

MEETING MINUTES

Las Torres Homeowners Association
Board of Directors Meeting
Tuesday, November 13, 2018@ 12:30 pm
Carefree, AZ Fire Hall Community Room

ATTENDANCE:

Board of Directors:

Pam Dixon, President
Leigh Tollefson, Secretary
Debbie Robertson, Treasurer

Las Torres Homeowners:

101 - Robert Luciani
105 - Dorothy Rerich
106 - Bob & Leigh Tollefson
202 - Nan Boyer-Searle
301 - Debbie Robertson
302 - Jack & Pam Kaffer
303 - Tom & Georgia Desmarias
401 - Pam Dixon
402 - Kelly & Lynn Storla
503 - Diane Griffith
504 - Michael Moore
603 - Kris Strike

- I. **Call to Order:**
HOA Board President Pam Dixon called the meeting to order promptly at 12:30 pm

- II. **Approval of Minutes from August 21, 2018 BOD Meeting:**
Motion to accept the Minutes as previously reviewed by the Board made by Debbie Robertson
Motion was Seconded by Pam Dixon
Vote: unanimously approved

- III. **Reports:**
 - A. **President's Report:** *(Please see attached)*
President Pam Dixon is resigning her position as President of LTHOA
She will assume the position of LTHOA Vice President until March 2019 in order to smooth the transition to the next HOA Board of Directors

B. **Treasurer's Report:** *(Please see attached)*

Treasurer Debbie Robertson provided Disclosure Statement regarding financials. In addition, an overview of the issues with Kachina Management was offered. Currently, LTHOA has received financials from September, but not October yet.

C. **Manager's Report:**

Kachina Management, Mark Roundsaville, was not in attendance.
21448 North 75th Avenue, Suite# 11, Glendale, AZ. 85308

D. **Landscape Committee Report:** *(Please see attached)*

Chairperson Jack Kaffer discussed the following items:

- o Short Term Action Plan: gravel and river rock have been scheduled through "Lawns by Les" pending approval at today's LTHOA Meeting
- o Las Torres Fire Pit updates have been completed and ready for use
- o Shout Out to the Las Torres residents who have shown support for improving the irrigation system leaks by spending countless hours on this project, especially Robert Luciani and Michael Moore.
- o Committee agreed that irrigation is a maintenance issue and therefore, the focus of continuing this project will be with the Maintenance Committee with support from the Landscape Committee

E. **Maintenance Committee Report:** *(Please see attached)*

Chairperson Bob Tollefson discussed the following items:

- o Committee Meeting held on Monday 11-12-2018 including Walk-Around Inspection of Las Torres Community
- o Items to be covered include: Irrigation, replacing Night Lighting, Motion Lights, window leaks, and balcony leak
- o Starting January 2019, will hold Monday Morning Maintenance Team effort to address/repair irrigation, small site issues, etc., and sport court repairs
- o Communication of any future maintenance concerns: Contact Bob or Jack

F. **Budget Committee Report:** *(Please see attached)*

Chairperson Debbie Robertson

- this report will be covered under Homeowners Forum - Section VII

IV. **Old Business:**

A. **Spa Upgrades and Bids**

- o Discussion: Three bids received - items included are not clearly defined.
- o "Coral Pools" - \$ 6475.00
- o "California Pools" - \$ 8600.00
- o "Arizona Pool Guy" - \$ 6700.00

Acceptance of the final bid pending the following items to be included:

- o Maricopa County preference of white tile to replace mini-pebbles
- o Maricopa County notice of contrasting blue tile to edge steps for safety
- o Change safety rail for easier access - place to side of steps/close to pool
- o Dam between pool and spa included
- o 2 jets on West side of spa are not working - needs repair
- o ADD pool deck repair on same side as spa/near safety rail into pool deep end
- o NOTE: *scheduled work approximately 4-6 weeks out from 11-13-2018*

Motion to accept "Coral Pools" bid not to exceed \$ 7500.00 made by Pam Dixon

Motion was Seconded by Debbie Robertson

Vote: unanimously approved

B. Revisit General Common Elements notice to Homeowners

- o Letter will be sent to each Home Owner in December
- o Architectural Guidelines updated information available to any Home Owner who requests a copy
- o Communication/correspondence to LasTorresHOA@outlook.com
This email address is available to all LTHOA Board members
Who will then forward the message to the appropriate LT Committee

V. New Business:

A. Return to five member Board - appoint two Homeowners to serve until elections in March 2019

- o Motion to return to five member HOA Board made by Debbie Robertson
- o Motion was Seconded by Pam Dixon
- o Vote - unanimously approved
- o Motion to appoint two Homeowners to serve until elections in March 2019
Pam Kaffer and Michael Moore... made by Pam Dixon
- o Motion was Seconded by Debbie Robertson
- o Vote - unanimously approved
- o Las Torres Board of Directors as of November 13, 2018 - March 2019;
Leigh Tollefson - President
Pam Dixon - Vice President
Debbie Robertson - Treasurer
Pam Kaffer - Secretary
Michael Moore - Member at Large

