

PSPOA Board of Directors Meeting Minutes

Date and Time: March 14, 2020:

Location: Prescott Library (Elsea Room), 215 E. Goodwin Street, Prescott, AZ 86303 PH: 928-777-1521

Board of Directors Present

Tom Watkins - President

Leigh Cosby -Treasurer

Praveen Jain- Secretary from Sep 2019 to Mar 14, 2020

Peri Shankar- Director – call in by Phone

PSPOA Members Present:

Judy Rae and Jack Haley, Jos Nikula, Rashmi and Ashoke Seth, Randy Listol, Delene Fletcher

Meeting called to order at 12:03 PM by Tom Watkins

Tom made a proposal for this meeting only whereby the PSPOA members present may ask questions as needed during each Agenda Topic rather than waiting till end of the Regular Agenda. Leigh seconded the motion and all voted Yes.

Leigh Cosby and Tom Watkins wanted to nominate a new BOD member at start of the meeting so that including the new BOD we will have 5 BOD voting on various agenda topics. Praveen Jain proposed to delay the nomination process to end of the meeting in accordance with precedence set back in Sep 2019 meeting where two Board vacancies by filled by nominating Leigh Cosby and Praveen Jain to the board at the end of Sep 2019 meeting. Peri Shankar also supported delaying nomination agenda item till end of the meeting. Based on a 2 Yes and 2 No Votes, Nomination of a PSPOA member to BOD to fill vacancy created by Resignation of Ron Norfleet was moved to end of the meeting.

Tom Watkins shared the copy of the resignation letter submitted by Ron Norfleet. Tom thanked Ron for his many years of service to the BOD. Ron was not in attendance.

10/26/19 Meeting minutes - Tom Watkins noted that Blind Spot on Lot 3 has yet not been addressed. Also no update on Fire lane sign between Lot 99 and Lot 100 near 1299 Newport Ridge Dr. Meeting minutes were unanimously approved.

Leigh Cosby presented FY2018 and FY2019 actual Expenses.

FY2018 Income: \$15465, Loss of \$5377.09.

Loss was mainly because of \$10372.43 paid to DOC crew to firewise the Canyon Common Area.

As of 12/31/18, Savings/CD/Checking Balance is \$61838.80 includes monies paid by individual Lot owners to get their lots Firewised by DOC crew.

FY2019 Income: \$22081, Net Income \$3154.29.

\$6600 was paid to Arrow Landscaping to burn the cuttings left by DOC crew in the HOA common area canyon. Curbside Landscaping and the common area Landscaping Bills are not separated out by Aspen Landscaping. Aspen seems to be doing Curbside Landscaping for all Empty Lots. Not all Lot Owners are paying for curbside Landscaping.

Current CD for \$4485.36 is not earning much interest. Leigh will work with Jos Nikula to look for better options.

As of 12/31/19, total balance in Savings/CD/Checking A/C is \$22094.77

Leigh Cosby presented a Financial Budget which was unanimously approved. See Below

Income:

\$17544 – Annual Dues \$172/Lot

\$2900 - \$50/lot curbside landscaping paid by 58 lots

\$20444 – Total Annual Income

Expenses:

\$1800 - \$150/month for SCAA Accounting

\$2400 - Attorney Fees – placeholder for about 8 Hours

\$1800 - General Liability Insurance

\$500 – Website Expense – This need to be further researched and evaluated

\$3900 – Unanimously Approved for Firewise Maintenance of Canyon Common Area by Arrow Landscaping

\$3900 – Landscaping Common areas including Curbside Landscaping

\$2000 – Water Expense for common area

\$1050 – Misc. Office and Mailing Expenses

\$500 – placeholder for common area maintenance

\$324 – Mail Box Rental

\$64 – Taxes and Licenses

\$50 – Bank Charges placeholder

\$18288 Total Annual Expenses

Leigh presented a compilation of 2019 and 2020 Invoices for Carpenter Hazelwood.

