

Esperanza Estates HOA

Minutes of Board Meeting

September 19th, 2022

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

QUORUM DETERMINATION

A quorum was confirmed by Ken Lindeman:

Dave Sielken, Tom Cooke, Ken Lindeman, Kevin Welsh, Cyndie Alto, and Gary Rautio were present in person. Sharon Falor and Dean Lockwood joined the meeting by phone.

Debbie Ries was excused.

APPROVAL OF MINUTES

The minutes of the Board Meeting held on June 20th, 2022 were approved as distributed.

TREASURER'S REPORT – Dean Lockwood

August Financial Reports (as of 8/31/22)

a. Balance Sheet

- i. Our cash and money market accounts are sitting at \$65.9k. This basically represents the cash needed to fund the 2022 operating budget.
- ii. The reserve account investments have had a rough year and we're all ready to see the markets bounce back. The Edward Jones Reserve account investment is valued at \$99.9 on an investment of \$110.5 Currently, we have \$149.5k in Edward Jones compared to \$156.6k last year at this time. Our investment is down roughly \$18,300 from where we ended 2021.
- iii. The GGVCF (Greater Green Valley Community Foundation) fund is currently valued at \$81,131 on an investment of \$75,000. The investment is down roughly \$16,200 from where we ended 2021.
- iv. Total checking and savings of \$247.8k is down by just over \$13.9k from last year. Despite the rough market this year, our treasury is in fairly good shape.
- v. Accounts receivable is \$956. 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 soon.
- 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 \$93,215. Dues revenue of \$122,500 represents 350 houses at \$350 each. We collected \$490 late fees compared to \$350 last year. Transfer fees of \$2,500 are above plan by \$836. The biggest variance is the paper loss for both Edward Jones and Greater Green Valley Community Foundation Funds of \$36.6K. We hope the market bounces back soon.
- ii. Administration expenses of \$14.3k are \$1.1k 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 \$35.1k are \$13.9k 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. Otherwise, our spending in this area overall is very favorable to plan.
- iv. Recreation expenses of \$21.3k are \$2.8k unfavorable to plan so far this year. Our biggest variance to plan is Natural Gas which is \$3.7k unfavorable. Natural Gas cost per therm used have increased over 40% from last year (\$.74 to \$1.06).
- v. Overall, after eight months, our revenue is unfavorable to plan by \$36.1k and our expenses are favorable to plan by \$10.0k for a total negative variance of just over \$26.0k.

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. Kevin reinforced Dean's comments about investments.

Architectural Control – Debbie Ries: In Debbie's absence it was noted that there was little to report. Kevin stated that there had been three inspections. Two had passed and one is in process of correction.

Capital Projects – Kevin Welsh:

Kevin had nothing to report.

Common Area Maintenance – Cyndie Alto: Cyndie said that Palms look good. Some rock had been tidied up along Del Sur and Calma.

Gardeners – Rod Harp: Rod reinforced Cyndie’s remarks about Del Sur and Calma and noted that the Amigo Golf Cart was working well. Work on the Cactus garden was providing a “Salad Bar” for Javelinas! Plants in the Pool Area were doing well.

The Gardeners are planning to start up again on October 11th at 7.00 am.

Dave thanked the Gardeners. The Article in the GV News of August 3rd was a recognition of all the hard work. Tom remarked that the reporter tasked with the project was originally going to look at all Pocket Gardens in GV but was so impressed with EE that she wrote of EE only.

Green Valley Council – Hugh Rhine: Hugh said that GVC had a meeting last Thursday but he had a medical appointment in Tucson. He will catch up and let us know if he missed anything important. A question was raised about when the roads will be repaved. There was some concern that this might not happen straight away. After the meeting, Dave established that the work is scheduled to start on September 26th and should be completed in about a month.

Recreational Facilities – Tom Cooke / Gary Rautio: Tom thanked Gary for coming back to GV and relieving him of his summer duties. He thanked Lorna George for helping with keeping the pool level under control after the rains and helping at the pool through the summer. Tom noted that a pipe in the Solar Heating System had broken due to the hail. Tom said that seven new chairs and two umbrellas which match the existing equipment are on order. Greg Gramstad said all is well re. Pickleball. Tom noted that some junk had been carried away this morning. He said that we need to stop piling up broken items with the vague hope that they will be able to be repaired.

Neighborhood Relations – Gary Rautio: Gary had nothing to report. Dave mentioned that people leaving dog poop is, if anything, getting worse. If asking people politely to pick up their dog’s waste is ignored, Cyndie said that taking a photo and reporting the problem to Animal Control is indicated.

Hospitality – Robin Lockwood: Robin had no report.

Block Watch – Sharon Falor: Sharon said she did not have much to report. She suggested that a Newcomers’ Lunch be organized for November. This would allow new residents to learn of EEHOA’s requirements and benefits from people with accurate information. Another benefit of such an event is that new residents would be encouraged to volunteer.

Enhancement Team – Jackie Rautio: Jackie said she had only recently returned to EE and was still getting organized. She noted that Enhancement had raised over \$100k over time and this had gone straight back into the community. She is looking for new volunteers to join Enhancement.

OLD BUSINESS

John Nesavich is not yet back. Cyndie said that Grant Activity is on hold until the Fall.

NEW BUSINESS

Tom noted that weeds were an ongoing problem, and some areas are in need of a second spraying.

TRASH COLLECTION

Tom and Kevin informed us that the Heavy Trucks used by some Trash Removal companies are a threat to our newly repaved roads. If Heavy Trucks with double axles have to turn around, the rear tires will scrub the paving. Further, having three companies running up and down our roads will cause unnecessary wear.

David Way of Titan was asked to talk to the meeting. He said that they had more than 150 customers in EE already. He stated that, if the HOA was to set up a community-wide contract, the cost of some \$180 per annum for annual residents would be a reduction for them. The break-even point would be for residents who spent about eight months in EE. Even residents who spend less time in EE and use one of the other companies may not see much of an on-cost. He noted that his trucks are much lighter than the other companies’ trucks and will thus be kinder to the paving. He said that his company can supply Trash Cans of 35, 55 or 95 gallons capacity for either trash or recycling and these would be provided free of charge. He also said that pick-up for trash and recycling could be scheduled on the same day (he said the present schedule had been in place when his company took over a number of years ago, and had never been reviewed).

Questions were asked of Mr. Way and the answers are summarized above. He agreed to answer any further questions that may arise by emailing the Board.

Kevin said that the whole subject of Trash Collection is now open for discussion in EEHOA and it is hoped some decisions can be taken at the October Board meeting. He noted that a special meeting would be needed if dues were to be raised by more than 20%. It is hoped that the subject is discussed throughout EEHOA and that all residents will understand why a consolidated Trash Collection is being proposed.

Tom said that, given the cost savings and reduction in road wear, as well as having a company with the track record of Titan, the benefits should be readily obvious to all.

ADJOURNMENT:

The meeting was adjourned at 2.03 pm.

Respectfully submitted,

Doug Syme