

BOARD MEETING MINUTES
San Ignacio Heights, Inc.

- Date:** March 20, 2024
- Location:** SIH HOA Ramada (1620 West Mariquita Street)
- Call to order:** 9:03 am
- Roll Call:** Don Julien, Dave Fenner, James Trobec, Martha Gamez, and John Plantz present. Quorum established.
- Residents attending:** Chuck Willie, Alden Loomis, Al Dobson, Gary Parker, Don Caudill, Mariano and Marta Felix, John Mear
- Review/Adoption of Agenda:** After removing the item “Appointments & Election of Officers,” a motion was made to adopt the meeting agenda.
M/S/P
- Approval of Minutes:** Motion made to approve the February 21, 2024 minutes.
M/S/P
- Resident Time:** No comments by residents, beyond a question by Martha Felix about the process to submit a landscaping request and a general discussion about the Ramada, i.e., location, policies for resident’s use.

Officer Reports:

President, Don Julien: HOA

- Don provided Sandy Ott, Chair of the Block Captains Committee, with updated Welcome packet materials.
- The review of materials (to determine what can be destroyed, what must be saved, and where those materials will be stored. The project will resume in September.
- Due to requests for information from title companies or prospective buyers, Don provided a copy of the cover letter he sends to the title companies, when he provides the legally required documents: HOA Bylaws, CC&R’s, Rules & Regulations, 2023 Annual Treasurer’s Report and 2024 Annual Budget, 2024 Capital Reserve Study. The letter also provides information on current dues (\$680) and the amount of money in our Reserves (\$183,185.48).

Vice President, Dave Fenner: No report

Treasurer Report (By Don Julien, from Denny Skelton):

- Don supplied a four-page financial statements package. After a brief review, a motion was made to accept the financial statements provided.
M/S/P

- Tax return has been filed (by Denny)
- The AZ Corporation Commission Annual Report filed.
- QuickBooks transition is proceeding.
- The Secretary & Treasurer are now signatories on the Chase accounts.
- CD activity & cashflow analysis (to be covered in old business)

Treasurer Report, James Trobec: No report

Secretary Report, Martha Gamez: Agreed to send out the Resident List to Board Members on a quarterly basis, beginning April 1.

Member-at-Large, John Plantz: No report

Committee Reports:

Architectural Committee, Chuck Willie:

- Four (4) requests were received last month, 1 for paint, 1 for a gate in an existing wall, 1 for a security fence and one to replace an existing pergola. All four requests were approved.
- Chuck provided a list of paints – noting that in the current Approved Colors, only DE and DEC color collections have been authorized. There was a discussion about what variance from the approved colors is allowed. More discussion will follow under New Business.

Landscaping Committee, John Plantz:

- Due to the excessive rains, we have had so far this year, there is a huge increase in the number of weeds. He will be asking for an increase in Landscaping fees in the next few months. We are currently budgeted for three (3) men one (1) day a week. He would like to amend that to two (2) men crews two (2) days a week, beginning in April through November. This would result in a budget increase of \$10,125. After discussion, action was deferred to the discussion of the Capital Reserves Study.

Roads Committee, Al Loomis:

Al presented a recommendation from the Roads Committee for a Poly Chip Seal for the entire HOA – as a viable option for the Roads issues. This option would provide the Board with more time to solve current funding issues. The project cost would be around \$400,000 and would give us up to 10 years before full replacement would be necessary. Action was deferred to the discussion on the Capital Reserves Study.

Ramada Committee:

Coffee Hour on 3/23 at the Ramada; Spring Fling on April 10, 2024 at Canoa Hills Rec Center.

Compliance Committee:

The Compliance Committee indicated they were awaiting direction from the Board to begin enforcing. It was pointed out that the Board passed a motion in February to have the Committee begin enforcing the CC&Rs as written. This was not limited to parking issues.