There was a payment of \$506 on 2/26/20 to clear invoices from Dec'19, Jan'20 and Feb'20.

Aug'19 and Sep'19 BOD Meeting Minutes were unanimously approved.

Leigh lead a discussion focused on HOA Management Company.

Leigh/Tom sent out a RFP to Four HOA Management companies. Responses were received and analyzed.

A sheet of paper was shared with various reasons Leigh thought it is necessary to hire HOA Management Company.

1. Tricity was found to be expensive.
2. HOAMCO was not very responsive.
3. DHB was expensive and may not be a long-term solution due to only 2 member firm
4. AAM LLC was the best of all 4 responses. They made a professional presentation at their Prescott Office and another one at their Tempe head office. They are a national company and manage over 600 HOAs. Based on current PSPOA 37 existing homes and 3 homes under construction, they proposed \$600/month fee which includes a dedicated website, full management, online access to individual member to view their account and various documents and a dedicated BOD portal. There will be some additional charges for various mailings on top of \$600/month. All Title transfer Fees will also be collected by HOA Management Company and will not be credited to PSPOA. The next Tier is \$650 per month for 41 – 45 homes.

Leigh presented two opposite scenarios to show what our assets would look like with HOA Management Company Hired as of Jul 1, 2020 if

- 1) We did not raise the dues at all for 5 years. It showed that with the potential of many expenses possibly increasing over those 5 years, and that we would likely use some of our savings over those 5 years.
- 2) The other scenario showed what our assets would look like if we increased the annual dues at the rate of 20% every year starting with FY2021 through FY2024.

She stated that something in between those two scenarios was the most likely possibility.

Each Board for that year would make the decision if the dues should be raised based on expenses.

A few audience members asked questions, along with Board members to affirm that Hiring of HOA Management Company will not increase in raising of Annual Dues.

BOD delayed voting on adopting HOA Management Company till next meeting currently scheduled for April 25, 2020. In the meantime, BOD decided to share a summary of the information with all the PSPOA members. It will be sent out along with other Annual Meeting material to be mailed out.

BOD asked the PSPOA members present if anybody wants to nominate themselves or somebody else to fill the vacancy on BOD. There was no response.

Leigh nominated Judy Rae Haley to fill the vacancy on BOD. Tom Watkins seconded it. Both Peri Shankar and Praveen Jain voted Yes.

Praveen Jain gave up his duties as Secretary as of 3/14/20. Praveen Jain will document the minutes of 3/14/20 BOD meeting.

Judy Rae Haley volunteered to be the Secretary until the new BOD is elected on 4/25/20 Annual Meeting.

Tom Watkins did a quick update on Architectural Committee. One Home was approved to install Solar Panels even though there are no guidelines for such in current documents. Architectural Committee will review the current Guidelines and propose any changes as required in the future.

Leigh Cosby reminded that intent to run needs to be submitted by March 23 for 2020 – 2021 Board.

Based on all the information available as of this 3/14/20 meeting, especially NO INCREASE IN ANNUAL DUES IS REQUIRED BEYOND CURRENT FY2020 DUES OF \$172/Lot, all 5 BOD members are of the opinion to hire AAM LLC as HOA management company as of Jul 1, 2020. The Voting will happen at 4/25/20 meeting with the current BOD. Even if the current BOD unanimously votes YES to AAM, LLC, there is a 30 day cancellation clause in the contract. This provides a chance for the new BOD elected by end of the day 4/25/20 to make a further decision to stay with the previous BOD decision or make a change.

Executive Session started as of 2:15 pm with only 5 BOD members present.

Lack of Firewise for a particular lot was discussed but tabled until we can discuss further. No more action to be taken. It was agreed that at this time a total of 13 lots should be firewised as they have not been since 2015 or 2016 and are overgrown. They are not in compliance with the CC&R's. A firewise notice was sent to these 13 along with the agenda of 3/14/20/ meeting without formal BOD approval.

Meeting was adjourned as of 2:35 pm