

Minutes of the Board of Directors Meeting  
Sands McCormick Townhomes Association (SMTA)  
April 16, 2024

**Attendees:**

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

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

The minutes of the March 20, 2024 Board Meeting were approved electronically on March 23, 2024.

**President:** We have long been aware that SMTA has many Cox Communication "NODES" or small towers in the yards of many of our neighbors. After noticing that 8766 E San Rafael installed a decorative screen to cover their Cox tower, it got me thinking of what can be done to make them look better. Several neighbors have already expressed interest in doing something about the looks of those ugly little towers. So, I called Cox Communications and they let me know that homeowners are allowed to paint the "Nodes" or plastic/metal towers they have in many yards in any way we like to hide them or beautify our yards. Many paint them as flowers or cacti.

The board has also discussed adding a monument sign to the San Rafael/Via Linda entrance ever since Dave Lattanzio brought the idea up last year. There is a Centurylink box right in the middle of where a sign would ideally be placed, so we are going to reach out to them about moving the box or we will figure out a way to work around that "NODE". The goal is to enhance that entrance as it is the entrance that many neighbors use regularly.

Dave C. and I discussed a simple modification to the RV gate that would allow someone inside the RV lot to reach the lock to open it. This would facilitate people with trucks in their driveway who have access to the lot from their backyard. It would make it much easier for them to park trucks in the RV lot at night or while out of town. It also may come in handy for the few homes that have gates that open to the RV lot. They can walk out their gate into the RV lot, open the gate, and drive out without having to walk around. The modification should be less than \$100. This proposal was approved.

Doug then opened the subject of limiting the number of rentals in SMTA. This is a subject that keeps being presented to the board. The concern is that too many rentals will reduce the value of our homes. It has been mentioned that there is a certain percentage of rentals that would make it difficult for people to obtain conventional or FHA financing to purchase in Sands McCormick. The percent for condos is 25% but I was not able to find a percent number for townhomes or single-family homes. Currently, Sands McCormick has 15.3% of our homes

as rentals. Out of curiosity I researched the percent of owner-occupied homes in Scottsdale and was surprised to find that it is only 66.6% for 2023 or 34% rental or vacation homes.

Dave L. commented on some legal write-ups he looked at on this subject and believes a proposal of this type would require an amendment to the CC&R's. To amend ours requires a 75% affirmative vote of the homeowners—a huge task. He stated further than consultation with our attorneys would be advisable before moving forward on this matter.

Doug then discussed options for increasing income for Sands McCormick Townhome Association without raising monthly HOA dues which we enjoy keeping at \$200 per month for the last few years. We know that SMTA will be facing future financial needs as our infrastructure (pool, tennis courts, sewer line for community center, watering systems throughout neighborhood and landscaping) ages. There are three options HOA's have to increase funds other than raising monthly dues.

1. Transfer fees
2. Disclosure fees
3. Capital Improvement fees

Each of these fees are only collected when a home is sold. Currently, SMTA collects a \$200 transfer fee, a \$200 disclosure fee and no capital improvement fee. These numbers have been the same for many years and remain lower than other HOA's. In addition, the implementation of a Capital improvement fee would provide a resource for projects such as xeriscaping, our pool and community center.

It is important to note that these fees do not affect our current homeowners as these fees come into play only when a home is sold/purchased. And the fee income helps keep our assessment from increasing.

After a lengthy discussion, it was decided that Doug would do more research to determine what would be the best strategy for building Sands McCormick reserves using these options without changing our residents' current dues.

Dave C. then brought up the rental registration fee which is currently \$25 and has not changed in years and is well below other HOA's. After a lengthy discussion, on a motion by Dave C. and seconded by Diana, it was moved and unanimously approved that the rental registration fee be increased to \$200 effective May 1, 2024.

One of our neighbors has pre-negotiated a bulk rate with a tree trimming service for SMTA neighbors that have tall palms. The price is \$95 per palm and they will all be trimmed in a two to three-day window about the same time as the HOA has our palms trimmed.

Interested homeowners can email [smtapres@gmail.com](mailto:smtapres@gmail.com) and you will be contacted by the tree service prior to any work being done.

