

# Ventana Lakes Property Owners Association

## Board of Directors Regularly Scheduled Meeting Wednesday, November 19, 2008 Minutes

Three of Ventana's own were honored before the Board meeting by receiving the Nation's highest Volunteer Service Award – the President's Volunteer Service Award! Tom Woods presented the award to **Tony DeMont** and **Joan Yankowski** to a standing ovation from Ventana Lake residents. **Ed McDonnell** is also a recipient of this prestigious National Award – but was too busy volunteering to accept it at the scheduled time.

**Called to Order:** by President Sue Alandar at 6:30 p.m.

### Pledge of Allegiance

**Meeting Location:** Ventana Lakes Yacht Club  
20015 North 108<sup>th</sup> Avenue

**Board Members Present:** Sue Alandar, Tony Fiore, Richard (Dick) Matsuishi, Joe McCord, and Lori Norris

**Property Manager present:** Jack Donovan

### APPROVAL OF MINUTES

McCord moved, Norris seconded, APPROVAL OF OPEN MEETING OCTOBER 15, 2008; EXECUTIVE SESSIONS OCTOBER 29, 2008 AND NOVEMBER 3, 2008; SPECIAL OPEN MEETING NOVEMBER 1, 2008; AND WORKING SESSION MEETINGS OCTOBER 18, 2008 AND OCTOBER 25, 2008 MEETING MINUTES.

**Motion Passed (4-YES)**

### COMMITTEE REPORTS

Architectural - Chairperson Laura Miller

| <u>Application Requests</u> | <u>Processed</u> | <u>Completed Insp.</u> | <u>Violation Follow Up Insp.</u> |
|-----------------------------|------------------|------------------------|----------------------------------|
| Awning / Patio Covers       | 0                | 3                      | 0                                |
| Concrete Walkway/ Patio     | 3                | 1                      | 1                                |
| House Painting              | 11               | 7                      | 0                                |
| Landscape / Maintenance     | 5                | 8                      | 5                                |
| Pool / Spa                  | 0                | 1                      | 0                                |
| Satellite Dish              | 1                | 2                      | 2                                |
| Security Door / Doors       | 0                | 2                      | 2 (garage's)                     |
| Solar Panels                | 2                | 0                      | 0                                |
| Other                       | 0                | 0                      | 0                                |
| Home Re-Sale Inspections    | 4                | 0                      | 0                                |

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Processed Requests = 22  
Completed Request Inspections = 24  
Denied Requests = 3  
Violation follow-up Inspections = 10  
Home Re-Sale Inspections 4

President Alandar: Just for the community's information, there will be a second meeting on the Architectural guidelines this Saturday, November 22 at 2:00 p.m. in the Yacht Club. If anyone wants to give their input into the architectural guidelines, you are certainly welcome to attend.

## Maintenance - Chairperson Dave Bracken

Projects that the committee members have been working on during the past few weeks:

- 1) Constructing new A-Frame bulletin boards. Painting will be done by other people.
- 2) Reattached letter at the front entrance of the Recreation Center.
- 3) Installed additional bulletin boards at the Coves Pool and at the North Park Pool.
- 4) Repaired door at the Men's rest room at the Recreation Center.
- 5) Corrected several electrical problems at the Recreation Center and Card Room.
- 6) Repaired and constructed new baskets and lower screen trays for the pump inlet vaults for Lakes #2, #6, & #8. These items will be galvanized prior to placing into service.
- 7) Constructed new "Office Information" bookcase for the Management office.

The members of this committee take pride in maintaining their community property, at a considerable savings to the homeowners. I would like to thank all of the members for their dedication to the community.

Lakes – No representative was present. Manager Donovan will address the matter in the Manager's Report.

## Truck Traffic and Environmental - Chairperson Joe McCord

This afternoon we had several people from Maricopa County Department of Transportation, Dave Moody from the City of Peoria and Cathy Carlat, our councilwoman, along with about 50 to 55 people for a two-hour session. I will just touch on the highpoints. At this point there are really only four alternate routes that the County is still considering. Of those four, only two are in serious contention. Alternative No. 1, which is an extension of 112<sup>th</sup> Avenue, would be the best choice for reducing the most truck traffic on Beardsley. I want to stress that none of the proposed routes will totally eliminate truck traffic from Beardsley. There will always be some trucks heading south and those trucks will not go north, over and back down, wasting time and gas. According to the County, Alternate No. 1 would eliminate about 53% of the traffic, but Richard Reed, Chairman of the Mining Board, disputes that figure and estimates it would eliminate upwards of 80% of the truck traffic on Beardsley. I guarantee you that Cathy Carlat and I will continue working on this. The City Council will make their decision in January of the four remaining routes, and I am going to push for Alternate No. 1 because that's the best route for us.

## **PRESIDENT'S REPORT**

Just a reminder, if there is anyone here who has not as yet picked up your CC&R packet and voted, please do so. As many of you know, our Treasurer, Moe Frenette, has resigned from the

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Board. We have since appointed Lori Norris to hold the position of both Secretary and Treasurer as allowed by our Bylaws. Upon the resignation of Mr. Frenette, Lori and I also realized that with the upcoming election there will be five vacant seats on the Board. It could very well happen that only the two of us would have any experience at all after the election in March. This is certainly not in the best interests of the community and certainly it would be hard on us. Despite our original intent to let the community choose their own, we felt we needed to appoint someone sooner to help with the duties. We do have someone and will be talking about later tonight.

