

FINAL MINUTES
LAS TORRES HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
June 20, 2017 10:00am
Unit 402

Board of Directors present: Pam Dixon, Leslie Hine-Rabichow and Leigh Tollefson. Kachina Management: Mark Rounsaville. No Homeowners were present.

I. Call to Order 10:00 am

II. Approval of Minutes from April 4, 2017 Board meeting. **Motion to accept Minutes as read with the correction as noted was made by Leslie Hine-Rabichow, seconded by Pam Dixon. Minutes approved with correction and accepted.**

III. Reports

A. Manager's Report. Mark Rounsaville's reported on our paving project, sewer repair expenses, and the completion of the tree trimming. Pam has asked for a more comprehensive report from the manager to be provided on a monthly basis.

B. Treasurer's Report. Leslie Hine's report is attached to these Minutes. To make reviewing the monthly financial reports easier, Leslie has asked that Kachina provide the reports in separate pdf formats instead of in one large group.

After reviewing the Treasurer's Report and discussion **a motion to close the Biltmore Repair and Replacement account XXXX2098 opened by Kachina in February 2017 and transfer the balance of the account at closing to our Las Torres HOA Repair and Replacement Reserve Fund XXXX0835 held at the National Bank of Arizona was made by Leslie Hine-Rabichow, seconded by Leigh Tollefson and passed unanimously.**

C. President's Report. Pam Dixon's report is attached to these Minutes.

IV. Old Business

A. Request for additional lighting on stairway for units 603 and 604. The external wiring diagram was given to Ken at KMV Construction. To date, no bid has been received - tabled for electrician's bid and discussion.

V. New Business

A. Sewer line repair expense. **Motion to pay Reidhead Plumbing & Solar \$1355.00 out of the Operational Reserve Account for the emergency repair of the broken sewer pipe behind unit 505 is made by Leslie Hine-Rabichow and seconded by Pam Dixon and passed unanimously.**

Due to our multiple mature trees, Mark suggested that we consider adding a quarterly maintenance allowance for routing out our sewer pipes to prevent any broken/blocked pipe emergency. The Board will consider this for the 2018 Budget.

B. Late fee, Arizona statute, additional Kachina administration fee. Mark will research the statutes pertaining to late fee time frames, compare them to Las Torres CC&R documents and review Kachina's process for charging late fees and their administrative fees. He will report back to the Board with his findings.

C. Spa jet repairs. Two of the four spa jets are not working. A technician from Coral Pools inspected them and was unable to fix or determine what the problem was without tearing the

spa wall apart. The Board asked that Mark have the same technician provide us with a rough estimate of the repair costs for consideration for the 2018 Budget.

D. Driveway sealing bids. To date three of the four bids received did not provide their estimate based on the specifications Las Torres provided. The Board has asked for updated bids based on our specifications - tabled for new bids and discussion.

E. Open Meeting Law - Arizona Attorney General Notice. Open Meeting Law Information provided by HOA Information Guide from the Arizona Attorney General Website 2017 is attached to these Minutes.

VI. Housekeeping Items.

A. Website. The website is not up and running as yet. Pictures have been chosen for the title page and the Board has made it clear that "a 55+ community" must appear on the title page. Mark will be updating us with when we can expect the website to be available to the Board and Homeowners, what information can be found on it and how we access it.

VII. Homeowners Forum. No Homeowners present.

VIII. Adjournment. Leslie Hine-Rabichow made a motion to adjourn and move on to the Executive Session which was recognized. Adjournment 11:35 am.

Respectfully submitted,

Leigh Field Tollefson
Secretary

attachments: Final Minutes April 4, 2017, Treasurer's Report, President's Report and Arizona Open Meeting Law Information

**FINAL MINUTES
LAS TORRES HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING**

April 4, 2017 10:00 am
Unit 501

Board of Directors present: Pam Dixon, Leslie Hine and Leigh Tollefson via video conference.
Homeowners present: Diane Griffith and Carolyn Ciriello.

I. Call to Order 10:11 am

II. Approval of Minutes from February 16, 2017. Motion to accept Minutes as read was made by Leslie Hine and seconded by Leigh Tollefson. Minutes approved and accepted and attached.

