

Minutes
VLPOA BOARD of DIRECTORS
Meeting of October 21, 2009

The meeting was called to order by President Sue Alandar at 1:30 PM.

Pledge of Allegiance

Roll Call: Present were: President Sue **Alandar**, Treasurer Judy **Mabie**, Members Earl **Ewing**, Tony **Fiore** and Chet **Homan**. Absent were Lori **Norris** and Joe **McCord**.
Also Present: Community Manager Jack **Donovan**.

1. Approval of Minutes: It was decided that the Board would hold off on the approval of the Minutes for the September 19, 2009 Meeting until Secretary Joe McCord returns. Sue Alandar suggested that the President's Report, Finance Committee Report, Treasurer's Report and Manager's Report should be inserted directly into the Minutes instead of "attached". However, the Finance Committee Report and Treasurer's Report will also be available as separate attachments. Chet Homan motioned to accept and Judy Mabie seconded. Motion passed 5:0.

2. COMMITTEE REPORTS:

a. Architectural Committee: In the absence of Chairman Laura Miller, Jack Donovan read her report as follows: The A/C processed 23 requests, completed 18 inspections, followed up on 4 Violations and 7 Follow-up Inspections, and 6 home re-sale inspections. There was 1 denied request. The total inspections for September were 59. All 36 open files have been closed.

b. Maintenance Committee: Dave Bracken reported that the biggest problems they have encountered are blocked toilets, as in previous months, and changing light bulbs. He also reiterated that we need to rely on the residents to let us know if something is broken by contacting the Management Office so the Maintenance Committee can fix the problem. Some residents have complained that there is never enough hot water at the Rec Center and we can't seem to keep the soap dispensers full. He suggested keeping showers to a maximum of 3 minutes and noted that we do have an industrial 100 gallon hot water heater. Community Manager Jack Donovan reported that it seems that some residents are using soap from the soap dispensers instead of bringing soap from home for their showers. We keep a daily log on this as we are losing more soap to the shower room than hand-washing.

c. Lakes Committee: Community Manager Jack Donovan advised that, with the exception of a small amount of debris on the south end of Lake 9 and the inlet on Lake 2, the Lakes are in good condition with no sign of algae whatsoever. Water Resources

will be out on Friday to clear up the debris.

d. Finance Committee: Judy Mabie stated that the Finance Committee met on October 13th, October 16th and October 20th. Following is her report. The Finance Committee met on October 13th, 16th and 20th.

At our first meeting, Don Holtzee gave his report on The Reserve Study progress. Twenty-seven projects were listed to be completed in 2008. Only six were done but an additional project had been completed several years earlier.

In 2009 ten projects were scheduled and of these four have been accomplished.

Yet expenditures were used on at least six projects not included in the Reserve Study. Our buildings and facilities are aging and to protect our property values and maintain our common areas and facilities making our community a good place to reside, it is imperative we take seriously the improvements, repairs and replacements identified in the Reserve Study.

Other topics discussed include payment responsibility for Gardens irrigation lines, contingency fund contributions, late fees for assessments, Gardens secretarial payment responsibilities, mileage, Bingo, Activity funds, authorization of Board members to sign payment invoices, and reimbursement of staff and volunteers.

The other two meetings were necessary for the committee to reconcile the budget, identify areas which will need to be increased significantly in next year's budget due to the amount we're over budget in specific line items and beginning to put together a budget to present at an open meeting next month. With nine months behind us we are better able to predict our year end figures.

The attached items are being requested of the Board.

1. Authorization to Approve Payment of Invoices: The Finance Committee recommends the Board develop a policy authorizing the Treasurer and his designee to approve payment of invoices by initialing invoices, checking to ascertain the correct account has been written on the invoices, and presenting them to the community manager for payment.

2. Reimbursement Policy: The Finance Committee recommends the Board develop a policy on the reimbursement of staff and volunteers. The CC&Rs provide direction for Board member reimbursement, but not for staff or volunteers.

3. Reserve Study Request: The Finance Committee strongly urges the Board to plan for and implement an ON SITE Reserve Study in 2010 in order to provide preventative maintenance, uphold property values and identify repair and replacement projects with approximate costs. The last on-site study was done in 2003.

4. Late Charges for Assessments in Arrears and Liens: In reviewing CC&Rs pages 26-30, the Finance Committee points out that a policy is already in place in conjunction with state legislation (A.R.S. 33-1807) regarding liens and late payments fees. We ask that the late charges be increased to \$20 MONTHLY for assessments in arrears for one month or more, or ten percent of the unpaid assessment and those liens be placed in compliance with our documents and state legislation.