## **TREASURER'S REPORT**

### Colby Financial Statements

The October financial statements are available for posting on the web site.

### Master Reserves: (currently funded at 75%)

Total Master Reserves: \$1,277,692

There was no Master CD activity in October; there are no Master CD's scheduled to mature in November.

### Gardens Reserves: (currently funded at 70%)

Total Gardens Reserves: \$198,016

There was no Gardens CD activity in October; the World/Wachovia Bank CD matured on November 13<sup>th</sup>, in the amount of \$23,424 and was reinvested into the Gardens Wells Fargo CDARS in the amount of \$30,000 (the \$6,576 was pulled from the Gardens Money Market)

### Cash Transfers:

In October there were five expenditures which were not budgeted in the Masters Operating funds for a total of \$23,000.91. (Computer Service \$225, Software \$94.95, Kitchen Remodel \$31,632, Compass Bank Fee \$29.90 and Parking Lot paving \$2,375) Funds were pulled from the Reserve funds to balance the Operating Account. To date, \$135,400 has been pulled from Reserves, with \$100,110 being contributed to Reserves, a deficit of (\$35,290).

As of October 31<sup>st</sup>, the VLPOA has a cash balance of approximately \$136,541.27.

### Current Master Budget Status

|                             |             |                      |                    |
|-----------------------------|-------------|----------------------|--------------------|
| Operating Income Budgeted   | \$1,320,032 | Received \$1,111,906 | Expected \$208,126 |
| Total Expenditures Budgeted | \$1,229,105 | Expended \$1,147,870 | Remaining \$81,235 |
| Reserve Allocation Budgeted | \$60,000    | Expended \$135,401   | Deficit (\$75,401) |

### Current Gardens Budget Status

|                             |           |                   |                    |
|-----------------------------|-----------|-------------------|--------------------|
| Operating Income Budgets    | \$119,140 | Received \$98,261 | Expected \$20,879  |
| Total Expenditures Budgeted | \$113,480 | Expended \$91,576 | Remaining \$21,904 |
| Reserve Allocation Budgeted | \$ 36,000 | Expended \$0      |                    |

### Delinquent Homeowner Accounts:

Four Homeowners are currently in the rears in excess of \$600 which classified them as delinquent accounts for a total of \$2,606 (debt). Fifty-four (54) Homeowners were late paying

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their October Assessments and have been charged the \$15 late fee for a total of \$810 (income). One Homeowner filed Chapter 13 Bankruptcy in which the Association will recover \$396.

## Audit:

The CPA provided a preliminary review of the 2007 audit on November 11, 2008. There were approximately five key areas identified as needing Board attention. The Report is not officially completed at this time, when the official report is presented it will be present in detail.

## Proposed 2009 Budget:

Options for the 2009 Budget will be presented later in a separate report.

McCord moved, Matsuishi seconded, TO ACCEPT TREASURER REPORT DATED NOVEMBER 19, 2008.

**Motion Passed (5-YES)**

## **MANAGER'S REPORT**

1. We replaced the fountain motor on the Lake 2 fountain at a cost of \$1,027.94.
2. The lakes remain in good shape. We have applied for the annual permit from the AZ Game & Fish to stock the lakes with Amur River Carp. We will put approximately 130 carp in the 9 lakes at an approximate cost of \$1,000. The auto fill valve on Lake 9 is not functioning properly. We have one quote for \$737.50 from one vendor and \$402.50 from the second vendor. As the second vendor is our selected lakes maintenance company, we will take their quote.
3. Painting on Lake 2 continues. The painters are using an electrostatic system to paint, which gives "wrap around" coverage. As they paint a section, CareScape is over seeding and watering, except that they have had several main line breaks which means that the water has to be turned off for 48 hours for pipe glue to set.
4. We have replaced a motor at the R/C pool; a motor at the Y/C Spa; a heater diagnostic and pressure switch at the Y/C spa, two sand filter changes at the North Park Pool. We have also replaced the thermal limit switch on the R/C sauna.
5. We have spent \$357 to have the Y/C ice machine serviced. The company servicing the machine tells us that they cannot guarantee how much longer the machine will operate due to age and neglect. We are looking into the cost of a new machine, and will report on this at the next Board Meeting.
6. We continue to be plagued with irrigation leaks on the property. If you see a leak, either call the Management Office and leave a message on line 13, or call the pager number, 623-465-3478. This will connect you to the pager, and allow us to alert the landscaper. The landscapers do no repair on the weekends or holidays, but will come in and shut off the water, and the repair will be made the first business day.
7. If you are aware of a swimming pool, that is not being serviced either in an occupied or unoccupied home, please report it to the Management Office. We then contact Maricopa

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County Vector Control Department, they send in an inspector and treat the pool to prevent mosquito larva from hatching. We also keep a log of these reports.

8. The Board accepted the bid from Central paving to cold seal and stripe the Management Office parking lot. This will begin within the next two weeks, depending on the availability of Central paving. The cost for this is \$1,650. The parking lot will be closed for 5 days.

