce the impact of bacteria on the pool water and chlorinated water on your skin.

In addition, we are looking to install timers in the pool pump area so that the devices do not operate during peak electric periods thereby reducing our electric costs.

Sands McCormick Entry and safety of our Via Linda entrance: As many homeowners are aware, we have had 3 recent accidents at our main entrance. One of them involved a driver that did extensive damage to our sign and entry landscape. Thanks to one of our board members, he was able to provide the police with the driver's location. Since your board had already been working for the past year on a plan to update and improve the entry of Sands McCormick, we decided that rather than simply repair the damage that was done, we would use the insurance reimbursement toward the upgrading plans. Both the insurance claim and plans have been labor intensive but we are getting closer to putting one of the many contractors we have been consulting with on this project to work. All board members have been intensely involved in

every aspect of both the resolution to the damage to our entry and the quest to make a most significant improvement in the entrance while keeping the cost within our budget.

I am very proud to be serving our beautiful community alongside these board members.

Vice President-Community Maintenance:

In August, we had the parking lot at the Community Center paved by Black Mountain Paving. We got three bids and chose to go with Black Mountain as their availability fit our schedule, and their pricing was very competitive. We were also able to save an additional \$500 by doing our own line striping. The total cost was \$6,358.

Also, in August, additional cameras were added around the exterior of the Community Center and the rear parking lot. A camera was also added at the RV lot. The cameras were installed by Board members and are linked to our internet. The cameras were part of the package purchased earlier this year, so there was no additional cost this month.

The Painting Process for 2024 is in the works. The 17 homes have been selected. This will be considered Zone #1. Our pricing was locked in last year with our vendor. We have been working with the Color Specialist at Dunn Edwards, and we have selected 3 additional color schemes in addition to our current color. All work well with the existing color. Color Boards will be presented to MRPOA on Sept 20 for approval. If accepted, a meeting at the Community Center will be held in November to introduce the color schemes to home owners for discussion. These new colors and the recent approval by MRPOA of the optional replacement garage door with horizontal windows, bring a fresh look to our 40-year-old neighborhood.

The current Maricopa County Environmental Permits for pool and spa were placed in the display case at the Community Center. These will expire in October 2024.

Currently the Pool is 87 degrees. Our Pool guru, Tim, has kept the summer algae away and the facility just needs some cooler temps so the TGIF's can resume. We don't do a neighborhood blast on the TGIF's but if you want added to the notification list, send me a note. The parties start early and end early to be respectful of our neighbors and are BYOB and a hors d'oeuvre to pass. All residents are welcome.

Director-Landscaping:

Diana and Doug updated the board on redoing the entrance/island including the damage done because of the accident described above. Bids are still being obtained and a final proposal is imminent. Dave C mentioned the proceeds from our insurance carrier to replace the signage will be close to \$6,000 after the deductible. Our carrier will attempt to subrogate the claim against the driver/owner should they have insurance.

Diana and Doug discussed the Ficus trees at our entrance as well as those within the complex. Those at the entrance and on either side of the island need a thorough pruning and thinning.

We have a total of 11 of these trees and the cost to prune them and all other trees is about \$4,500. On a motion by Jim and seconded by Doug (with Dave C abstaining), the bid to prune the trees was approved.

Diana then discussed the seven Sissoo trees we currently have in the complex. These trees (which are now prohibited by the City of Scottsdale and MRPOA) have a tendency via their root system to damage sidewalks and walls. Our landscapers and tree vendors have strongly recommended we remove these trees. It is estimated that the cost to remove these trees will be \$1,000 or more per tree depending on the tree size. The procedure to remove these trees is complex. The tree is cut leaving the stump. Then a solution is injected into the stump to kill the roots which remain alive even after cutting. This injection is done a second time and, after about a year, the stump is removed. We will revisit this project soon with the possibility of removing them over a two-year period.

Diana then informed the board that after 11 years, CLM has notified us it will increase its fee by \$100/month. After a brief discussion, on a motion by Dave C and seconded by Dave L, this increase was accepted.

Diana then informed the board that the bid to overseed with winter rye is \$4,800. The board discussed not overseeding along Via Linda, the island and 87th and ESR. Diana will contact J at CLM for an adjusted price.