III. Reports

A. Manager's Report and update on transition. Mark Rounsaville did not attend this meeting and did not provide a report.

B. President's Report. Pam Dixon's report is attached to these Minutes. Additionally, Leslie Hine requested that we note in these Minutes that the Draft Minutes from the March 7, 2016 Annual Homeowners Meeting and the Draft Minutes from the December 12, 2016 Homeowners Budget Meeting have not yet been approved since there was no Annual Meeting in 2017 due to failure to reach quorum. Both sets of Minutes to be approved at the next scheduled Homeowners Meeting.

C. Treasurer's Report. Leigh Tollefson's report is attached to these Minutes. Leslie asked about the "Kachina R&R Fund" line on our balance sheet (this has been designated as a temporary account for Kachina to hold the portion of our assessments going to our Repair and Replacement Fund in the National Bank of Arizona). She objects to Kachina's plan to deposit the amount quarterly and prefers that it be deposited monthly.

IV. Old Business

A. Additional discussion regarding supplemental stairway lighting - table for electrician's estimate and discussion at the next Board meeting.

B. Motion to reduce size of existing trash dumpsters and add a recycle bin. Authorize Mark to convert the area directly to the south of the dumpster off Sundance Trail to accommodate recycling bin. A motion to have Mark make arrangements for the conversion of the above sited area to accommodate a recycling bin not to exceed \$1000.00 and to be paid from the Operating Reserve account was made by Leigh Tollefson, seconded by Leslie Hine and passed unanimously.

C. Record action to award tree trimming bid to Tree Doctors, Inc. not to exceed \$3,300. A motion to award Tree Doctors, Inc. the contract to trim our trees and not to exceed \$3,300 to be paid out of the Tree Trimming budget (\$750) with the remainder to be paid from the Operating Reserves account was made by Leigh Tollefson, seconded by Leslie Hine and passed unanimously.

D. Direction to Mark regarding pool fence painting budget of \$2,000 maximum - table for estimate.

E. Estimate to replace frame (at BOD expense) and door (at owner expense) at unit 501. **Motion to proceed with work not to exceed \$775 on garage service door at unit 501 with the understanding that the Board will pay to replace the frame and the owner will pay to replace the door made by Leigh Tollefson, seconded by Pam Dixon, motion passed with two votes (Leslie recused herself as the owner of 501).**

V. New Business

A. Discussion and motion to proceed with existing Board of Directors until March 2018 Annual Homeowners Meeting. Assign Board positions. **Per the advice of our Community Manager, a motion was made to continue with the current Board of Directors for one year until the elections at the next Annual Homeowners Meeting in March 2018 was made by Leigh Tollefson, seconded by Pam Dixon and passed unanimously.**

Assigned positions: Pam Dixon, President
Leslie Hine, Treasurer
Leigh Tollefson, Secretary

B. Motion to suspend assessment late fees for January, February and March 2017. **Motion to suspend assessment late fees from January 1 - April 30, 2017 and to resume as of May 1, 2017 was made by Leigh Tollefson, seconded by Leslie Hine and passed unanimously.**

C. Cost vs. benefits discussion regarding additional costs for alternative rodent control in 2018 - table for next Board meeting.

VI. Housekeeping Items

A. Set and publish date for third and fourth quarter Board meetings. Dates (subject to change) for the remainder of 2017 are:

June 20, 2017 10:00 am	Board meeting
Sept 19, 2017 10:00 am	Board meeting
Oct 19, 2017 10:00 am	Homeowner 2018 Budget Planning Committee meeting
Nov 14, 2017 10:00 am	Board meeting and Homeowners' Budget Roundtable (adoption of 2018 budget for Homeowner approval)
Dec 5, 2017	Homeowner Annual Budget meeting (to be noticed to Homeowners 14 days prior to meeting date - Nov 11, 2017)

Locations to be announced.