## Operational Matters

### 1. Insurance Bids:

Travelers - \$19,193; State Farm (Campbell) - \$11,007; State Farm (Hintz) - \$14,999; Mahoney Group - \$17,264

### 2. Amended bid for the pool/spa drain covers and the SVR system

a total of five SVR drain systems with include all permits, drains, taxes and divers to complete the installation for a total of \$10,618.70

Manager Donovan: I recommend that the Board accept this because time is getting short. It includes the units, the drains, the diver, taxes and permits for a total of \$10,618.70.

Resident Prudy Penney: Did you just get one quote on that?

Manager Donovan: Yes, we got only one bid on it. Let me explain why. I went to three different pools companies, Riviera, which is now out of business, Paddock and California Pools and they all told me they use the same person. This person has been doing maintenance work on our pools and spas for about four years. He is certified to do this work and that's the primary reason we decided to use him.

President Alandar: I also sat in on that meeting with him and one good thing about the particular pump they are putting in is that it will actually reduce our energy costs. It has a variable speed pump that apparently will slow down and use less of our costs during the hours when it's not actually being used.

McCord moved, Fiore seconded, MOVE TO APPROVE THE RECOMMENDED EXPENDITURE OF \$10,618.70.

**Motion Passed (5-YES)**

Director McCord: Would you clarify what this does for us in terms of the much larger expense that we have to meet by 2014?

Manager Donovan: To be in compliance with the Graeme Baker Act, it is absolutely necessary that we get the SVRs in as quickly as we can. The rest of the work is going to be expensive in the long run. I think it's going to be \$14,500 for one of our pools and about \$30,000 for another one.

Director McCord: Can you take just a minute to explain the Graeme Baker Act and why it's so expensive and why we have to do it.

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Manager Donovan: The Graeme Baker Act came about because the granddaughter of James Baker, who was the Secretary of State under President Reagan, was playing in a spa, got sucked down into the drain, held there by the suction and she drown. Baker brought this before the government, and Congress passed the Graeme Baker Act. It says that all pools and spas that are public, in our case semipublic, must have some kind of vacuum release system or have double drains in the pool. The cost seems high, but we need to spend the \$10,000 I quoted you and we need to spend some additional sums of money to put the double drains in our pools and spas that don't have double drains. The fine for not doing this, according to the Federal Government, is \$1.8 million. We don't have until 2014 to put in the vacuum release systems. We believe we do have until 2014 we put in the double drains where our pools don't have double drains. So we are putting in the SVR systems, the suction vacuum release system, in the pools and spas that don't have double drains. This is mandated by the Federal Government. Maricopa County has not officially been involved with this, but it is my understanding that the Federal Government will ask the County Environmental Services to do the follow-up on this work. Given the number of pools and spas in Maricopa County, we may not be inspected until 2011. But this is absolutely mandated and we are going to have to bite the bullet and get it done. We can't afford that kind of fine.

Director McCord: One additional factor is that because of the economy right now, we might realize some additional savings simply because people are looking for work. But it's true, we have to do it. It's not a case of, can we postpone it? No, we cannot postpone and we might be able to save some money because of the economic situation right now.

Resident Richard Barbe: Do we really need four pools in our neighborhoods?

President Alandar: I think the answer is yes because it seems to be a very much appreciated amenity here. That is one of the items on our agenda, and the last time it was on the agenda it seemed to be a very important subject to our community.

Resident Gary Penney: I just want to make a comment on the fence painting. They have completed my fence and did a good job. However, they will come into your property. You have to unlock your gate. They come in to mask off the adjacent areas, the trees and bushes. This paint does cling very well but there is some fly, particularly if there is a little breeze. They also have to get into your yard to paint the side fence that adjoins your neighbor.

## **OLD BUSINESS**

### a. 2009 Budget and Assessments

Secretary/Treasurer Norris, On November 1<sup>st</sup> Treasurer Frenette resigned from the Board of Directors, this was a very inopportune time for the Treasurer to resign during the drafting of our 2009 Budget. Due to the limited time to draft a budget, avoid having to rehash previous budget discussions, and after no one from the community with accountant capabilities volunteered, I accepted the task of drafting the Proposed 2009 Budget.

I have received numerous comments and documents from various individuals within the community, the Office Staff, the Auditor and Board Members; everyone has their opinion on

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how the Budget should be calculated and there have been numerous concerns expressed over the current economy, coupled with our community of fixed income residents.

Timing is critical; we are a multi functional community with our lakes, pools, spas, recreational centers, social events, not to mention the overall ambiance of Ventana Lakes and the costs to maintain each one of these is not cheap. I am not trying to point fingers; I am only trying to remind the community that there was not an assessment increase last year; but the cost of doing business has increased and yes it is unfortunate that the economy took a turn for the worst. Some decisions were made to forgo certain landscaping repairs and/or maintenance to help offset project expenses (such as Kitchen remodel and repave parking lots) and some unexpected outside contract expenses were incurred when community volunteers resigned or moved away and no one else has stepped up.

The Board does not profess to know everything, nor have we pretended to, we are just like any one of you, except we are trying to do something positive by volunteering. Our Community chose to semi-self manage, we pay for a professional company to process our finances, have an Office Staff to handle the day to day operations and a Board of volunteers to monitor. Yes mistakes are going to be made and yes the Board and Office Staff appreciate the watch dogs that bring those mistakes to our immediate attention, if only some individuals were a little less aggressive and avoid personal attacks.

