

Esperanza Estates HOA

Minutes of Board Meeting

December 19th, 2022

The meeting was called to order at 1.00 pm by Dave Sielken.

QUORUM DETERMINATION

A quorum was confirmed by Tom Cooke:

Dave Sielken, Tom Cooke, Dean Lockwood, Kevin Welsh, Cyndie Alto, Gary Rautio, Sharon Falor, and Debbie Ries were all present in person.

Ken Lindeman was excused.

Dave Sielken welcomed all those present at the meeting.

APPROVAL OF MINUTES

The minutes of the Board Meeting held on November 21st, 2022, were accepted as written.

TREASURER'S REPORT – Dean Lockwood

Dean summarized the financial health of the HOA as follows:

Financial Reports (as of 11/30/22)

a. Balance Sheet

- i. Our cash and money market accounts are sitting at \$62.1k. We are starting to collect the 2023 dues and building our funds to finance next year.
- ii. The reserve account investments have had a rough year, but the good thing is they are bouncing back over the last few months. The Edward Jones Reserve account investment is valued at \$97.7k on an investment of \$110.5k Our investment is down roughly \$20,400 from where we ended 2021.
- iii. The GGVCF (Greater Green Valley Community Foundation) fund is currently valued at \$82,500 on an investment of \$75,000. The investment is down roughly \$14,800 from where we ended 2021.

- iv. Total checking and savings of \$242.3k is down by just over \$11,500 from last year.
- v. Accounts receivable is \$1,507. The majority of this represents money due us from a lien on a property recently sold. Ken is working hard to collect this money. My understanding is it will still take a few months to collect.
- vi. The major changes in fixed assets include:
 - 1. New spa pump in 2021 for \$5,100
 - 2. Deck repair in pool area for \$3,750
 - 3. New pool cover for \$3,412
 - 4. New Pool Furniture for \$1,972
- vii. As of the end of November, we had collected \$15,520 of the 2023 dues. That shows on the balance sheet as “Assessments Received in Advance”. As of this morning we have collected \$66,150 or 54% of the 2023 dues.

b. P&L Statement

- i. Total income so far this year is \$94,930 with budgeted income at this point of \$132.6. Dues revenue of \$122,500 represents 350 houses at \$350 each. We collected \$490 late fees compared to \$350 last year. Transfer fees of \$3,000 are above plan by \$700. We did recover roughly \$9,000 in investment income in November; however we still have a combined paper loss for Edward Jones and Greater Green Valley Community Foundation Funds of \$35.0k..
- ii. Administration expenses of \$15.7k are \$1.2k unfavorable to plan. Our directory expense and insurance policy expenses are favorable variances for the year. With last year’s favorable interest and dividend revenues, we did have a larger than planned income tax expense for 2021. We paid \$2,618 to the Feds and \$555 to the State for an unfavorable variance to plan of \$2,900.
- iii. Common Area expenses of \$45.1k are \$17.7k favorable to plan. We trimmed 101 palm trees this summer for a little over \$8k. We invested \$2.6k in rocks for the Del Sur project in May. There are a variety of smaller expenses (tree trimming, Amigo maintenance, supplies) but overall, our spending in this area is very favorable to plan.
- iv. Recreation expenses of \$29.3k are \$4.3k unfavorable to plan so far this year. Our biggest variance to plan is Natural Gas which is \$4.5k unfavorable. The cost per therm has increased steadily from \$0.66 at the beginning of 2021 to over \$1.20 currently. We have also had increased therm usage in 2022 over previous years. On average we have used 33.7 therms per day compared to 26.0 in 2021.
- v. Overall, after 11 months, our revenue is unfavorable to plan by \$37.7k and our expenses are favorable to plan by \$12.2k for a total negative variance of just over \$25.5k.

Tom Cooke noted that, in relation to the use of Natural Gas, there was no workable method to cover the pool on cold days as overuse of the cover mechanism could lead to expense in servicing it. Tom worried that, if too many people operated the mechanism, it would lead to

damage. Further, too many people with access to the switch box was not desirable. Gary Rautio agreed with Tom's remarks.

The Treasurer's Report was accepted.

COMMITTEE REPORTS

Finance Review – Kevin Welsh: Kevin stated that the committee had reviewed the month's accounts, and all was in order.

Architectural Control – Debbie Ries: Debbie reported that there had been three applications for repainting and four applications for alterations. A violation with regard to a rainwater container had not been addressed. Dave Sielken suggested a stronger letter might be sent. Kevin Welsh noted that the homeowner could be invited to a hearing if the problem was not corrected.