B. Review "Tree Doctors" bid

- o Discussion:
 - Determine Olive Tree Spraying cost
NOTE: *Not included in original bid - extra cost \$490.00*
 - Determine African Sumac Tree Spraying cost
NOTE: *Tree Doctors stated never known African Sumacs to be sprayed*

- o Motion to accept "Tree Doctors" bid not to exceed \$ 5500 pending inclusion of Olive Tree spraying made by Debbie Robertson ...
(*actual bid \$ 4666.80 + \$ 490.00 olive tree spray = \$ 5156.80*)
- o Motion was Seconded by Leigh Tollefson
- o Vote: unanimously approved

C. Review "Lawns by Les" bid

- o Discussion: Gravel to be spread near all Las Torres Homes
-River Rock will be added in 4 places to edge/reduce gravel rock loss
-Sundance **Hill** gravel **will** be postponed to explore long term solutions to gravel loss - options discussed with "Lawns by Les"
- o Motion to accept "Lawns by Les" bid not to exceed \$2100 made by Debbie Robertson ...
NOTE: (*actual bid \$5830 - \$3760 Sundance Hill = revised bid \$2070.00*)
(*Board approved pending completion Landscape gravel @ \$1650 - difference \$420*)
And new bid presented by Lawns by Les
- o Motion was Seconded by Pam Dixon
- o Vote: unanimously approved

D. Review "Progressive Roofing" bid

- o Discussion: Current 7 Flat Roof Warranty expires 12-01-2019
- 7 Flat Roofs are in marginal to poor condition/restore rather than replace
Annual Flat Roofs Maintenance Plan \$3500 once per year
NOTE: *Alternative method to place \$3500 in LTHOA Reserve Fund*
-Pam Dixon **will** check 2015 documentation to determine if 7 Flat Roofs are Under Warranty for restoration
-Leigh Tollefson will contact Progressive Roofing to clarify the Warranty and re-evaluation of Unit# 303 and Unit# 105
- Tile Roofs are in excellent condition with excellent materials
NOTE: *Recommended Best Care- stay off the roofs*
- o Motion to accept "Progressive Roofing" bid for restoring 7 Flat Roofs pending inclusion of a re-evaluation of Unit #303 at a cost of \$6149.00 made by Pam Kaffer ... NOTE: (*actual bid \$ 6149.00*)
- o Motion was Seconded by Michael Moore
- o Vote: unanimously approved

E. Review Termite Warranties/ Contracts (*Please see attached*)

- o Discussion: 2 bids received for consideration
-Sexton Termite Service: one year Warranty \$ 2500.00
Five year Warranty (trench/rod treat and drill) \$ 7030.00

-Arizona Termite Experts:

One year Warranty (spray when termites detected)	\$ 1975.00
One year Warranty (trench & rod treat soil)	\$ 7120.00
One year Warranty (trench/rod treat & drill)	\$ 8950.00

-Signs of Termites: will spray soil/ drill slabs

-Spray for Subterranean - nothing in LTHOA records

-No restoration/ replacement of infested wood

-5 Las Torres units in the 500's have crawl spaces/verify if covered

- o Motion to accept "Arizona Termite" bid for One Year Warranty termite protection pending inclusion of 5 LT units in 500's with crawl spaces at a cost of \$1975 ... made by Debbie Robertson NOTE: *Actual bid \$1975*

In addition, LTHOA will pay for inspection of 25 Las Torres homes interiors
At \$10.00 per home for a total of \$250.00

- o Motion was Seconded by Pam Kaffer
- o Vote: unanimously approved

F. Non renewal Kachina Mgt contract - "Action in Lieu" (*Please see attached*)

- o LTHOA Board of Directors sent certified letter "Action in Lieu" (*unanimously accepted and recorded by written signature*) on October 26, 2018 stating intent not to renew the Kachina Management contract for 2019, and will let the current contract expire according to its own terms on December 31, 2018
- o Current Kachina Mgt. Contract is \$775.00 per month - \$9300 per year
Plus fees for administration, etc.

