

**Minutes of the Board of Directors Meeting
Sands McCormick Townhomes Association (SMTA)
November 19, 2024**

ATTENDEES:

Doug Eggleston, President
Jim Mercier, Vice President-Community Maintenance
Dave Clouse, Treasurer
Steve Sankovich, Landscaping
David Lattanzio, Secretary (Absent)

The meeting was called to order at 6:07 p.m. The minutes of the 10/17/2024 Board Meeting were approved electronically on 10/23/2024.

The board met electronically to approve Jim's request for a new heat exchanger for \$1,400 on November 9th, 2024. All board members approved the repair as it was over Jim's \$1,000 limit.

The board met electronically to approve a request from Steve for an irrigation line leak at San Rafael Dr and N 87th Way at for a cost of \$980. The board approved unanimously, even though Steve has a \$1,000 expense limit along with Jim.

PRESIDENT

The board welcomed our new board member Steve Sankovich. Steve replaces Diana Nashban and will be in charge of landscaping. The board thanks Diana for her time and service to our Sands McCormick Townhomes community.

Doug talked about our ongoing battle with roof rats in the RV lot and around the pool and community center. He had a meeting with an exterminator who would place traps both in the RV lot and at the pool. The cost was \$395 for the setup plus a monthly fee ongoing. After a brief discussion Doug thought he would try traps himself and has been fairly successful so far.

Doug Eggleston inquired of each director whether they would stay on the board, and both Doug and Steve Sankovich are willing to serve for another year. Both Jim and Dave have one more year to serve in their respective board of director capacities. The board will await David Lattanzio's decision whether he will stay on the board as board secretary. **After the November meeting David Lattanzio agreed to serve for another year as the Sands McCormick Board Secretary.**

The existing five-member board will continue as the SMTA Board of Directors for the upcoming year unless another homeowner expresses an interest in running for the board. These minutes will serve as the first notice to the homeowners who have an interest in serving on the Sands McCormick Board. There will be a second email going out in the next few days giving the homeowners notice regarding board service. The deadline for notifying the board regarding a director's position is before the next meeting on December 11, 2024.

The board also has a full job description for each position. Email the board for additional information. Per our bylaws, if the existing board is willing to continue to serve, and no one expresses interest in running, there is not a need to have an election.

Doug said he had spent an hour or so cleaning up leaves and debris out of the RV lot. The new 36" wide rake we picked up from an estate sale really speeds up the process.

The board discussed the possibility of renting out space in the RV lot to non-homeowners. The board believes the additional rental would help maintain the assessments at the current level as a relief for homeowners. This will continue to be discussed over the next couple of months before any decision is made.

VP MAINTENANCE

Jim said the batteries in our security camera will need replacing fairly soon. Jim and Dave will work on the battery replacement. Jim went on to talk about the heat exchanger for the pool heater in the mechanical room. It has been replaced and the pool heat is back on. Tim Smith will clean up the mechanical room and remove some equipment and piping that is no longer used.

We've also had an issue with roof rats chewing on the ropes that open and close the pool cover. Rats like to chew on the ropes and the chewing had weakened the ropes enough that they broke and needed to be replaced.

Jim will also spend some time cleaning up the tennis and pickle ball court in the next week to remove leaves and debris. Jim is planning on a larger than usual painting project in 2025 with 31 homes, and is on schedule to paint our entire community over four years with the new colors.

LANDSCAPING

Steve presented the latest Tree Doctors bid for tree removal and December cleanup and crowning for a total of \$28,600 dollars. We received bids from

two other companies, and the Tree Doctors proposal was the best one offered. This will be our largest tree maintenance project probably ever for Sands McCormick.

Some of this total will be for removal of dead or dying trees that will need to be replaced, and the balance is for regular tree maintenance with an emphasis on removing branches that have grown over some homes, and opening up the entrance by pruning the ficus trees. The bid includes tree fertilizing as well.

This work will start in late December and into January, and the cost will be split. Approximately half of this cost will be paid in January, and the balance will come from next year's budget starting on February 1st, 2025. Steve will work with Tree Doctors to arrange this schedule. This proposal was approved by a unanimous vote.

Steve talked about the landscape sub-committee meeting. This sub-committee will relieve some of the workload from Steve and the boards load, and research tree replacement varieties and beautification projects for our community among other tasks.