VII. Homeowners Forum
No comments.

VIII. Adjournment 12:48 pm

Respectfully submitted,

Leigh Field Tollefson
Leigh Field Tollefson
Secretary

Attachments: Final Minutes Feb. 16, 2017 BOD meeting, President's report and Treasurer's report

Las Torres Homeowner's Association
Treasurer's Report
Prepared and submitted to the BOD by Leslie Hine, HOA Treasurer
June 20, 2017

I. **Introduction/Context**

- The Las Torres financial management changed hands as of January 1, 2017 from Oasis Management Company to Kachina Management Company. There have been significant challenges in this transition and there are ongoing accounting and system issues that we are still attempting to resolve.
- My tenure as BOD Treasurer began April 4, 2017. Until this time, I had not been involved nor did I have access to our accounting procedures and results under either Oasis or Kachina. I've been on a steep learning curve and have invested a significant amount of

time since April 4th (approximately 60 hours) in attempting to understand and trouble shoot our financial accounting and reporting. This is my first BOD Treasurer's Report.

- My primary focus in my initial review, has been to ensure the integrity of our account balances and to be able to verify and validate our income and expenses. Secondly, I have been examining the financial systems in place and developing a set of recommendations for BOD consideration and action.

II. Bank Account Balances

1. We currently have four bank accounts:
 - a. Operating Checking Account (all payables and receivables flow through this account; held at Biltmore Bank). As of May 31, 2017, the balance (cash on hand) as per the bank statement was **\$7,315.58**. The Bank Reconciliation report received by Kachina on June 7th shows \$4,505.98 in uncleared payables and \$1,794 in uncleared deposits for a reconciled total bank balance of \$4,603.60 reported on the balance sheet as of May 31, 2017.
 - b. Operating Reserve Account. This account is held at Biltmore Bank. Payments into and out of this account are done as inter-fund transfers in/out of the Operating Checking Account. There were three deposits made to this account in March totaling \$2,524.73 and one deposit made in May for \$336. There have been no withdrawals made since February 1st (no statement available for January). The balance as of May 31, 2017 was **\$21,882.69**.
 - c. Repair and Replacement Fund. This account is held at Biltmore Bank. Its purpose is not clear. There has been a net addition to the account of \$1,700 since February 1st. As per the May 31, 2017 bank statement the balance was **\$6,501.62**.
 - d. Repair and Replacement Fund. This account is held at National Bank. It holds the Association's long-term reserves. Payments into and out of this account are done as inter-fund transfers in/out of the Operating Checking Account. There have been two deposits made to this account since January – one for \$7,036 made February 3rd and one for \$2,925 made on March 31st. There have no withdrawals. The balance as of May 31st, 2017 was **\$123,304.65**.
2. No Bank Reconciliation reports were received for January-April 2017.

III. Financial Statements

1. Balance Sheet
 - a. There are remaining issues with respect to this report. The Reserve section includes what appear to be planning numbers that were provided to Oasis that are estimates only. It is unclear where the fund total amounts are coming from in the G/L. It will take a CPA to sort this out.
 - b. The Assets reported line up and check out with bank statements and reconciliations as covered above.
2. Income/Expenses:
 - a. There have been significant issues and needed clean up with respect to income and expense accounting and reporting. I have worked closely with Kachina over the past 2 months to work these out and to ensure the integrity of what is being reported.
 - b. Income: Homeowner assessment collection has been good. The BOD approved a waiver of homeowner late fees incurred from January 1 – April 30th (April 4, 2017) to allow transition issues between Oasis and Kachina to settle down. Pre-paid homeowner assessments (postdated checks) have caused issues for some homeowners and resolving these issues has complicated G/L tracking.
 - c. Expenses: There have been a number of issues with paying expenses during the transition between Kachina and Oasis. **I am attaching a recent corrected version of our Income and Expense report provided by Kachina on June 15th**. Until remaining issues are resolved I cannot produce a meaningful month-to-month report as requested by the BOD president. Such a report may be possible for the last 6 months of FY2017 if further needed corrections are provided by Kachina.
 - d. Actual vs Operating Budget: We are currently at risk of running over budget due to the following:
 - i. Southwest Gas – Billing Deposit \$1,980 – unanticipated expense incurred due to lack of payment of presented bills.
 - ii. Insurance costs - \$620 over annual budget
 - iii. Management Contract - \$1,325, minimum, over annual budget
 - iv. Current estimated annual overage on budget for monthly expenses (Total of above) (NOT repair and Maintenance): \$3,950
 - v. We anticipated a pool fence painting expense of \$2,000 but did not anticipate the pool filter or plumbing repairs nor the \$2,340 for "spot" painting.
 - vi. Planned upcoming repair and maintenance expenses (not accounted for in (e) and (f) below):
 1. Sidewalk grind downs (work completed no invoice yet – Operating Reserve)
 2. Garbage bin retrofit – grate/stanchion – initial \$675 (awaiting final bids; R&R Fund)
 3. Asphalt reseal – (awaiting bids – R&R Fund)
 4. Gravel replacement (? – R&R Fund)
 5. Bocce Court Repair (awaiting bid)
 6. Lighting (awaiting bids – R&R Fund)
 7. Olive tree spraying (?)
 8. Irrigation system (on hold – R&R Fund)
 - e. Current Operating Reserves:
 - Balance as of May 31st: \$21,882
 - Transfer out to Operating Checking Account:
 - \$1,355 (Plumbing)
 - \$2,340 (Spot Painting – need invoice to confirm exact amount)
 - \$3,100 (Tree trimming anticipated in July)
 - Total out: \$6,795