G. Self Management vs. new Management Company

- o Discussion:
- o Advice from LTHOA lawyer - Mark Sahl @ Carpenter-Hazelwood - was cautionary in the Las Torres Board taking on duties of a management co.
- o The following have been upgraded toward self management:
 - Increased budget for Legal services
 - Increased budget for Accounting services
 - LTHOA accounts set up for autopay
 - Carefree, AZ post office box for LTHOA mail
 - New email address for communication through LTHOA Board
 - Banking accounts established at National Bank of Arizona
 - System of "checks and balances" in place
 - Insurance upgraded
 - Treasurer insured and bonded
 - Legislative/ statutory changes/ Board responsibilities
 - Maintain 5 member Board and Committees to cover work load
 - System of resolution of neighbor conflicts
- o Currently, there has been a true sense of community involvement and teamwork ethic that underscores the opportunity for success in self management with willing and active Las Torres community members

- o Email survey of 25 Las Torres Homeowners results:
15 voted "yes" - 3 voted "no" - 2 "abstain" - 5 "no response"
- o Vice President Pam Dixon prepared rebuttal statement
- o At the very least, there is the option of returning to another management company in the future
- o Motion to move forward with Las Torres HOA Self Management made by Pam Kaffer
- o Motion was Seconded by Michael Moore
- o Vote: unanimously approved

VI. 2019 Draft Budget and Homeowners Round Table Discussion:

- o Budget Committee Chairperson Debbie Robertson presented 2019 Budget
(Please see attached)
- o President Leigh Tollefson opened the floor for Homeowners Round Table
- o No Homeowner discussion was presented
- o Motion to approve the 2019 Budget proposal to present to the Las Torres Home Owners to ratify made by Pam Dixon
- o Motion was Seconded by Pam Kaffer
- o Vote: unanimously approved

VII. Home Owner Forum

- o Homeowner Kris Strike questioned the "Lawns by Les" Landscape Crew possibility of having patio areas' debris blown on weekly or monthly basis
Landscape Chairperson Jack Kaffer will contact Les Coates to determine the context in the "Lawns by Les" contract
- o No further Home Owner discussion

VIII. Adjournment

There being no further business of LTHOA Board at this time, President Leigh Tollefson called for a motion to adjourn;

- o Motion to adjourn the November 13, 2019 LTHOA Board meeting was made by Michael Moore
- o Motion was Seconded by Debbie Robertson
- o Vote: unanimously approved
- o President Leigh Tollefson declared the meeting adjourned at 3:04 pm

Respectfully Submitted on November 17, 2018,

Pam Kaffer
Las Torres HOA Board of Directors, Secretary

SIGN IN SHEET
LAS TORRES BOD MEETING
Carefree Fire Hall Community Room
Tuesday, November 13, 2018
12:30 - 2:30
Buildings 1, 2 and 3

Unit 101 *ROBERT LUCIANO*

Unit 102

Unit 103

Unit 104

Unit 105 *Dorothy Ketchick*

Unit 106 *BOB & LUGH TULLIPSON*

Unit 201

Unit 202 *Nan Boyer - Searle*

Unit 203

Unit 204

Unit 301 *Debbie Robertson*

Unit 302 *Jack + Pam Kaffer*

Unit 303 *Tom & Georgie Hernandez*

SIGN IN SHEET
LAS TORRES BOD MEETING
Carefree Fire Hall Community Room
Tuesday, November 13, 2018
12:30 - 2:30
Buildings 4, 5 and 6

Unit 401

Unit 402 *Lynn Kelly Storta*

Unit 403

Unit 501

Unit 502

Unit 503 *Victoria Stuppert*

Unit 504 *Michael Moore*

Unit 505

Unit 601

Unit 602

Unit 603 *Kris Strike*

Unit 604

LAS TORRES HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
AGENDA

Tuesday, November 13, 2018 12:30 pm
Carefree Fire Hall Community Room

I. Call to Order

NOTE: This is a LTHOA Board of Directors meeting. LTHOA Owners may participate only during Old and New Business portions and during the Draft Budget Roundtable discussion of today's meeting after being recognized by the presiding Director. Owners can comment on and ask questions about agenda items after the Board has discussed the item, but before the Board takes formal action on that item. We are a small group but Parliamentary Procedures still apply unless suspended by the Chair.

II. Approval of Minutes from August 21, 2018 BOD meeting.

III. Reports

- A. President's Report
- B. Treasurer's Report
- C. Manager's Report
- D. Landscape Committee Report
- E. Maintenance Committee Report
- F. Budget Committee Report

IV. Old Business

- A. Spa upgrades and bids
- B. Revisit General Common Elements notice to Homeowners

V. New Business

- A. Return to a five member Board - appoint two Homeowners to serve until elections in March 2019.
- B. Review Tree Doctors bid
- C. Review Lawns by Les proposal for gravel and boulders
- D. Review Progressive Roof new contract proposal including flat roof replacement costs (due in 2019).
- E. Review termite warranties/contracts - Sexton and Termite Specialists
- F. Non renewal of Kachina contract - Action in Lieu
- G. Self management vs. a new management company

VI. 2019 Draft Budget and Homeowners Round Table Discussion

VII. Homeowners Forum

NOTE: This is the time for Owners to make comments and suggestions about anything. We respect your opinions and will always welcome them. Members of the Board may not discuss items that are NOT on the agenda. No actions, pursuant to A.R.S. §38-431.01(G), can be taken today as a result of Owners comments.