To maintain lower expenses, we have depended upon volunteers to offset costs; costs such as cleaning out lake baskets, cleaning up debris along the lakes, and other minor projects that result in a cost to hire an outside contractor/individual to maintain. There are great expectations for the restored kitchen to bring in funds from fund raisers which will offset some expenses, but until we have a plan, we don't know the amount of income that can be generated.

We also have to be realistic with our projects with the economy being so unstable. The budget being presented today is to maintain our current living status, to cover the necessary maintenance of all areas and to contribute to the Reserves so as not to fall behind.

This budget proposal recommends only projects that are mandated by statute (i.e., Graeme Act for our pools), those that have been on the books in previous years and to continue delaying will result in greater costs such as Lake #2 shore line renovation, those which will show a profit over a minimal time such as solar heating for two pools/spas and replacement of irrigation systems in the Northeast Quadrant and Yacht Club pool refurbish which are not cost affective to maintain in their current condition of repair. These proposed projections total approximately \$144,000 which equates to the recommended Reserve contribution, minus any interest.

Unfortunately, the recommended Master Reserve contribution for 2008 was not made in the amount of \$168,000, only \$60,000 was contributed. But, \$369,540 in expenditures was expected to be deducted from the 2008 Reserves which would have left \$1,110,821 to start 2009. In actuality we will start the 2009 Master Reserve with \$1,286,282 (81% funded).

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2008

Allotted Expenditures      \$369,540  
 Amount Expended            \$135,401  
 Surplus/Deficit              \$234,139

2009

Allotted Expenditures      \$160,974  
 Projected Expenditures    \$219,401  
 Surplus/Deficit              \$ 58,427

The proposed 2009 Master budget will place us back on track with the recommended Reserve contributions, but we are way behind in the expected Reserve Spending Plan.

At this time a nearly 10% Assessment increase is being recommended, which equates to:

| MASTER Budget   |                                    | 2008        | 2009 Budget    |              |               |
|---|------------------------------------|-------------|----------------|--------------|---------------|
| GL #  | CATEGORY                           | Budget      | 9.84% Increase | \$6.00 month | \$67 month    |
| <b>INCOME</b>   |                                    |             |                | \$18 quarter | \$201 quarter |
| 942-401   | 1701 (All lots, including Gardens) | \$1,245,132 | \$1,367,604    | \$72 year    | \$804 year    |
| <b>TOTAL INCOME</b>   |                                    | \$1,320,032 | \$1,469,267    |              |               |
| <b>EXPENSES</b>   |                                    |             |                |              |               |
| <b>Total Expenses</b>   |                                    | \$1,230,105 | \$1,325,267    |              |               |
| Recommended Reserve Contribution  |                                    |             | \$174,000      |              |               |
| 942-910   | Less: Reserve Interest             | \$35,000    | (\$30,000)     |              |               |
| 942-905   | Allocated to Reserves              | \$60,000    | \$144,000      | \$12,000     |               |
| <b>TOTAL EXPENSES &amp; RESERVES</b>                                      |                                    | \$1,325,105 | \$1,469,267    |              |               |
| Projected Surplus   |                                    |             | \$0            |              |               |
| <b>RESEVE EXPENDITURE PLAN - 2009</b>                                     |                                    |             |                |              |               |
| Solar Heating Panels - Yacht Club Pool/Spa                                |                                    |             | (\$14,240)     |              |               |
| Solar Heating Panels - Recreation Center Pool/Spa                         |                                    |             | (\$30,000)     |              |               |
| Renovate/Replaster /Tile Yacht Club Pool/Spa                              |                                    |             | (\$10,000)     |              |               |
| Renovation of Lake #2 shore line  |                                    |             | (\$50,000)     |              |               |
| Replace Common Area Irrigation System Northeast Quadrant (Subdivision(s)) |                                    |             | (\$39,760)     |              |               |
| <b>TOTAL</b>  |                                    |             | (\$144,000)    |              |               |
| 2008 Reserve Budgeted   |                                    | \$60,000    |                |              |               |
| Reserve Expended in 2008  |                                    | (\$135,401) |                |              |               |
| Difference  |                                    | (\$75,401)  | (\$219,401)    | (\$45,401)   |               |

President Alandar: I think we probably need to look a little more at which irrigation systems we should start with, but I think that's a fair amount to budget for the first go around. I think we need to have an annual plan. I believe Don Holtzee may know which subdivisions are the oldest, because I'm not sure this is accurate.

Resident Don Holtzee: No, I don't think it is.

President Alandar: No, I don't think it is either. There might be some that need more attention but I think, if we get the right amount budgeted, then we can figure out where to start. This is all out of our reserves for next year. Is there a motion for approval of the 2009 budget?