- Transfer in (HO assessment): \$13 X25 = \$325
- Remaining Balance Projected 6/30/17: \$15,412
- Required balance \$9,000 PLUS \$2,925 committed transfer to R&R for FY2018 PLUS FY2018 Reserve Study cost of \$1,000
- Balance remaining for operating use in FY2017 as per above: \$2,487

f. Current R&R Reserve Fund (National):

- Balance as of May 31st: \$123,305
- Transfer out to Operating Checking Account:
 - \$1,560 (Pool fence painting – need invoice to confirm exact amount)
 - \$1,617 (Pool Filter Replacement/Repair)
 - Total out: \$3,177
- Transfer in (HO assessment): \$52X25 = \$1,300
- Remaining Balance projected as of June 30, 2017: \$121,428

g. Secondary R&R Fund (Biltmore)

This account has \$6,500 in it as of May 31st. This account should be closed and amounts distributed into the Operating Reserve Fund (Biltmore) and the R&R Fund (National).

h. Our CPA Review and Compilation Report of Las Torres 2016 Financial Statements was received in March 2017. Across all accounts combined our cash position declined by \$3,862 from total balances of \$144,143 in 2015 to \$140,281 in 2016. A compilation report simply takes the financial statements provided and produces the numbers – there is no audit or verification of numbers involved.

IV. Recommendations:

1. **Close Biltmore R&R Account and disburse funds to Operating Reserves and R&R Fund. (BOD MOTION TO APPROVE NEEDED)**
2. Ongoing cleanup of Income/Expense report and G/L amendments is needed. Assess need to change Chart of Accounts. (Leslie to work with Kachina to do this.)
3. Ongoing resolution of outstanding payables (i.e., Sexton). (Leslie to work with Kachina to ensure this.)
4. Repair and maintenance expense policies should be reviewed, approved by the BOD and written down. As per BOD president, these are the “guidelines” currently in use:
 - a. The management company is currently authorized to expend up to \$500 per BOD approved expense, not to exceed \$2,000 in a calendar year without prior written BOD approval.
 - b. BOD approves all repair/maintenance project costs over \$500.
 - c. Bids are “usually” requested for projects with estimated costs over \$1000 but less than \$5,000.
 - d. All projects whose anticipated cost is over \$5,000 require 3 bids.
 - e. All successful bidders for projects over \$1,000 must be licensed, bonded and insured equal to the total value of the contract.

Respectfully submitted,

Leslie Hine (Unit 501)
Las Torres HOA Treasurer
June 20, 2018

Presidents Report
BOD Meeting June 20, 2017

It's always nice to see owners at our Board meetings.

We try to have all actionable items listed separately on the agenda and I use a relaxed version of Parliamentary Procedures during the meetings. Our meetings also follow the AZ Condo Act rules for meetings.

FIRST --- We encourage all owners to be involved with how your association is run and we hope that any owner who desires to will get informed about each BOD meeting's topics before the meeting and also listen to what's going on at the meeting so they can give us meaningful comments. There is also a time & place for your questions. During the meeting, it's only if you are asked for questions.

Board meetings are the time board members and manager give each other information & reports. They also have conversation and ask questions of each other & sometimes specialists called in to give information. The BOD & manager do the work of the association and the owners present are allowed and encouraged to listen to that.