VIII. Adjournment

Per Arizona State Statute 33-1248 (AZ Condo Act) All meetings of the Association and Board of Director Meetings are open to all members of the Association or to any person designated in writing by a member to appear as the member's representative for that meeting.

President's Report November 13, 2018

From: dixonpam <dixonpam@aol.com>
To: dixonpam <dixonpam@aol.com>
Subject: 11/13 BOD Meeting Notes
Date: Tue, Nov 13, 2018 11:30 am

As some of you know I'm stepping down as President of Las Torres in a few minutes. It's been a real pleasure to have helped this community for over 7 years, with 4 of those as President. I have some painful medical issues this year and both my pain & my new medications have left me less than 100%. I'm also not willing to serve on a self-managed board in this community, having done that previously. I will stay on as VP just until elections in March so there is an orderly transition. As President it's been my fiduciary responsibility to conduct the business of the Assoc lawfully. And as a volunteer I did all I could do. It's time for new owners to take over and with both Debbie and Leigh handling the two most important Board positions you will be in good hands.

After speaking with our attorney and explaining that 2 BOD members would likely vote to return to self management I asked his advice. He told me he would not recommend that but the decision is up to the BOD. I told him that I did not want to be a part of a self managed BOD again and told him I would most likely resign. He said that was a good idea he would also. And I don't blame you.

My personal opinion is that if we do vote to go self managed that all Board members take advantage of our Attorney's advice and offer to do a new board member orientation. If someone's not willing to do that or to attend continuing ed class once or twice a year they don't belong on our BOD.

When an owner asked me why I argue with Deb or Leigh I explained that I don't. I just try to explain things and legal ramifications to them because they look at things differently and that's my job as President. That owner then told me I was taking my responsibility too seriously - that being President is not such an important or big deal as I see it to be and that I was ruining my life. Yes we're a small community - duh, that's why I'm here. But our corporation is still a corporation, needs to be run lawfully and in compliance with our AZ Condo Act, AZ Non-Profit Corp laws, our CC&Rs, Bylaws, Architectural Guidelines, Home Owners Manual and also AZ HOA case law. Board members have a fiduciary responsibility to uphold all those rules and regulations or else change them

legally. Every HOA is only strong if they uphold their regulations and sometimes that's unpopular. But it's part of the responsibility your new BOD members will be taking on.

Leigh - I hope you will assume this position, be an example to the owners and step up to both embracing our regulations on a personal basis and as an example to other owners.

PS: It's illegal to say a no response is a yes vote.

TREASURERS REPORT November 2018

Bank Account Balances as of 9/30/18 (adjusted)

General Account	
Balance Sheet-Biltmore	\$ 539
Balance Sheet-Parkway	\$5,736
To adjust: temp transfer from Ops Reserve	(\$4,000)
Adjusted Balance	\$2,275
Operating Reserve	\$11,183
To adjust: Temp transfer to General	\$4,000
Adjusted Balance	\$15,183
RR Reserve	\$146,354

Expenses:	(Adjustments)
*	\$550 under Sewer and Contract Srv is a bill that was paid twice; Kachina to get reimbursement
*	(\$4,000) under Operating Reserve Contribution is a draw that Kachina took from account to cover overdrawn checks in the General account; Kachina to replace in October
*	\$70 under bank charges for overdrawn account that Kachina is to reimburse
*	September RR Reserve Contribution was actually done on 10/4 and deposited on that day. Not showing Ops Reserve contribution. Will have to follow up in October. Kachina closed the Biltmore Ops Reserve account before getting copy of final statement.
	Sept
	Kachina Total Expenses
	Loan from Ops Reserve to General is not expense
	Double check to be reimbursed
	Bank charges to be reimbursed
	Sept RR Reserve contribution done 10/4
	Sept Ops Reserve not done Sept.
	Reserve interest not in income is not expense
	Total Expenses with \$1700 Reserve contribution
	Net income (Loss)

Pending Capital Expense items to be paid from RR Reserve pending BOD approval:

- Trash bin enclosure and gates to meet Carefree requirements
- Firepit upgrade
- Spa upgrade to meet country requirements
- Flat roof replace

Pending items from Kachina:

- Replacement of funds to the Ops Reserve
- Credit for overdraft charges
- Credit for double check issued
- Correction of double RR Reserve deposit. Sept deposit done 10/4
there should be no additional deposit for Oct to make correction

October bank statements to verify funds

Disclosure: Notice given to Kachina to terminate contract as of 12/31/2018
 Disclosure packet attached; available to homeowners to disclose accounting issues.