Capital Projects – Kevin Welsh: Kevin had nothing to report

Common Area Maintenance – Cyndie Alto: Cyndie said that some end of year clean-up, including some replantings, was under way. Cyndie noted that bids for work in the coming year showed rising prices. Cyndie asked homeowners to email her if there is a matter needing attention. This would include rock/gravel for Quads. She noted that owners of Quads could ask for approval if they wanted to add plantings.

Gardeners – Rod Harp: Rod noted that pruning was progressing, and also that an agave would be replaced. A break in activity was planned until January 3rd. Dave Sielken thanked all the Gardeners for their work.

Green Valley Council – Hugh Rhine: Hugh had not been at the last GVC meeting but said that he would follow up on any decisions and inform the HOA through the Monday Morning Memo (MMM) if anything of importance had occurred.

Recreational Facilities – Tom Cooke / Gary Rautio: Tom said there was nothing much to report and everything was going fine. Greg Gramstad said that all was well with Pickleball and noted that a faucet in the Ladies' Restroom had been replaced.

Neighborhood Relations – Gary Rautio: Gary had nothing to report except that a concern had been expressed that garbage cans were not being put away in a timely manner after pick-up. A reminder will be put in the MMM.

Hospitality – Robin Lockwood: Robin noted that ten ladies had cleaned out all cupboards at the Ramada on December 6th. The cupboards had been vacuumed and peppermint oil was applied to deter rodents. The event on December 13th had been a great success and some 90 to 100 had attended. Robin noted that some Ramada light fixtures needed bulbs to be replaced. She also mentioned the Heaters which would be addressed under New Business. Tom Cooke agreed to address the bulb replacement. It was noted that some of the switch chains for the lights may need replacement. Robin said that some chairs are in bad condition and Tom said that such chairs should be put aside for inspection to see if they can be

repaired or need to be replaced. Jeff Ries said he would dispose of any chairs that need to be thrown away. Robin thanked the Enhancement team for the new 45 cup Coffee Maker. There will be an event on January 24th and, when finalized, details will be in the MMM. Dave Sielken thanked the Hospitality Committee for the wonderful month.

Block Watch – Sharon Falor: Sharon noted that 36 new homeowners had received welcome packets. She was concerned that not all new homeowners had received welcome packets. She asked that she be informed if anyone is aware of a new homeowner not having been welcomed. Sharon said that more Block Captains are still needed. Penny Huculak offered to become a block captain. Sharon said that year-round residents were preferable but not necessary. A meeting on January 11th will plan a Spring Welcome Luncheon.

Enhancement Team – Jackie Rautio: Jackie said that the team had met the week before the board meeting and three new members had joined. The bake sale part of the recent craft sale raised nearly \$500. Jackie drew attention to the Lamppost Decorations and said that there were 18 volunteer elves. She said future “money makers” would include a Silent Auction in February and a Ramada Sale in March – more details later.

OLD BUSINESS

Trash Collection:

Kevin noted that a contract with Titan had been signed. As noted in the MMM, homeowners should email Amanda at Titan with their Name and Address and their preferred size of trash and recycling containers. The first contract pick-up will be on January 4th. Both trash and recycling pick-up will be each Wednesday going forward.

Concern was expressed that not all homeowners got the MMM so how would they be updated? Kevin said neighbors could pass on necessary information.

Dave Sielken thanked Kevin for his work.

Sharon added that the Titan driver has shown willingness to help homeowners who are unable to bring their trash to curbside.

Jeff Ries asked that the board urge Titan to make sure all homeowners had trash cans by January 4th. Kevin said that the first people to make requests to Titan will be the first to receive cans but there may not have enough cans in place for everyone. Kevin confirmed that cans will be provided at no charge. Sharon said Titan will pick up trash and recycling whether in provided containers or not. Kevin said he would email Titan to encourage them to make sure all requests for cans are fulfilled by January 4th.

NEW BUSINESS

1) Heaters:

Robin said that some of the Heaters are in immediate need of service. Lyle Huculak volunteered to check them out and assess their condition. As some heaters are quite old, he will research alternative heating options. Tom said some are over 10 years old and we should buy new heaters if necessary.

2) Board Elections:

Dave reminded the meeting of the Annual Board Elections. Tom Cooke, Cyndie Alto and Dave Sielken have reached the end of their terms but had offered themselves for re-election. John Nesavich and Connie Scorza are also on the ballot. Dave noted that the elections are to the board, but are not for any position on the board. After the Annual Meeting, the Board Members will meet to organize who will take each position.

ADJOURNMENT:

On a motion made by Kevin and seconded by Sharon, the board agreed to adjourn the meeting at 1.45 pm.

Respectfully submitted,

Doug Syme