

Esperanza Estates HOA

Minutes of Board Meeting

June 20th, 2022

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

QUORUM DETERMINATION

A quorum was confirmed by Ken Lindeman as the following were present through the on-line use of Zoom.

Dave Sielken, Tom Cooke, Ken Lindeman, Kevin Welsh, Cyndie Alto, Gary Rautio, and Sharon Falor.

Dean Lockwood and Debbie Ries were absent due to travels.

APPROVAL OF MINUTES

The minutes of the Board Meeting held on May 16th, 2022 were approved as distributed.

TREASURER'S REPORT – Dean Lockwood

Dean had provided his report to the Board in advance of the meeting:

a. Balance Sheet

- i. Our cash and money market accounts are sitting at \$90.2K. This basically represents the cash needed to fund the 2022 operating budget.
- ii. The reserve account investments made a slight comeback in May. AS everyone knows, it's been a rough year. The Edward Jones Reserve account investment is valued at \$101.4 on an investment of \$110.5. On paper, we are down \$16.8K of the gains we booked in 2021. It's a paper loss at this point only. Currently, we have \$177.9k in Edward Jones compared to \$171.8k last year at this time.
- iii. The GGVCF (Greater Green Valley Community Foundation) fund is currently valued at \$85,786 on an investment of \$75,000. The investment is down roughly \$11,500 in from where we ended 2021.
- iv. Total checking and savings of \$277.4K is down by just over \$6.5 from last year. Despite the rough market this year, our treasury is in fairly good shape.

- v. Accounts receivable is \$904. That represents 1 - 2022 dues with late fees plus 1 remaining dues plus late fees and interest from 2021. The accounts receivable should all be cleared up this summer.
- 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

b. P&L Statement

- i. Total income so far this year is \$98,210. Dues revenue of \$122,500 represents 350 houses at \$350 each. We collected \$490 late fees compared to \$350 last year. Transfer fees of \$1,700 are above plan by \$660. The biggest variance is the paper loss for both Edward Jones and Greater Green Valley Community Foundation Funds of \$27.5K. We hope the market bounces back soon.
- ii. Administration expenses of \$13.6k are \$1.5K 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 Fed's and \$555 to the State for an unfavorable variance to plan of \$2,900.
- iii. Common Area expenses of \$17.6k are \$11.0k favorable to plan. We have not started Palm tree trimming and we put \$6K in the May budget so that is \$6K of the favorable variance. We did invest \$2.6K in rocks for the Del Sur project in May.
- iv. Recreation expenses of \$14.0k are \$.7 unfavorable to plan so far this year. Our biggest variance to plan is Natural Gas which is \$2.3K unfavorable. Natural Gas cost per therm used have increased over 40% from last year (\$.74 to \$1.06).
- v. Overall, after five months, our revenue is unfavorable to plan by \$28.9K and our expenses are favorable to plan by \$8.7K for a total negative variance of just over \$20.2K.

Kevin summarized the above report in Dean's absence.

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. The only expense out of the ordinary was for Gravel for Common Area Maintenance in the amount of \$2,593. This was approved. On the advice of our financial advisors at Edward Jones the accounts were rebalanced percentagewise.

Architectural Control – Debbie Ries: In Debbie's absence it was noted that there was little to report. Ken stated that there had been two house sales.

Capital Projects – Kevin Welsh:

Kevin had nothing to report.

Common Area Maintenance – Cyndie Alto: Cyndie reported that some of the gravel mentioned above had been placed in Del Sur Park and the rest would be available for future projects. Some of it was placed where walls had been painted last year and some areas cleared before painting had attracted ants. Cyndie shared a photo of the “droppings” from a mesquite – a notable job to clean up which Points West Landscaping is addressing.

Gardeners – Rod Harp:

Cyndie said that the work done in Del Sur Park by the gardeners used repurposed plants at no cost to the HOA. Dave drew attention to the great asset the gardeners are to the HOA and thanked them for their work.

Green Valley Council – Hugh Rhine:

Hugh said that he had not been at a GVC meeting of late but there would be a get-together soon to plan for the 2023 thirtieth anniversary of GVC. Hugh reported that there has been discussion about whether to raise the dues that HOAs pay to GVC by \$1 per household – this has yet to be decided. Hugh said that GVC is to reinstate the information form for newcomers.

Recreational Facilities – Tom Cooke / Gary Rautio:

Tom thanked Gary for the great condition of the pool equipment. Dave noted that some pool users had been remiss in tidying up when they left. He thanked Lorna George for cleaning up after the miscreants. Tom reported that the fountain is going again but turns off when there is excessive wind. Gary noted that Bob Telford had installed a new IntelliChlor Salt Generator for the Spa. Greg Gramstad said there is nothing to report re. Pickleball other than the number of players vary from some six a day to up to ten to twelve.

Neighborhood Relations – Gary Rautio:

Gary had nothing to report.

Hospitality – Robin Lockwood:

Robin is in England and Debbie is traveling so Kathy Lindeman reported. There will be a Pot Luck on July 4th with cocktails served from 5.00 pm and food at 6.00 pm. Hospitality will provide cocktails and dessert. Participants are asked to bring an appetizer or main dish. The details will be publicized in the MMM when they are finalized.

Block Watch – Sharon Falor: Sharon said two houses had sold but she had no information about the new residents. She said that Cyndie had 6 welcome packets. Otherwise, there was nothing new. At this juncture Cyndie reminded Dave that he had not asked if any residents were at the meeting for the first time. He then welcomed Chris and Barb Fisher.

Enhancement Team – Jackie Rautio: Jackie had nothing to report.

NEW BUSINESS (this took place before Old Business to accommodate those who had to leave the meeting early)

John Nesavich introduced the matter of Grant Availability for enhancement projects. He had researched grants for Dust Abatement and suggested Trail Improvement. Dave asked if Pima County had any ulterior motives in this. John said he was unaware of anything of this nature. Kevin wondered if homeowners along the trails proposed for improvement had been questioned. Ken asked what specifically needed to be fixed. Dave noted that one matter in need of remediation is “dog poop”. John reiterated that all he is suggesting is to explore how to access “free” money. A concern was raised that, if trails were improved, non-residents might be attracted and might increase the “dog poop” problem. Cyndie said this is unlikely as no parking lots are proposed.

Sharon suggested that a committee be formed to survey what people may desire. John agreed that the objective was to improve dust mitigation and habitat and make community improvement in general. John asked Ken to join such a committee (he agreed) and Sharon volunteered also. Cyndie and Steve Alto also agreed to serve.

OLD BUSINESS

Judy Hayes said that John Nesavich was helping her with the MMM. She would be on vacation from June 29th to July 16th so John would take care of upcoming editions starting with June 29th. For the summer the MMM will be published every two weeks on the 2nd and 4th Mondays. Some MMMs are printed and distributed manually as well as a few copied are left at the Ramada – Ken will take care of this.

Bill Olson who has been our webmaster is stepping down. Donna Smith has volunteered to replace Bill and Judy will also learn what is involved.

Tom said he had no news of the timing of repaving west of Holgado. Cyndie said residents in the affected area got flyers re. parking during the work.

ADJOURNMENT:

A motion to adjourn was proposed by Kevin and seconded by Cyndie. The motion passed without dissent and the meeting ended at 1.53 pm.

Respectfully submitted,

Doug Syme