Las Torres Homeowners Association
 BALANCESHEET AS OF 9/30/2018

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		ASSETS	
1010	Biltmore Checking Account	\$	539.36
1011	Ops Biltmore Reserve Account		11,182.54
1018	R&R. Fnd Sigs. Acct-Nat Bank		146,353.64
1019	Utility Deposits		1,980.00
1020	Parkway Checking Account		5,736.82
			=====
	TOTAL ASSETS		\$ 165,792.36
			=====
		LIABILITIES & EQUITY	
CURRENT LIABILITIES:			
3310	Prepaid Owner Assessments	\$	3,336.00
			=====
	Subtotal Current Liab.		\$ 3,336.00
RESERVES:			
5301	Repair/Replace Reserve Fund	\$	146,353.64
5302	Operating Reserve Fund		11,182.54
			=====
	Subtotal Reserves		\$ 157,536.18
EQUITY:			
5510	Retained Earnings	\$	(217.37)
	Current Year Net Income/(Loss)		5,137.55
			=====
	Subtotal Equity		\$ 4,920.18
			=====
	TOTAL LIABILITIES & EQUITY		\$ 165,792.36
			=====

Account	Description	Actual	Budget	Variance	Actual	Budget	Variance	Budget
INCOME:								
06310	Resident Assessments	7,204.00	8,225.00	(1,021.00)	75,853.59	74,025.00	1,828.59	98,700.00
06350	Interest Income	4.51	2.00	2.51	66.97	18.00	48.97	24.00
06351	Interest Income - Reserves	.00	3.00	(3.00)	.00	27.00	(27.00)	36.00
06380	Other Income	.00	.00	.00	195.00	.00	195.00	.00
	Subtotal Income	7,208.51	8,230.00	(1,021.49)	76,115.56	74,070.00	2,045.56	98,760.00
EXPENSES:								
Maintenance & Repair								
07001	MAINTENANCE & REPAIR	171.18	458.33	287.15	3,950.34	4,124.97	174.63	5,500.00
07002	Sewer Repairs	550.00	100.00	(450.00)	1,340.20	900.00	(440.20)	1,200.00
07200	Contract Service	550.00	.00	(550.00)	550.00	.00	(550.00)	.00
07205	Pool - Contract Svc	300.00	312.50	12.50	2,561.50	2,812.50	251.00	3,750.00
07210	Pest Control	120.00	60.00	(60.00)	1,395.00	540.00	(855.00)	720.00
07275	Flat Roof Maintenance	.00	41.67	41.67	500.00	375.03	(124.97)	500.00
07300	Grounds/Fixtures Repairs	.00	50.00	50.00	.00	450.00	450.00	600.00
07400	Landscape Service	1,800.00	2,000.00	200.00	18,939.13	18,000.00	(939.13)	24,000.00
07425	Landscape Improvements	.00	41.67	41.67	.00	375.03	375.03	500.00
07500	Tree Maintenance	.00	62.50	62.50	.00	562.50	562.50	750.00
07600	Landscape/Other	.00	41.67	41.67	1,000.00	375.03	(624.97)	500.00
	Maintenance & Repair	3,491.18	3,168.34	(322.84)	30,236.17	28,515.06	(1,721.11)	38,020.00
Parts & Supplies								
08001	Pool Chemicals/Supplies	110.50	83.33	(27.17)	482.75	749.97	267.22	1,000.00
08010	Pool Repairs	.00	25.00	25.00	.00	225.00	225.00	300.00
08200	Irrigation Supplies	.00	.00	.00	429.00	.00	(429.00)	.00
08301	Trees, Plants and Supplies	.00	41.67	41.67	.00	375.03	375.03	500.00
	Parts & Supplies	110.50	150.00	39.50	911.75	1,350.00	438.25	1,800.00
Utilities								
08600	Electric	435.31	416.67	(18.64)	3,948.98	3,750.03	(198.95)	5,000.00
08650	Water - Hum Irrigation	211.78	179.17	(32.61)	1,455.25	1,612.53	157.28	2,150.00
08655	Water - Pool Meter	253.97	248.33	(5.64)	1,991.97	2,234.97	243.00	2,980.00
08660	Water - Sun Irrigation	571.24	297.50	(273.74)	2,986.07	2,677.50	(308.57)	3,570.00
08680	Trash Disposal Service	.00	250.00	250.00	2,055.00	2,250.00	195.00	3,000.00
08685	Gas/Propane	55.05	325.00	269.95	1,953.34	2,925.00	971.66	3,900.00
	Utilities	1,527.35	1,716.67	189.32	14,290.61	15,450.03	1,059.42	20,600.00
Administrative Expenses								
09000	ADMINISTRATIVE EXPENSES	.00	41.67	41.67	690.00	375.03	(314.97)	500.00

Las Torres Homeowners Association

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Income/Expense Statement
Period: 09/01/18 to 09/30/18