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Matsuishi motioned, Fiore seconded, MOVE TO APPROVE THE 2009 BUDGET.  
(See page 12 for results)

Director McCord: I have a problem. For 23 years I ran my own business. For 23 years, year after year, I put money aside for things that I knew would have to be replaced, money for computers, office equipment and all sorts of ordinary things that I knew any small business might have to replace. I figured, okay, next year I might have to replace a thousand dollars worth of office supplies so every month I'd set aside about \$80 and at the end of the year I would have a \$1000 reserve. It was a reserve plan just like our reserve plan. It worked pretty well and by the time I closed my business three years ago, there was practically nothing left in my reserve plan which is exactly the way I planned it. However, this is a different situation. We own some pretty expensive property, this building, the recreation center, tennis courts, ceramic room, card room, pickle ball courts, all sorts of things; so we have to have a larger reserve. The ideal reserve is 100%. That means that if the whole place burns down, we would have enough money to replace everything. Well, that is never going to happen. So what is realistic? Well, the people that supposedly know what they are talking about say if you have a 70% reserve, you are in great shape, 50 percent is okay, and 30% you are in bad shape. We are at 81%; that's fabulous. This budget calls for adding \$144,000 to the reserves next year. I don't think this is the year to add that much to the reserves, not in these economic times. I know we are going to have some expenses this year and our reserves will drop from 81%, they may even drop all the way down to 70%, they may even dip below 70% by the end of 2009. But in these economic times, I just can't justify adding this burden to all you folks at this time.

Director Fiore: I come pretty close to what you have there. I also agree that the reserve fund is high. I don't see any reason why we should have an increase in any of the assessments this year.

Director McCord: I am recommending that we set the contribution to the reserves at \$100,000, eliminating \$44,000. By my numbers, that would cut that \$6 a month to \$1.50 a month or \$4.50 per quarter. I think we can live with that. If you want, I will make an amendment to the motion to adopt that we cut the reserves contribution in 2009 to \$100,000 instead of the \$144,000. That still gives us ample reserves to do everything we have to do. Even though I know we will be paying a lot of money out this year, I honestly feel this is not the year for such a heavy debt. So I move to reduce the \$144,000 figure to \$100,000.

President Alandar: We have a motion and a second to amend the original motion approving the budget by reducing the reserve contribution to \$100,000. Any discussion by the Board?

McCord motioned, Fiore seconded, AMEND BUDGET BY REDUCING THE CONTRIBUTION TO THE RESERVES FROM \$144,000 TO \$100,000.

**Motion Failed (1-YES / 4-NO)**

Resident Eileen Pallas: I have one question. What will that come out to per month or per quarter?

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Director McCord: My figures come out to \$1.50 per month instead of \$6 a month, \$4.50 per quarter instead of \$18 and \$18 per year instead of \$72.

Secretary/Treasurer Norris: I don't have a problem with this but we paid good money to have a reserve plan put in place. Last year we did not meet it, this year we again will not be meeting it and that is eventually going to catch up to us. I do understand and agree the economy is tough and we need to make some cutbacks.

Director McCord: I am hoping that the economy will be better next year. I really feel confident that at this time next year our whole economy will be in better shape and, if necessary, we can then adjust the reserve.

Resident Tom Woods: I was a resident in the homeowners association for about 8 years before I came out here. We paid good money for a reserve study. I have never heard anyone say we can fund our reserve at 60%. The reserve is very important and if we're not going to look at it, that is money that's wasted. The reserve is very important. I have never heard anyone say 80% in reserve is fine or 70% is fine. I challenge you on that statement.

Director McCord: That's fine, that's a perfectly valid question to raise. I arrived at my figures by going to the HOA Academy sponsored by the City of Peoria about a year ago. They brought in experts, people who really know what they are talking about, from some prestigious accounting companies, and they all agreed that if you were at 70% you were in great shape. You were never going to need 100% and to put 100% in was basically taking money out of people's pockets that weren't going to be around when the money was used 20 years down the line. So it's an ongoing thing, it's like any business that you have a steady flow of income coming in and expenditure going out and you try to keep a balance. The consensus at this HOA Academy was that if you are at 70%, you are in great shape.

Resident Chet Homan: The statement made by Joe that the reserves at 100% means that if everything burned down, we could rebuild it. That is not what it means.

Director McCord: I know, Chet.

Resident Chet Homan: I would like to clarify what that really is because that is way off the truth. (inaudible) Another point, a gentleman back here already made, if we are going to have people do a study, we should listen. Another thing, I also attended the HOA Academy, and basically they did say somewhere around 70% to 80% is well funded. But part of the reason for that is because most places don't fund that well, it doesn't mean that it's really where it should be, it should be at 100%. It's never a good time to increase dues but the likelihood is that if you don't fund the reserves, at some point in time, you will reach an expense was that covered in the reserves, like a roof, and you won't have the money. At that point, each and every one of you will be hit with a one-time charge that will likely be more than a year's dues. Please don't underestimate the reserves; they are important.

Director McCord: I guess I went over the edge a little bit when I said if everything burned down we would be covered 100%. That's not going to happen. I know we will never in one year have

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to use 100% of the reserves. But now we are taking money from people for an expenditure that might come up ten years down the line. I don't think we should do that. I think we should be closer to a pay-as-you-go system and 70% is a good benchmark for paying as you go. I do not recommend that we do this every year, but I think we must do it this year.

President Alandar: Joe, would you agree that we should not go below 70%?

Director McCord: I would not want to go below 70%.