5. Change in Contingency Fund Request: The Finance Committee requests the Contingency Fund Process be amended as follows: During the first year of the Contingency Fund, no money shall be removed from the Reserve Fund contribution. Instead, the money from excess key liabilities reported in 2009 shall be deposited in the Contingency Fund for the year 2010.

e. Landscape Committee: Sue Alandar pointed out that we do not have a Landscape Committee and she is looking for volunteers.

f. Liaison with City Council (Joe McCord): There will not be a City Council Report since Joe McCord is not in attendance.

3. PRESIDENT'S REPORT (Sue Alandar):

First I would like to welcome everyone back after the long hot summer. I'll also bring you up to date on the current status of the Ventana Lakes Rules.

As you may have already read in the Ventana Views, all Board policies are being reorganized into a comprehensive set of rules organized by subject and by audience. In the first draft, Rules that affect all homeowners are all together, rules affecting Board operations in another, Rules affecting volunteers and committees another, and Management also has its own set of rules from the Board.

The Board had a working session on October 12 and has come up with a much simplified numbering system that will be used in the second draft. We are also removing anything from the rules that is no more than a restatement of the CC&R's. In addition, we have identified some issues in the rules affecting homeowners and volunteers that will need to be discussed and decided in a regular open meeting before the second draft is written. These issues are, to date, as follows:

1. Current policy does not state the use for resale transfer fees. Since these cannot be predetermined, the income cannot be specified for an annual operating budget. This may be resolved today as part of this agenda. The remainder of these will be on the agenda for November.
2. Should the Guest Pass be increased from \$1 to \$5? At least one Board member believes that guests are receiving a lot of privileges for only a dollar.
3. The policy on wearing identification badges: A rule saying "shall" generally means it will be enforced. To date there have been no sanctions (fines or loss of privileges) for not wearing an i.d. badge. Should there be? Previous policy said "must"; community information pamphlet said "shall"; proposed language is "should."
4. Should the boat registration policy be repealed? It has not been enforced for two years due to lack of volunteers to report failure to comply. This has not created problems in the community.
5. Lastly, should persons who coordinate activities for social clubs or groups be considered "volunteers" for rule purposes?

We will be having another working session to address the rules on the Board and Management in early November. If anyone has not yet seen the first draft of the rules, you can find them on the Ventana Lakes website. Scroll down on the first page until you see:

Rewriting Community Policy Resolutions:

Then click where designated.

Alternatively you can go to the Management Office and request a paper copy. Any written comments should be submitted directly to me by e-mail – the address is on the website – or you can drop them at the Management Office to my attention. I'll make editorial corrections for the next draft; if it's an issue it will be brought to the Board.

4. TREASURER'S REPORT: (Judy Mabie):

a. The Colby Financial Statement: September financial records were received from Colby on October 14, 2009. The statements were accepted as presented except for the Gardens audit expenditure and the usual discrepancies created by combining accrual and cash accounting methods.

b. Expenditure Status – Master: To assist the Board and residents in understanding possible increases in specific line items in the 2010 budget currently being developed, the following items show the amount budgeted for 2009 and the actual expenditures in those accounts after 9 months. It is vital we realize our community is growing older just as we are, and repairs and replacements will continue to be necessary. Even so, we hope to end this year with a balanced budget overall.

Account	2009 Budget	Expenditures - 9 months
Computer IT	\$900	\$4,582.70
Comp. Hardware	-	308.68
YC Rental Exp.	-	10.94
Membership Dues	250	361.80
Office Equip. lease	4800	13,065.55
Postage	2665	4,157.00
Workers Comp	-	163.00
Refuse Coll.	1000	1,099.82
InHouse Repair Sup.	-	1,369.53
Mnt. Outside Cont.	16,100	24,995.02
Elec. Repair/Mnt.	2,000	3,013.99
Lock Repair/Repl.	-	2,709.90
Pool Room Furn	1800	2,001.98
Concrete Repair/Repl.	-	2,865.00
Lake Chemicals	5800	6,921.51
Pool/Spa Minor Repair	9200	10,942.38
TreeTrim/Repl?Rem.	34,000	41,959.12
Additional Expenditures;		
	Painting Fences	1,065.19 (Reserves)
	Kitchen Rep.	5,714.23
	Sod	20,280.72 (Reserves)
	Irrigation rem.	17,335.46 (Reserves)
	Lake 2 Ren.	34,984.72 (Reserves)
	Solar Energy	28,194.05
	Defibrillators	2,632.95

Misc. (Parking lot) 342.79

c. Expenditure Status - Gardens

As predicted, electric, water, and tree accounts are overbudget with three months remaining in 2009. Some or all of the irrigation expenditures may be paid by the Master Reserves since the NE Quadrant item appears in the 2007 Reserve Study.