Old Business:

CD Renewals:

- Motion to move the \$40K CD, expiring on April 1, 2024, into the HOA Checking Account. **M/S/P**
- The issue of a new \$170K CD will be addressed at the April 17th Board Meeting, prior to a CD expiring on April 24.
- Cash flow analysis: Eventually, roll matured CD's (Apr 1 & 24) into Chase accounts & take out a new 6-month CD for \$170,000
- The Landscape Committee request for additional work crews may have an impact on the cash flow plan, so Don suggested we delay approval of the \$170,000 CD that is planned for late April until he can review the cash flow plan, incorporating the landscaping request.

New Business:

Capital Reserve Study:

A lengthy discussion was held regarding:

- 1) the study as presented, which calls for an assessment to carry out the recommendations of the Frank Roads Study;
- 2) seeking an assessment to do full mill & replace of the entire HOA;
- 3) the Poly Chip Seal option;
- 4) incorporating an increase in the landscape maintenance budget.

1) The salient recommendation of the Capital Reserves Study includes an annual contribution to the Reserves of \$72,000. Our current budget does not allow this; however, raising the dues from \$680 to \$820 for 2025, eliminating the termite inspection service and the contingency fund, and keeping other budgets the same would allow us to contribute \$72,000 to the Reserves in 2025. The Frank Report recommended delaying the mill & replacing certain streets for six years. The \$72,000 is, in part, calculated to cover the delayed mill & replace & then build the Reserves for periodic maintenance and eventual full replacement in 25 to 30 years.

2) Seeking an assessment for full mill & replace would replace the need to cover street replacements in 6 years. This could mean a slight decrease in the necessary annual contribution.

3) The Poly Chip Seal option would require an additional \$200,000 beyond what is currently in the Reserves. There are a couple of options for raising the \$200,000:

- Seek an assessment, which would be approximately \$1,260 per household, with the understanding that an assessment for full mill & replace will be necessary in 10 years at an amount to cover whatever is the cost at that time.
- Cover the extra \$200,000 out of accumulated Reserves. If we stick with the \$72,000 contribution (adjusted for inflation), we will have the funds necessary in 3 years. Increasing the landscaping maintenance budget may mean we would have the necessary funds in 4 years.

4) Increasing the landscaping maintenance budget would require an additional \$16,000, which would have to come out of the \$72,000 Reserve contribution. Increasing the dues from \$820 to \$980 in 2026 would make up that \$16,000 & allow the \$72,000 contribution to Reserves in 2026.

One homeowner suggested we could sell some Common Area for private development. Unanswered questions include is it legal, would it raise enough to cover either the Poly Chip Seal or the mill & replace, and is it desirable.

Action: John was requested to ask the consultant for additional scenarios: 1) an assessment for full mill & replace, and 2) a Poly Chip Seal with a full mill & replace assessment 10 years later. Further discussion and action was tabled to the April Board meeting.

Requirements to request a CC&R amendment: Tabled until April Board meeting.

Approved Paint Colors:

The CC&R's grant Homeowners & the Committee some flexibility in requesting and approving colors outside the Approved Colors. Dunn Edwards has a number of color collections that are outside the scope of what the Architectural Committee would deem appropriate as additional colors outside our Approved Paint Colors. The Committee requests that we limit the collections from which requests can be drawn. Any submitted colors would still need committee approval as being similar in nature to the Approved Colors.

Motion: To limit paint color requests outside the Approved Paint Colors to the Dunn Edwards DE and DEC color collections. Paint requests outside the Approved Colors would still require approval of the Architectural Committee & the Board. **M/S/P**

Budget Amendments:

Motion: Authorize the Landscaping Committee to ask Felix Landscaping to increase our work crews to two (2) two-man crews per week for the

month of April through November. This would replace the two-man crew for April and the three-man crew for May through November. **M/S/P**

During 2025 Budget preparation, the work crew performance will be evaluated for whether to include increased funding in the 2025 Budget to continue the landscaping additional crews.

Meeting adjourned at 11:07 am