We try to have all actionable items listed separately on the agenda. Sometimes a decision needs to be made or a previous decision amended as the result of a report. If we had monthly meetings that would happen at the next meeting. Since we now only have quarterly meetings, the chair of the meeting can elect to allow the decision to be made by the Board. It will be recorded and included in the minutes of the meeting which becomes a record at the next BOD meeting.

Here's how BOD meetings are supposed to work.

- #1. You must be recognized by the chair - not another person & only one person speaks at a time.
- #2. Reports Section of the Agenda --- This is when individual board members & our manager give the Board information and the Board and Manager have the time to interact & ask questions of each other. After the report is given the person giving the report asks the board if they have questions. Once there are no other Board member questions, the reporter may ask owners present if they have questions. Reports are given and automatically become a part of our corporate records. They do not require a vote of the Board. Some reports are given verbally, some - like the Treasurers report are usually written & presented or read at the meeting. Anytime an owner wants a copy of a specific written report they can ask the secretary for it.
- #3. If a motion is made and there is no second - the motion automatically fails and there is no discussion. We go on to the next agenda item or continue with a report.
- #4. If a motion is made and seconded - the board has a discussion and may involve the manager for his opinion or advice. After that's done - the owners may make a statement only - before the Board votes.
- #5. If an owner has questions about an agenda item ---- call a board member prior to the meeting --- that's why we send the agenda out before the meeting. If you have a question after the meeting ---- call or speak with a board member or our manager. We're all friendly people & want you to have the information you're looking for.

SECOND ---- Tree trimming is scheduled for July 15th.

THIRD ---- Leaks continue to be an issue for our aging irrigation system. Please report landscaping leaks to Pam as soon as you see them. We appreciate your help with trying to keep our water bill down.

FOURTH ---- We're still trying to get the recycling bin area complete. Please bear with us.

Also - PLEASE - remember to break down any boxes you put in the trash.

Also - PLEASE - if you have a large item(s) take it to the dump yourself.

Pam Dixon, President

[OPEN MEETING LAW INFORMATION.](#)

HOMEOWNER ASSOCIATIONS & THE OPEN MEETING LAW

A homeowner association does not satisfy the definition of "public body" because it is not a political subdivision, is neither a multi-member governing body nor an instrumentality of a political subdivision, and is neither a corporation nor an instrumentality whose board of directors is elected by a political subdivision. See Ariz. Att'y Gen. Op. 188-055. A homeowner association does not meet the definition of a "public body" in A.R.S. § 38-431(6), therefore it is not subject to the Open Meeting Law. Id. However, in 1994 the Arizona Legislature enacted A.R.S. § 33-1804 and required that "all meetings of the [homeowner] association and the board of directors are open to all members of the association" except for any portions of a meeting relating to four exempted topics (employment, legal advice, litigation, and enforcement matters). Also, the homeowner association must supply notice of its meetings to all members, unless the articles of incorporation and bylaws provide otherwise. See A.R.S. § 33-1804(B). The Attorney General, County Attorneys, and other public lawyers are not authorized to enforce the laws relating to homeowner associations. A homeowner association can have great influence in community affairs, and because its decisions affect its members, its members should always be invited to attend and observe the association's deliberations. Thus, although not subject to Arizona's Open Meeting Law, homeowner associations are strongly encouraged to always conduct public meetings which are properly noticed. See Ariz. Att'y Gen. Op. 197-012."

[HOA Information Guide, AZ Attorney General Website 2017](#)


Las Torres Homeowners Association
Carefree, AZ

June 22, 2017

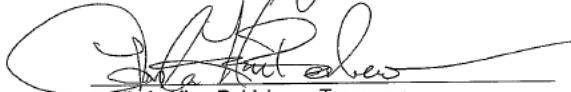
On June 22, 2018 the Board of Directors by this document unanimously agrees to appoint Leigh Tollefson, our current Secretary, to also serve as Assistant Treasurer to handle the transfer of funds between our bank accounts and perform any other financial tasks at the direction of our Treasurer, Leslie Hine-Rabichow.



Pamela Dixon, President



Leigh Tollefson, Secretary



Leslie L. Hine-Rabichow, Treasurer