President Alandar: I would not either. The things that we need to do out of our reserves for 2009 come to \$144,000. With those expenses, how much would we have to put into the reserves to keep it from falling below 70% next year?

Secretary/Treasurer Norris: We are not going to be below 70% even dropping it down to \$100,000. What I am getting at is, according to the reserve study, we are already behind in that. It was recommended that we contribute \$168,000 to the reserve this year and we only did \$60,000. We are already \$108,000 behind. We are supposed to be contributing \$176,400 this year and now you are going to take \$77,000 away.

Resident Jerry Matussek: Question for Jack or Lori. We have the expenditures coming up for the pools and spas. Have we allocated the money? (inaudible)

Manager Donovan: I think it would be prudent for the Association to plan for the work that has to be done. When 2014 hits we would then be ready to fund the work that has to be done. We have to look at the total cost to do these pools over that five-year period. They will give us a locked-in quote to do the double drains. I don't know over what length of time they will keep the price locked, but that's worth finding out. If we agree to have them do the work, we will find out what kind of discount we will get and second, over what period of time can we pay it down.

President Alandar: We can't be penny-wise and pound-foolish. We have a big place to take care of here and as you pointed out, we need to have the money available to take care of it. There have been a lot of areas in Ventana Lakes that have been allowed to go down. We need the money to keep it up.

Resident Delores Ward: I think this is a little backward thinking; we are not looking forward. There are a lot of things in our areas that already need to be fixed that are not being addressed. I think \$8 or \$6 a month, whatever it is, is one trip to the hamburger stand a month, it's the newspaper a month. I think our community really needs this money to get some of these jobs done so we don't begin to get run down and look trashy.

Resident Bob Mulligan: I think we should follow the recommendations of the reserves study, that's why we hired them. Is the recommendation that we bring it to 80% or is it 100%?

Secretary/Treasurer Norris: No, with all of the things they are saying we need to do over a 30-year period, when they need to be repaired, that's what we need to have in reserves at that time. As a matter of fact, according to the reserve study, there is actually a point in time when our

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reserves are going to go down to 50% because of the things we will need to address during that year.

Resident Bob Mulligan: You know, \$6 a month is 20 cents a day. This place is too valuable to let it run down. Our property values are down already. If we can do it, we should do it now.

Secretary/Treasurer Norris: Again, it comes back to the fact that we had a free ride last year. We should be doing at least 5% each year so it's not hitting us so hard. That's one of the reasons we brought it down. I think it was up to about 13 to 15% but because of the economy, and we realize we have people on fixed incomes, and that's why it was brought down to about 10% with the \$6 charge.

Resident Mel Millsap: First of all, I think that the rate increase you are talking about is very modest. It would be absolutely foolish of us to let things run down for a couple bucks a month. I will refer specifically to the line item on the Shores renovation that is recommended.

Some of you may not have lived here long enough to realize that this is a very old problem which has been allowed to fester through many years while neglect and incompetent landscape contractors contributed to worsening blight—weeds, erosion, dying and broken trees. In the past, Boards sometimes tried to do the right thing but were stopped by financial crises—real or imagined. More recently, some Boards became downright mean about it, trying to dump the problem they helped create on a few residents by disenfranchising this common area around Lake 2. That mischief caused a combined expenditure from our treasury and the pockets of some residents of close to \$150,000 in legal fees. Think what we could have done with that money! Certainly the area in question could have been totally restored and maintained far beyond the lifetime of anyone in this room. We, as a community, cannot afford to let any area of Ventana Lakes slip into blight. Like a rock dropped into a pond, the ripples will affect the whole of our community. I urge this Board to resolve this long-neglected problem now, before other areas of Ventana Lakes which also have aging infrastructure begin to have problems. How much better to resolve the infrastructure problems as they appear, rather than to wait and be faced with a treasury-breaking requirement for all areas at the same time.

Matsuishi motioned, Fiore seconded, MOVE TO APPROVE THE 2009 BUDGET WITH A 10% INCREASE TOTALING \$6.00 PER HOMEOWNER PER MONTH AND AS PRESENTED WITH AN ANNUAL \$144,000 TO FUND THE MASTER RESERVES.

**Motion Passed (3-YES / 2-NO)**

President Alandar: The Master assessment will have a \$6 increase. Now we go to the Gardens.

Secretary/Treasurer Norris: Regarding the Gardens, I pretty much went with the proposal of Joe Broschka. He had two proposals, one with no increase and one with a decrease. I recommend that we don't look at a decrease for the Gardens until we can ferret out all the potential offset charges with the resolution that was passed. I know we still have some issues and we are still discussing what they should or should not be charged. So at this time my proposal for the Gardens for 2009 is no increase or decrease. There will be no increase to their second assessment. They pay the same increase to the Master as everyone else.