Account	Description	Current Period			Year-To-Date			Yearly Budget
		Actual	Budget	Variance	Actual	Budget	Variance	
09050	Admin	.00	.00	.00	51.00	.00	(51.00)	.00
09100	Income Tax	.00	4.17	4.17	50.00	37.53	(12.47)	50.00
09105	Audit/Tax Prep	750.00	62.50	(687.50)	1,140.00	582.50	(557.50)	750.00
09110	Permits & Licenses	.00	49.58	49.58	495.00	446.22	(48.78)	595.00
09235	Annual Report	.00	.83	.83	65.00	7.47	(57.53)	10.00
09250	Bank Charges	70.00	.00	(70.00)	70.00	.00	(70.00)	.00
09275	Insurance	506.00	583.33	77.33	5,968.00	5,249.97	(718.03)	7,000.00
09300	Legal Services	.00	83.33	83.33	(47.00)	749.97	796.97	1,000.00
09500	Management Service	.00	700.00	700.00	6,780.00	6,300.00	(480.00)	8,400.00
09700	Reserve Study	.00	66.67	66.67	.00	600.03	600.03	800.00
09800	Postage / Copies	.00	16.67	16.67	491.79	150.03	(341.76)	200.00
09900	Miscellaneous	.00	41.67	41.67	.00	375.03	375.03	500.00
	Administrative Expenses	1,326.00	1,650.42	324.42	15,753.79	14,853.78	(900.01)	19,805.00
	Reserves							
09951	Repair/Replace Reserve Cont	.00	1,300.00	1,300.00	10,400.00	11,700.00	1,300.00	15,600.00
09952	Operating Reserve Contrib	(4,000.00)	400.00	4,400.00	(800.00)	3,600.00	4,400.00	4,800.00
09953	Operating Reserve Interest	2.25	3.00	.74	25.99	27.00	1.01	36.00
09954	Repair/Replace Reserve Int	2.25	2.00	(.25)	59.70	18.00	(41.70)	24.00
	Reserves	(3,995.49)	1,705.00	5,700.49	9,685.69	15,345.00	5,659.31	20,460.00
	TOTAL EXPENSES	2,459.54	8,390.43	5,930.89	70,978.01	75,513.87	4,535.86	100,685.00
	Current Yr Net Income(loss)	4,748.97	(160.43)	4,909.40	5,137.55	(1,443.87)	6,581.42	(1,925.00)

Tuesday November 13, 2018 Las Torres Community HOA Meeting -- Landscape Committee REPORT

- Landscape Committee Members (volunteers):
 - Jack Kaffer, Chairperson
 - Tom Desmarias
 - Michael Moore
 - Debbie Robertson
 - Bob Tollefson
 - Pam Dixon – resigned on August 21, 2018

- Landscape Committee recommendations for **SHORT TERM ACTION PLAN** continue...

Pending HOA Board Approval at today's meeting the following maintenance items have been Scheduled through Lawns by Les, our Landscape Company:

 1. Gold Medallion gravel to be added to each home owners' area and the large hill on Sundance Trail that has lost a large amount of coverage
 2. River Rock to "border" a few areas around the Las Torres Community in order to hold gravel in place/prevent loss due it heavy downpours during Monsoon season

- Las Torres Fire Pit Area
 - Fire Pit Area updates have been completed and ready for use with:
 - ... New Furniture
 - ... Covers to protect new furniture when it is not in use OR during rainy season
 - ... Container to store covers when not on the furniture
 - ... New hose and hose pot
 - ... Log rack with tools
 - Special thanks to Debbie Robinson for coordinating the deliveries on these items

- Shout Out to the following volunteers who have spent countless hours repairing the Irrigation System and leaks identified by the Orange Flags PLUS notifications from Las Torres residents
 - Robert Luciani
 - Michael Moore
 - Tom Demarias
 - Paul Archibald

 - At this time, the Irrigation System Repairs are being handed over to the Maintenance Committee Chairperson, Bob Tollefson, and his committee with support from the Landscape

Maintenance Committee Report for BOD meeting 11/13/2018

Committee Members present: Jack Kaffer, Michael Moore, Tom Desmarais, Robert Luciani

The committee met on November 12, 2018 to address irrigation issues and develop a better understanding of site irrigation needs and repairs.

Kudos to Jack Kaffer, Michael Moore, Robert Luciani, Tom Demarais and Paul Archibald for their work in repairing leaks and other irrigation system issues here on site.

Walking around checking and replacing night lighting on site is an ongoing issue that a few of us on the team will continue to do.

Reviewed some on-going window leak issues in 202 and will complete caulking to address those leaks this week as well as investigating the balcony leak at 502.

Plans are to set up a Monday morning maintenance meeting to address/repair small site issues on a weekly basis beginning in January 2019. This would include irrigation issues, minor site issues, etc. and sport court repairs.