Diana stated that broadleaf weed spray will commence which is already in the contract.

Diana recommended an email blast to homeowners reminding them, now that the weather is moderating, to spruce and clean-up fronts, and remove weeds from the properties.

She informed the board that the olive trees have been removed although the stump at Via Linda and ESR remains as it is infested with bees. We have been assured the bees have now been controlled and the stump can be removed.

Treasurer:

| <u>Cash Balances</u> | <u>9/9/23</u> | <u>6/10/23</u> |
|--------------------------|-------------------------|-------------------------|
| Bank of America Checking | \$ 8,406 | \$ 10,688 |
| Bank of America Savings | 111,374 | 1,017 |
| Stearns Money Market | 3,150 | 72,160 |
| Stearns 6 Month CD | Matured | 50,000 |
| BMO 13 Month CD | <u>101,964</u> | <u>100,972</u> |
| TOTAL CASH | <u>\$224,894</u> | <u>\$234,837</u> |

TREASURER HIGHLIGHTS SINCE THE JUNE MEETING

Since the June 12th meeting, we've paid \$32,832.00 in expenses. This includes two large maintenance items: the new pool heater and the CC parking lot blacktop hot rubber crack recoating. Our annual insurance renewal premium was paid yesterday. The annual pool and hot tub permit payments for the next year have also been completed. All regular expenses are paid to date, we have another \$5,595.00 in expenses due for payment by the end of September.

We've received \$2,339.00 in interest income, and \$19,500.00 in assessment income since the June meeting. All the current assessments are in, and no homeowners are past due. We have \$9,000.00 left in unpaid assessments for this fiscal year from 18 homeowners. These final assessment payments are due in full by November 1st. Thank you to our homeowners who continue to pay their assessments on time as they come due.

We transferred funds as necessary from the Stearns MM to our BOA checking account to cover payables as they came due through August. I also transferred \$60,000.00 in late June from the Stearns MM into our BOA savings account to take advantage of a special six-month high interest rate savings account offer. This savings account is a promotional one that I signed SMTA up for in late May that earns 3.75% interest until the latter part of December. This BOA savings account will earn triple the interest for the next six months that we would have gotten if we had just left those extra funds in our Stearns MM account. We will still need to make periodic transfers from this BOA Savings account into our BOA checking account to cover payables as the need for funds requires.

The \$50,000.00 Stearns six-month CD matured in August, and those funds plus interest totaling \$929.79 was transferred into our Stearns MM. The original principal amount of \$50,000.00 was then transferred into our BOA special savings account as discussed above. I continually assess where SMTA can earn the highest return for our surplus bank balances. Our SMTA bank balances are quite healthy, even though we've done several large maintenance and ground care projects this year.

Sometime in December we will assess our account balances and take out one or more new CD's going into 2024, probably using a laddering strategy. Interest rates are relatively high, so we plan on taking advantage of this higher rate environment. As a reminder, all our accounts are FDIC insured.

We are still on track to meet or exceed the earned interest income projections we discussed earlier this year. Some of this interest is paid monthly, some quarterly, and some when the CD matures. I expect to see SMTA earning more interest next year than this year. All of this is good news for the homeowners.

There is a year over year P & L comparison report attached to this email for the board. We are in good financial shape 7.5 months into our current fiscal year.

Three of the board members will be meeting with the City of Scottsdale's director of traffic to see what if anything can be done to control speeds on Via Linda at our entrance.

A big thank you to David Lattanzio for covering the mailbox while I was gone.

Secretary:

Dave asked if our General Rules & Regulations should include a section on the swimming pool. If so, it would include hours, availability and incorporate the contents of the recent email blast.

The RV lot fine of \$25 per month expires September 12 after which the fine increases to \$50 per month.

The Arizona Legislature passed HB2298 which will become effective on October 30, 2023. This bill requires us to call a meeting of our homeowners whereby they will be asked to vote on our HOA to continue to regulate our streets. We will take this matter to our homeowners for a vote at the next annual meeting as we clearly want to retain control of our streets.

The next meeting will be held on October 19, 2023 at a location to be determined.

There being no further business, the meeting was adjourned at 8.20 p.m.

Respectfully submitted,

David Lattanzio