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| GARDENS Budget   |                                      | 2008        | 2009       |              |
|--|--------------------------------------|-------------|------------|--------------|
| GL#  | INCOME                               | Budget      | Budget     | \$90 Month   |
| 802  | Assessments-Gardens                  | \$116,640   | \$116,640  | \$270 Qtr    |
|  |                                      | \$119,140   | \$118,340  | \$1,080 year |
| <b>EXPENSES</b>  |                                      |             |            |              |
|  | Total Expenses Before Reserves       | \$77,480    | \$79,755   |              |
|  | Recommended Reserve allocation       |             | \$37,200   |              |
| 704  | Less: Gardens Reserve Interest       | \$ (29,997) | \$ (4,000) |              |
| 890  | Reserve Allocation                   | \$36,000    | \$33,200   |              |
|  | <b>TOTAL EXPENSES &amp; RESERVES</b> | \$113,480   | \$112,955  |              |
|  | Projected Surplus                    | \$5,660     | \$5,385    |              |
| A decrease in Garden Assessments is not recommended at this time until potential offset charges can be ironed out. |                                      |             |            |              |

Matsuishi motioned, Fiore seconded, ACCEPT THE PROPOSED BUDGET FOR THE GARDENS, WITH NO CHANGE TO THE SECOND ASSESSMENT AMOUNT TO BE CHARGED BUT WITH THE STIPULATION THAT LINE ITEM ADJUSTMENTS MAY BE MADE AS DETAILS ARE WORKED OUT.

**Motion Passed (5-YES)**

President Alandar: There will be a stipulation on that motion that it will be adjusted when we have all the details worked out.

President Alandar: Next item is the swimming pools. We took an informal poll with our newsletter. I got emails questioning us about the election we were holding. I had to reassure people it wasn't an election, it was just an informal poll. Lori and Betty Sargent went through the results.

## b. Community Pool Poll Results

Secretary/Treasurer Norris: A community poll was placed in the Ventana Views regarding two community pool issues: (1) placing all the pools, including the recreation center pool, into a heating rotation and (2) changing of children's use hours. 180 ballots were cast out of 1701 homes. The results: Heating only two pools per year and including the Recreation Center in the heating rotation (meaning the Recreation Center pool would not be heated every year) **Yes 65, No 108**. Changing the Children's pool hours from 10:00 a.m./7:00 p.m. to 12:00 p.m./6:00 p.m. **Yes 44, No 128**. There were 7 invalid ballots because they were photocopied.

We are wondering whether the community likes the idea of this type of poll and whether we can get the true voice of the community from such polls. We only received 180 ballots but that's 10% which is a good showing. So should we do some more polling like this? (Affirmative response from audience.)

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Norris moved, Fiore seconded, MOVE THAT ONLY 2 POOLS ARE HEATED PER YEAR, THAT THE RECREATION CENTER POOL WILL ALWAYS BE HEATED AND THE OTHER 3 POOLS WILL BE ROTATED.

**Motion Passed (5-YES)**

Resident Carol Turner: The pool at the recreation center is not hot enough for our night water. We have a lot of people with arthritis who cannot come anymore because they need it hotter. We were told it would be kept at 85 to 88 degrees and we would appreciate if you could check on that.

Manager Donovan: The heater in the pool is set for 88 but the thermometers may not be accurate. I will buy new thermometers tomorrow.

Director McCord: At this time we are looking into possibly installing solar panels to heat the recreation center pool and one other pool. We haven't done it yet, but if we do it, that would mean that two pools will always be heated year around and with the savings we could possibly heat one of the other pools. Down the line, we might even possibly install solar panels in the other two pools.

Norris moved, Fiore seconded, MOVE THAT THE CHILDRENS HOURS WILL REMAIN AS THEY ARE NOW FROM 10:00 A.M. TO 7:00 P.M.

**Motion Passed (5-YES)**

## NEW BUSINESS

### 1. Board Member Appointment

President Alandar: Appointment of Ron Young as a new Board member tabled because Mr. Young was not in attendance.

VP Matsuishi: One of the things that occurred during the last election was the selection of 5 new board members. My recollection is that each of the board members were voted on by the community and the one receiving the highest number of votes got 3 year, 2 year, 1 year terms. In the meantime, we have had two board members resign, one for 3 years and the other for 2 years. Since they were positioned in that 3 and 2 year term by the number of votes they received, if it was allocated that way, it would appear to me to be fair to the remaining board members with one-year terms, that they should be moved into one of those spots.

President Alandar: I don't think that's the way the Bylaws are written. I think we can only appoint to fill the vacancy.

VP Matsuishi: You would have continuity that way. It really doesn't make any difference to me, because neither I nor Joe will be running again anyway.

Director McCord: We adopted a vote a few years ago that said the Board would fill the term for the remainder of the vacancy. So the question would be, does he fill Darrell's seat which was three years or Moe's which was for two years?

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President Alandar: Actually, when I spoke with him, he said he would prefer to have the shortest term available.

Resident William Keitel: Isn't that covered in the Bylaws?

President Alandar: I believe it is. I don't have Ron's phone number with me. He may not have realized that he was going to be appointed tonight. The next item on the agenda will be the appointments to the Architectural Committee. I think Dr. Matsuishi was going to handle this.

Resident Eileen Pallas: In the four years that I have lived here I always voted on who went on the Board and who didn't. Where did this man come from?