**Vice President-Maintenance:** The painting project for this year has been completed and comments from the homeowners have been quite favorable. Jim is now working on the cost per home for next year as the paint supplier has increased prices considerably. He will report back to the Board at a future date and plans on painting 25 homes. Jim said that the pool cover will not be installed until after the summer and this is when the warranty will commence. He will be contacting Maureen to send out an email blast highlighting the running of the 150<sup>th</sup> Kentucky Derby scheduled May 4 with post time at 3:45 pm our time. The party will start at 3:00 pm.

**Director-Landscaping:** Diana reviewed with the Board the various trees which can be planted to replace the trees removed for one reason or another. We have until October to make our selections—the size and type of which will need MRPOA approval.

Bids for the xeriscaping project are proceeding which will be available later this year as work will not begin until next year.

Diana will work with Maureen to issue the last citrus e mail blast of the year.

Diana added that our homeowners have reacted positively to our requests to clean up the weeds. There is one homeowner, however, who has ignored our request to clean up their weeds. After three warnings, she believes it is time to assess a fine pursuant to our rules and regulations. The Board agreed and requested Dave C. send a \$100.00 fine notice with the provision that the fine would be waived if the problem is cured within five days.

**Treasurer:** The treasurer report follows.

**March 18, 2024 SMTA ACCOUNT BALANCES**

Bank of America Checking:	\$7,932
Bank of America Savings:	\$6,910
Stearns Money Market:	\$33,178
BMO Bank CD #2: (13 Month)	\$81,025
BMO Bank CD #3: (13 Month)	\$70,000
Stearns Bank CD #1 (6 Month)	\$40,000
Stearns Bank CD #2 (9 Month)	<u>\$30,000</u>
<b>TOTAL:</b>	<b>\$269,045</b>

**April 15, 2024 SMTA ACCOUNT BALANCES**

Bank of America Checking:	\$8,574
Bank of America Savings:	\$2,509
Stearns Money Market:	\$17,202
BMO Bank CD #2: (13 Month)	\$81,025
BMO Bank CD #3: (13 Month)	\$70,000
Stearns Bank CD #1 (6 Month)	\$40,000
Stearns Bank CD #2 (9 Month)	<u>\$30,000</u>
<b>TOTAL:</b>	<b>\$249,310</b>

**TREASURER HIGHLIGHTS SINCE THE MARCH MEETING**

Since the March report, we've paid \$26,662 in expenses. All vendor invoices are paid to date, and we have another \$5,009 in regular vendor payments due by the end of the month. The 2024 SMTA house painting charges of \$44,275 is complete and fully paid for.

We've received \$23 in interest income, and \$4,500 in assessment income since the March report. Interest is paid out quarterly on the four CD's. Thank you to the homeowners for taking care of their assessment obligations promptly.

We currently have \$221,025 invested in four CD's with differing maturity dates. We use a laddering strategy to invest our cash on hand funds to be available when we need them at a later date. Our invested funds are secure and earning interest which will be available when we need them and include FDIC insurance on all accounts.

As a large amount of the assessments are received in December and January, we invest those funds at that time to cover future expenses.

The HOA income taxes were completed last week, have been filed and paid online, and of course, we always owe something. We paid \$377.00 in state income taxes, and \$2,310 in federal income taxes. We pay taxes on both the interest income as well as the transfer fees when a house sells. Thank you to Dave Lattanzio for previewing them as they were being completed.

Doug Eggleston and I drove to a metals retailer and purchased a three-inch high and 20' long channel iron to reinforce the pool cover box. We also hired a handyman to assist us in rebuilding the cover to make it more accessible now and into the future.

We have approximately 85 homes outside electric boxes secured with the APS padlocks and this process is ongoing. The board purchased stainless steel straps that can be used in cases where the tab is missing or too short. I ask the homeowners to contact me at (480) 289-6898 so we can finish the remaining homes.

Dave mentioned he believes there is an inconsistency between the CC&R's and our Rules & Regulations regarding the time line to submit a lease. David L. said he would look into to it and take the corrective action necessary.

**Secretary:** As mentioned above, I did some research on the requirements to limit the number of rentals in a complex governed by an HOA. The write-up was provided to Doug and Dave C.

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The next meeting will be held on May 21, 2024.

There being no further business, the meeting was adjourned at 7:50 p.m.

Respectfully submitted,

David Lattanzio