Respectfully submitted,

Bob Tollefson
Maintenance Committee Chairman

Las Torres Budget Committee

Location: Las Torres Community Unit # 301

Date: Tuesday, October 02, 2018

Time: 10:00 am — 12:00 noon

Attendees: **Las Torres Home Owners/Volunteers**

- Debbie Robertson – Chairperson
- Pam Dixon – HOA Board, President
- Nan Boyle-Searle
- Pam Kaffer
- Michael Moore
- Eileen Swete

Meeting Agenda Items:

1. <u>HOA Assessment Allocations:</u>	HOA Assessment	\$ 261
	Operations Reserve	\$ 16
	R & R Reserve	<u>\$ 52</u>
	2018 TOTAL	\$ 329

2. Review of current year to date financials

As of 08-31-18

ASSETS:

— Biltmore Checking Account	\$.	2,823.21
— OPS Biltmore Reserve Account		15,180.28
— R & R FundSavings Acct-Natl Bank		146,351.39
— Utility Deposits		1,980.00
— Parkway Checking Account		<u>50.00</u>

TOTAL ASSETS \$ 166,384.88

LIABILITIES & EQUITY

— Liabilities: Prepaid Owner Assessment		4,682.00
— Reserves: Repair/Replace Reserve Fund.		146,351.39
Operating Reserve Fund.		15,180.28
— Equities: Retained Earnings		(217.37)
Current Year Net Income/Loss.		<u>388.58</u>

TOTAL LIABILITIES & EQUITY 166,384.88

3. Review of 2018 pending budget/reserve items

Las Torres HOA Income/Expense Statement Period 08-01-18 to 08-31-18
Used as Basis for Financial Figures on Budget proposal for 2019

4. Discussion of HOA Management Services

- Discussion on Benefits
- Discussion on Concerns/Issues
- Kachina Management since January 2017
- Current cost \$ 9,300 annually — \$ 775 monthly

5. Discussion of becoming Self-Managed HOA
 - Discussion on Benefits
 - Discussion on Concerns/ Possible Issues
 - Plan for Self-Management would be to go to FIVE Member Board
 - Costs involved proposal to use reserve accounts to purchase software and setup – falling under category of normal operating expenses
 - Budget amounts for 1st year for legal/counseling fees
 - Budget amounts for 1st year toward end of year accounting services including Compilation audit and tax preparation
 - HOA Treasurer should be Bonded/reimbursed for “out of pocket” expenses
 - Establish system of Checks & Balances for protection
 - Example: 2 signatures on checks — Currently, there are 3 Funding Accounts:
 1. General Operating Fund – 2 Signatures (“day to day” expenses)
 2. Ops Reserve Account — 1 Signature (contingency fund – out of the ordinary expenses)
 3. Repair & Replacement Fund — 1 Signature (capital improvements – long term planning)
 - As of 10-02-18 eLetter be sent to Las Torres Home Owners to take **POLL** for ... Self Management OR Outside Management Company

6. Explanation of two Budget Drafts
 - Budget 2018 comparisons for Budget 2019
 - Review / Discussion

7. New Chart of Accounts

Noted redundancy of line item terminology—following categories will be adopted 2019:

 - ... Landscape Service
 - ... Landscape Maintenance
 - ... Landscape Improvements
 - ... Pool/Spa Service
 - ... Pool/Spa Maintenance
 - ... Pool Improvements
 - ... Utilities

8. Review of Budget Items which are Set Costs
 - Utilities
 - *Note: Fall 2016 New Heater for Pool/Spa has shown reduction in electric/gas costs*
 - Sewer Maintenance ... twice yearly in 2018 – August 2018 last service
After last inspection – Sewer Company recommend once a year – budgeted for one in 2019

9. Review of Budget Items that are Pending Estimates: Roof – Trees – Termite
 - Progressive Roofing
23 North 35th Avenue
Phoenix, AZ 85009
Office: 602-278-4900
... \$260 flat and tile roof inspection + \$500 extend flat Maintenance Contract
... Pending – Reassessment week of October 01, 2018 to extend
Tile warranty and Flat Roof Maintenance
 - Tree Doctors, Inc.
1415 West San Angelo Street
Gilbert, AZ 85233
Office: 480-807-8733
... Maintenance Schedule – Priority 1 – Priority 2 – Priority 3 Trees

... Pending — Reassessment — Due Date for this report is FRIDAY 10-05-2018
... Jeramy Beals – arborist – will call when on-site

— Sexton Pest Control License# C2358BCE ... info@sextonpestcontrol.com
14040 N. Cave Creek Road, #306
Phoenix, AZ 85022
602-942-3653

... Pest Control Contract \$60 per month/Termite Warranty approximately
\$2000 annual – Sexton Termite Warranty estimate is pending
... 8 – 9 Rodent Traps current on Las Torres Campus

10. Disbursement of remaining budget funds to open line items

- Discussion
- Irrigation – under the Maintenance Committee, Bob Tollefson, Chairperson
- Preliminary inspection reveals that the majority of concerns can be handled cost effectively as a shared responsibility between the Maintenance Committee and the Landscape Committee to handle “in house”