Account	2009 Budget	Actual Expenditures - 9 months
Electric	\$225	\$ 226.23
Ir. Repair	1600	4054.87
Water	1857	4455.77
Trees	8293	8857.41

d. Master Reserves and Cash Balances

CD Brokerage Invested in WF	\$ 527,000.00
Current Value WF CDs	537,465.07
8 Additional CDs	533,999.86
WF Money Market	170,473.39
WF Account Bal. Summary	707,938.46
Cash Balance	79,006.34
Colby Total Master Reserves	1,318,677.86

e. Gardens Reserves and Cash Balances

CD Brokerage invested in WF	207,000.00
Current value of WF CDs	207,591.47
WF Money Market	42,761.17
Colby Total Reserves	249,761.17
Cash Balance	2,528.04
WD Account Bal. Summary	249,761.17

f. Delinquent Homeowner Accounts

Happily, the number of homeowners in arrears has decreased by 15 to 50, with the total amount owed now at \$ 24,300.80 down \$4,751.99 from last month. Of the 50 in arrears, 26 owe only one month or less while 17 owe \$500 or more.

5. MANAGER'S REPORT (Jack Donovan):

a. On October first we switched the assigned pool for the children from the North Park Pool to the Yacht Club Pool. Heating of the pools will be restricted to the Yacht Club Pool, and the Recreation Center Pool. We have begun heating the pools, and will maintain them between 85 and 88 degrees.

b. One of the aerators on Lake 8 stopped working. We had Water Resources in to inspect the line to the aerator. They found that the line from the air pump to the aerator head had been pulled off, probably by a fishing line. It was repaired by Water Resources.

c. The re-circulating pump on Lake 2 failed on September 24th. We had Water Resources out to do the repair the following Monday. They found the pump jammed with pine cones, probably the result of the pump not being shut off while the baskets are cleaned. Water Resources cleaned the pump, and re-started the system, and it has been working fine. We have reminded the landscapers to shut off the pump motors before cleaning the baskets.

d. A saguaro on the Beardsley median at 111th Avenue had been leaning badly. We had scheduled the landscapers to remove the saguaro, but they were beaten to the punch by the City of Peoria. The tree was rotten at the base, and a severe windstorm would have toppled it onto Beardsley.

e. Overseeding has been completed on all common areas, with the exception of overseeding the new sod around Lake 2.

f. We have had a succession of equipment leaks at the pools. It is not an epidemic, just the case of the equipment being 20 + years old.

g. In early November, HelioCol, the manufacturers of our solar systems, will have to replace the concrete footings on the Yacht Club solar panels (they were not installed to specifications). On November 2nd and 3rd we will close the Yacht Club pool and spa to all users, as the HelioCol people will be using heavy equipment to make the repair. All of this is being done at no cost to Ventana Lakes. We will heat the North Park Pool beginning on October 30, and open that pool to residents and children on the 31st, to remain open until repairs are finished.

h. During the weeks of September 28th and October 5th, tree branches from the median trees along Beardsley Rd. fell onto the road presenting a hazard to vehicles travelling along Beardsley. I requested that Valley Crest Arbor complete an examination of all trees on the Beardsley median, and that report should be available this week.

In addition, a large branch fell very close to two maintenance workers from a tree on the Recreation Center circle. I have asked the VC Arbor group to look at all trees on that circle, and to trim back tree around the Card Room, which are resting on the CR roof.

6. OPERATIONAL MATTERS: Read by Jack Donovan):

a. Easement for Big Boys Toys. As most of you know, Big Boys Toys (BBT) has purchased the empty lot Northwest of Walgreens. Their site plan was approved by the Board, as Ventana Lakes holds architectural control over the parcel of land where BBT will be building. One of the easements approved concerned a safety gate on the West side of the BBT property, which would give fire and police access to the BBT property during non-business hours, from 103rd Drive. BBT has recently requested an additional easement at the same site (103rd Dr.) to place water and sanitary lines connected to Peoria sewer and water. The company doing the work have assured me that, the easement will not impact any properties owned by Ventana Lake's residents, but will be constructed on Peoria City right-of-way. He recommended that the easement be approved. This matter was referred to the Architectural Committee.

7. OLD BUSINESS:

a. Auditor's Recommendation to Capitalize Assets at \$2500.00: Chet Homan motioned to adopt the \$2500.00 policy; seconded by Tony Fiore. Motion passed 5:0.

b. Access to Records by Board Members in order to protect Homeowner's privacy and personal information: Sue Alandar asked for a motion to adopt a policy that any request for homeowner information should come through the Board collectively. If not possible, the Community Manager would document such request and share with the Board. Chet Homan motioned to accept this policy; Judy Mabie seconded. Motion passed 5:0.

c. Decision on source for expenditure of \$5,648.22 for addition of water line at the Gardens, Lots 11 through 22: Community Manager Donovan reported that this work has been completed. Judy Mabie said it was the opinion of the Finance Committee that this work should be paid for from the Reserves and so moved; Chet Homan seconded. Motion passed 4:0 with an abstention by Tony Fiore.