The winter grass was seeded, and the community green spaces are really looking great. The watering has been greatly reduced now as we are in the cool winter period and the water usage will come down substantially.

We've had a couple of more major water line leaks that come with a 40-year-old community and these repairs will continue to pop up. These repairs have been budgeted for under our irrigation repairs line item and are not unexpected.

TREASURER

October 14, 2024 SMTA ACCOUNT BALANCES

Bank of America Checking:	\$7,979
Bank of America Savings:	\$2,509
Stearns Money Market:	\$5,840
BMO Bank CD: (13 Month)	\$83,136
BMO Bank CD: (13 Month)	\$71,753
Stearns Bank CD: (9 Month)	\$30,000
Stearns Bank CD: (12 Month)	<u>\$30,000</u>
TOTAL: \$231,217	

November 17, 2024 SMTA ACCOUNT BALANCES

Bank of America Checking:	\$8,331
Bank of America Savings:	\$2,509
Stearns Money Market:	\$31,424
BMO Bank CD: (13 Month)	\$83,136
BMO Bank CD: (13 Month)	\$72,656
Stearns Bank CD: (9 Month)	Matured
Stearns Bank CD: (12 Month)	<u>\$30,000</u>
TOTAL: \$228,057	

TREASURER REPORTS SINCE THE LAST MEETING

Since the October meeting, we've paid \$9,201 in expenses. All vendor invoices are paid to date, and we have another \$8,986 in vendor payments coming due by the end of the month. We've received \$2,088 in interest income, and \$6,000 in assessment income since the October meeting. SMTA has received \$8,501 in interest income since February 1st. There is a possibility that interest rate reductions will impact your HOA interest income in the future.

We have one \$500 assessment due for this fiscal year. We thank our homeowners who continue to pay their assessments on time. As in past years, I will email the new assessments to each homeowner around the 18th of December, and they are due starting on February 1st, 2025.

I have spent some time on both the budget for next year, as well as the annual assessment amount, and whether we can keep the assessments at the current level for the next year. We have healthy "Cash on Hand" balances, but we are trying to accelerate the painting schedule, and our expenses are not going down. Jim Mercier getting a three-year commitment from our painting vendor will help our Sands McCormick community get fully painted with the new colors over four years.

Our healthy cash on hand balances were very beneficial as we expect to spend over \$45,000 on necessary tree maintenance this year. This amount is triple what we spend in a normal year. The board will discuss all of this at the November meeting.

We currently have three CD's with staggered maturity dates. The nine-month \$30,000 CD at Stearns Bank matured on November 6th, and we put those proceeds into the Stearns Money Market account. Our invested funds are secure, earning interest, and they include FDIC insurance on all of the accounts.

Dave presented the financial report to the board and we are in good shape, especially with the tree maintenance expenses we've incurred since these August storms. Our cash on hand total is ahead of the previous year by approximately \$15,000 for this date.

The board discussed our usage of email and other electronic methods in making board decisions. We will continue to do this, but will follow Arizona law when utilizing electronic means when we have to make a quick decision for certain board decisions and expenditures.

Dave explained the recent issues with Bank of America and a couple of bank errors. Dave has had some problems with them duplicating deposits and then issuing debit and credit fixes. This issue takes time for them to respond, but Dave is working with the bank to correct this.

Dave reported good news from the IRS. After the taxes were filed back in April the IRS put our payment in the wrong year thereby creating a non-payment for this year, and a credit in the prior year. This IRS error took months to resolve, and in the meantime, they assessed late fees and penalties. Dave objected to these fees a couple of months ago in a letter, and earlier in the week the IRS responded. They agreed with our arguments and have since removed all fees and interest from our account.

Dave presented the proposed budget to the board for the 2025/2026 fiscal year. Dave believes we are strong enough financially that we can keep our assessment amount for next year at \$2,000. This is in spite of the increased house painting planned, as well as the increased tree maintenance expenses we need to do.

This will be the third year in a row without any assessment increase. This is good news for the homeowners, especially with our increased costs from inflation.

Dave presented the assessment notice that will be emailed to every homeowner in the next week showing no increase for the upcoming year. The board approved this assessment notice.

SECRETARY

The next meeting date was set for December 11, 2024 at Jim's house. The meeting was adjourned at 8.29 pm.

Respectfully submitted,
Dave Clouse, acting secretary