President Alandar: Let me give you some background. Ron is a newcomer to Ventana Lakes, he moved here recently. This does mean he comes to us with no personal agenda and no preconceived biases. He is not a newcomer to community service. He served the public his entire career in law enforcement, with the Maricopa County Sheriff's Office, the Department of Public Safety and as liaison with the County Attorneys office. He has served under four different attorney generals since 1986 as a board member on the Arizona Peace Officers Memorial Board and has been president of the Fraternal Order of Police for the Grand Canyon State Lodge for six terms and the chair of the State Legislative Committee for the FOP for 5 terms. He is the founder and chairman of the Arizona Police Officers Memorial Charity Golf Tournament for 7 years. He has been a board member of the Clear Creek Pines Property Owners Association for 2 years. So I think he comes to us with a good background.

Resident Howard Penn: Is he a snowbird?

President Alandar: No.

Resident Rose Ann Fiebig: I'm not happy about that appointment. He is my neighbor and he is in violation of his dish. It is practically in my yard; it's above the fence. He was told he can keep it there. Now he is going to be a board member and I don't think that's right.

Secretary/Treasurer Norris: If somebody had something approved, how are they in violation?

Resident Ken Hunstad: It's in our architectural rules from Ekmark and Ekmark. I can get a copy for you. You should know about it.

VP Matsuishi: We know about it. The FCC has a stipulation that you have to allow the resident to place the dish in an area where they can get acceptable reception. They can get a letter from the satellite company indicating that this is the best place to locate the dish.

Resident Ken Hunstad: No, that isn't correct. I know that you approved it. You went over the Architectural Committee's head. You had no authority to do that.

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Director McCord: Ken, the rule is that it has to be out of sight unless you can't receive adequate reception otherwise. For the edification of everyone present, that particular installation was approved because he showed a letter from, not the technician, but the company, that said he was not getting adequate reception other than where it was placed. Under FCC rules, we must allow them to place it there. It was not our choice. The waiver was granted because we had to grant the waiver. Ken Hunstad knows that.

President Alandar: We can have the new Architectural Committee go out Monday to check it and see if it needs to be corrected. I still don't understand why the committee thinks it is more important than the elected Board. That is still totally beyond me.

**NOTE:** Architectural Committee to review satellite installation and verify proper documentation present and whether the location is the only location dish can be installed in accordance with federal regulations.

VP Matsuishi: Currently the only member on the Architectural Committee is Laura Miller and we need to appoint five members and two alternates. The qualifications for committee members are simple: You must respect the homeowners and the rules. We need a Board representative so that will be Tony Fiore. The other recommendations are Ken Matz, Mary Lou Sipila and Jim Alandar. The two alternates are Della Christian and Dick Matsuishi.

Resident Eileen Pallas: I feel that anyone that's on the Board should not be on any type of advisory or any other committee. If you are on the Board, that's your job, don't be deviated.

VP Matsuishi: The current Bylaws indicate that the President of the Board shall also be the president of the Architectural Committee. If the new Bylaws pass, that will probably change.

McCord moved, Norris seconded, THE APPOINTMENT OF THE FOLLOWING INDIVIDUALS TO THE ARCHITECTURAL COMMITTEE:

KEN MATZ

MARY LOU SIPILA

JIM ALANDAR

TONY FIORE (AS BOARD REPRESENTATIVE REPLACING MOE FRENETTE)

ALTERNATES: DICK MASUISHI AND DELLA CHRISTIAN

**Motion Passed (5-YES)**

President Alandar: Laura Miller continues as Chairperson of the Architectural Committee. Thank you to all of these individuals who have volunteered their service.

## 2. Advisory Committee Appointees

- a. Gardens -The Gardens Advisory Committee is different than our other Advisory Committees, as they have been established by Resolution of the Board, and their duties include representing and presenting recommendations on behalf of the residents of the Gardens during all major contract negotiations that affect the expenditure of substantial funds from the Gardens accounts – that is, the monies collected from their second assessment for the express purpose of landscaping,

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insurance, roof repair and replacement. The persons appointed to this committee are: Chairman Tony Fiore; Patricia "Pat" Hollod; and Brian McLaughlin. Alternates: Don Horton and Joe Broschka.

McCord moved, Matsuishi seconded, MOVE THAT THE FOLLOWING PEOPLE BE NAMED TO THE GARDENS ADVISORY COMMITTEE: CHAIRMAN TONY FIORE, PATRICIA HOLLLOD AND BRIAN MCLAUGHLIN AND AS ALTERNATES DON HORTON AND JOE BROSCHKA.

**Motion Passed (5-YES)**

b. Shores - Shirley Millsap will represent the Shores, which has 159 homes.

Fiore moved, Norris seconded, MOVE THAT SHIRLEY MILLSAP BE APPOINTED TO THE SHORES ADVISORY COMMITTEE

**Motion Passed (5-YES)**

c. North Park - Rod McDonald will represent North Park, which has 135 homes.

Matsuishi moved, McCord seconded, MOVE THAT ROD MCDONALD BE APPOINTED TO THE NORTH PARK ADVISORY COMMITTEE

**Motion Passed (5-YES)**

President Alandar: We hope that homeowners in other subdivisions within Ventana Lakes will also consider coming forward to speak up for their neighbors, and to speak to them about current events in Ventana.

Norris moved, McCord seconded, THERE BEING NO FURTHER BUSINESS TO DISCUSS, MOVED TO ADJOURN.

**Motion passed**

**Board Meeting adjourned at:** 8:36 p.m.

\_\_\_\_\_  
Lori Norris, VLPOA Secretary

Date: \_\_\_\_\_