d. Draft Policy on Liens: Sue Alandar asked Judy Mabie to start the discussion. Judy stated that in reviewing the CC&R's, pages 26 through 30, the Finance Committee found that a policy is already in place regarding liens and late

payment fees. Page 26 specifically states that any assessment which is one month in arrears is a late assessment and homeowner will be fined \$15.00 or 10%, whichever is greater, on any unpaid assessment which will be accrued monthly for homeowners who continue to be in arrears. We are not in compliance with state legislation as we have been charging late fees on a quarterly basis and using \$15.00 as the fine. Sue Alandar asked "does this mean the Board cannot waive the fine for a late assessment since this is covered by legislation?". Judy Mabie stated the language in the legislation does not discuss waivers. Sue Alandar pointed out that we have to make it absolutely clear that we will charge fees in accordance with the law and this information must be published in our next newsletter.

8. NEW BUSINESS

a. Appointment of Chairperson for Election Committee: Two volunteers have come forward for this position, Eileen DeMeloitz and Sue Ward. Sue Alandar asked for a motion from the Board to appoint one of these ladies as Election Chairperson. Judy Mabie made a motion to appoint Eileen DeMeloitz and Tony Fiore seconded. Motion passed 5:0. The appointment was accepted on behalf of Ms. DeMeloitz by Pat Bracken.

b. Board Liaison for Election Committee: Sue Alandar motioned to appoint Judy Mabie as Board Liaison and Tony Fiore seconded. Motion passed 5:0. Judy Mabie accepted the nomination.

c. Coffee Socials: Jack Donovan stated that we have had a problem getting volunteers to serve and also a problem with attendance at these functions. There has been a Staff recommendation that we change these socials from monthly to quarterly. Judy Mabie suggested that we continue on a monthly basis for the next few months to see if we are able to get volunteers from the 65 residents who took the kitchen test and made a motion to keep the coffee socials as status quo until after the election. Seconded by Earl Ewing. This was tabled until March.

d. Past Due Notices: See (Old Business #d).

e. Invoicing: Adoption of a policy regarding verification of prices and dates was tabled upon further review by the Finance Committee.

f. Authorization to Approve Payment of Invoices: A question arose from the Board as to whether they were to simply verify that the invoices are coded to the proper account or are they actually approving payment of the invoices. The Finance Committee suggested the Board adopt a policy where any Board Member approving payment of an invoice should initial that invoice. Sue Alandar stated that the Board has

always relied on the Staff to verify the accuracy of the invoices. Jack Donovan pointed out that no staff member has ever approved invoices. That was always done by the Treasurer. The staff codes invoices but does not approve invoices.

Regarding invoices pertaining to The Gardens, Tony Fiore requested that a work order issued by the staff include the cost of the work to be completed. He also asked who is verifying that the amount charged is in compliance with the terms of the landscape contract.

Sue Alandar requested the Finance Committee to look into the whole process. Tabled for further review after the budget process.

g. Reimbursement Policy: Judy Mabie reported there are many pages of reimbursements to be made to staff and volunteers and she feels things are not as organized as they should be. She is looking to the Board for approval for the Finance Committee to pursue developing actual language and procedure regarding reimbursements. Tony Fiore motioned for Board Approval ; Chet Homan seconded. Motion passed 5:0.

h. Reserve Study Request: Sue Alandar asked for a motion to approve an On-Site Reserve Study and also to include the cost in the 2010 budget. Chet Homan motioned to do an On-Site Reserve Study; Judy Mabie seconded. Motion passed 5:0. Community Manager Jack Donovan suggested we do an RFP to obtain the cost of this study.

i. Late Charges for Assessments in Arrears and Liens: See 'Old Business" Draft Policy on Liens, #d.

j. Change in Contingency Fund Request: The Finance Committee requests the Contingency Fund Process be amended as follows: During the first year of the Contingency Fund, no money shall be removed from the Reserve Fund contribution. Instead, the money from excess key liabilities reported in 2009 shall be deposited in the Contingency Fund for the year 2010. In addition to this, there is a recommendation that resale transfer fees also be placed into the Contingency Fund. Finance Committee Member Joe Broschka strongly objected to the transfer of the key money to the Contingency Fund and suggested instead to transfer that money to Retained Earnings. Sue Alandar asked if anyone wanted to make a motion to adopt a rule for the Contingency Fund that would put our key money into the Contingency Fund effective January 1, 2010. Motion by Judy Mabie; seconded by Tony Fiore. Motion passed 4:0 with one abstention by Tony Fiore.

Vada Bowers volunteered to serve as Recording Secretary for the Board. This will be on the next agenda.

9. ADJOURNMENT: Motion to adjourn by Judy Mabie; seconded by Tony Fiore.
Meeting adjourned at 3:40pm.

Respectfully submitted,

Susan L. Alandar
President