11. Benefits/Liabilities on FHA – VA Certification

- Discussion
- Las Torres was FHA Certified in September 2015 — September 2017
- ... Certification expired September 2017
- Recertification required every two years @ cost of \$895 bi-annually
- Not enough information/understanding of processes
- Requires further research – table decision for now... follow up after meeting
- **NOTE: Post-meeting research information:**
 1. FHA and VA loans provide additional avenues for buyers
... otherwise limited to cash or conventional loans only
 2. FHA and VA loans also have strict restrictions and inspection requirements which provide a positive maintenance regulation for home owners to abide and continues keeping the community to higher standards in order to provide well-maintained properties
 3. Due to items 1 & 2 the benefits of remaining certified for FHA & VA loans
Need to consider the worth of the \$895 fee for a two year period

12. Review of status of Reserve Funds/Study

- Discussion
- Reserve Study Update rescheduled from every 3 years to every 5 years
- Next scheduled update will be 2020
- Review of Reserve Study Tracker

13. Discussion on funding of Reserves

- R & R (Repair & Replace) Reserve Fund ... Discussion
- Current contribution per home owner ... \$52 per month = \$15,660 per year
- Projected balance year end ... \$ 150,300 less RR expenses 2018
- No expenditures scheduled per Reserve Study in 2019

- Ops (Operating) Reserve Fund ... Discussion
- Current contribution per home owner ... \$16 per month = \$ 4,800 per year
- Projected balance year end ... \$ 16,760
- Purpose of this account is to maintain \$ 5,000 - \$10,000 to cover:
 - ... insurance deductible
 - ... legal contingency
 - ... “out of ordinary” maintenance issue not covered by general/RR accounts
- Discussion on usage for overage in this account (Las Torres is NON-Profit)

HOA Board approved – PENDING projects for completion:

1. Landscape Gravel Rock	\$ 1,650	general account
2. Trash Enclosure/Gates	4,550	R&R Reserve
3. Fire Pit Update	1,200	R&R Reserve
4. Landscape Large Boulders + River Rock	Pending estimates	
5. Spa Updates/Repairs		Pending estimates

*Note: Pool Deck Resurface 2016
ONE year Warranty*

14. Additional Items

— Las Torres – Unit # 201 (Eileen) ... 2 dead plants need replacement
Owner would like to add to available for funds to enhance choices
... *will check finances and contact owner with information*

- Meeting Adjourned @ 12:00 noon

Respectfully Submitted,

Pamela J. Kaffer

Las Torres Budget Committee Member – Acting Secretary

Tuesday October 02, 2018

LAS TORRES HOMEOWNERS ASSOCIATION
A 55+ COMMUNITY

Las Torres BOD Action - Motion Made and Approved via Email

October 26, 2018

1. Members Involved: Pam Dixon, Debbie Robertson and Leigh Tollefson
2. Business From The Floor: The Board of Directors for Las Torres hereby unanimously agrees and elects not to renew our management contract for 2019 with Mark Roundsaville and Kachina Management, Inc., 21448 No. 75th Ave., Ste. 11, Glendale, AZ 85308 and will let the contract expire according to its own terms at the end of the year (December 31, 2018)
3. Action in Lieu of Meeting accepted and recorded by signature below:

Pam Dixon Date 10/27/2018 Yes
Pam Dixon, President

Debbie Robertson Date 10/26/18 Yes X
Debbie Robertson, Treasurer

Leigh Field Tollefson Date October 26, 2018 Yes X
Leigh Tollefson, Secretary

October 29, 2018

Mark Roundsaville
Kachina Management, Inc.
21448 North 75th Ave.
Suite 11
Glendale, AZ 85308

Dear Mark and Staff,

After a great deal of discussion, consideration and Board agreement, the Association is electing not to renew our management contract for 2019, and will let the contract expire according to its own terms at the end of the year. We have appreciated your assistance in many instances in the past two years, but we're also concerned that many of our requests have gone unanswered and mistakes continue to occur. We've also come to realize that as a small community we are very conscious of the dollar amounts going in and going out and are more "hands on" than a larger community--a process that seems to be a challenge from a management standpoint.

Over the next two months we will be setting up a business account with the National Bank of Arizona. We will forward banking transfer information to you once we have it. Our expectation is that our funds, except for the amount you will need to cover any of our outstanding bills, will be transferred into that account by December 31, 2018.

We also request that any other information or documentation you have of ours be returned to us by the end of the year and that the December financials and year end financials be sent to us by January 31, 2019. Please include a schedule of any deadline filing dates that you've been taking care of on our behalf.

Again, we appreciate all that you have done for us and wish this relationship had worked out. We look forward to a smooth dissolution and are grateful for your cooperation through this process.

Sincerely,

Las Torres Board of Directors