

Esperanza Estates HOA

Minutes of Board Meeting

November 20, 2023

The meeting was called to order at 1:00 pm by President Dave Sielken.

QUORUM DETERMINATION

A quorum was confirmed as the following were present.

Dave Sielken, Ken Lindeman, Tom Cooke, Debbie Ries , Sharon Falor, Kevin Welsh, Dean Lockwood, Gary Rautio. Absent: Cyndie Alto

APPROVAL OF MINUTES

The minutes of the Board Meeting held on October 16th, 2023 were approved as distributed.

TREASURER'S REPORT

Dean Lockwood presented the Treasurers report for October. From the Balance Sheet, our operating account , which includes cash, money market and cd's, stands at close to \$91,168. We are currently investing extra cash, in CD's at close to 5.5% interest. This is money to keep us operational over the remainder of the year. The reserve account, made up of investments in Edward Jones accounts and GVC accounts, is still improving compared to last year. Our receivables account shows \$629. This represents 2023 dues and one assessment on one property.

From the P & L Budget vs. Actual, our income account is a positive close to \$5.3K for the past 10 months. Administration Expenses are \$1,422 less than plan. Common Area Maintenance has spent \$11.9K less than budget. Recreation Expenses are over plan by \$3.5K mainly due to unexpected Pool & Spa maintenance requirements. After 10 months, income is favorable to plan by \$5.4K , expenses are favorable to plan by \$9.8K for a total variance of roughly \$15.1K favorable to plan.

The Treasurer's Report was accepted.

2024 BUDGET PRESENTATION

Dean Lockwood presented the budget for 2024. Dean highlighted key points and some of the assumptions that went into the budgeting process.

- **HOA dues increase:** Due to several factors, the Finance Committee is recommending a small increase of \$20.00 annually. The last increase in dues, to cover operating expenses, was in 2008 when they were raised from \$330 to \$350. The HOA dues, \$370 and the Special Assessment for garbage collection, \$180 will be combined this year for a HOA dues total of \$550.
- **Income accounts:** Besides the \$20 dues increase, we are projecting fewer house sales (20 vs 25) in 2024 which impacts transfer fees. Interest income and pickleball income are projected to remain the same.
- **Common Area Maintenance:** The Points West contract for common area maintenance and debris removal has increased from \$31.0K/year to \$36.4K/year. To accommodate this increase, other accounts within Common Area Maintenance have been cut to maintain a budget similar to 2023.

- Recreation Facilities: Significant increases in natural gas costs (doubled over the last three years), electrical usage, and pool service/chemicals has caused a 13% increase in the 2024 budget compared to the 2023 budget. The board is committed to maintaining our swimming pool.
- Administrative Expenses: 2023 budget to 2024 budget has remained flat. The Titan contract, which is half of this budget, is set for 3 years, therefore there is no increase in that expense for 2024,

Motion was made by Dean Lockwood to accept the 2024 Esperanza Estates Home Owners budget as presented. Kevin Welsh seconded the motion. Having no further discussion, a vote was taken. The motion passed unanimously.

Motion was then made by Dean Lockwood to increase the annual assessment by \$20.00. Kevin Welsh seconded the motion. During the discussion segment, Hugh Gates suggested we use the interest income that we are receiving to offset the increase in budget requirements. It was determined this was not enough to offset the new expense requirements. Having no further discussion, a vote was taken. The motion passed unanimously.

COMMITTEE REPORTS

Finance Review – Kevin Welsh: No financial discrepancies were noted from a review of the financial documents. The Edward Jones investment portfolio review by the full financial committee will now take place this coming month (they were waiting for everyone to get back). Results will be given at our next meeting.

Architectural Control – Debbie Ries: Debbie shared she had 3 pre-sale inspections with two failing in the paint category. No activity that required board action.

Capital Projects – Tom Cooke: Gary Rautio wanted the board to be aware the swimming pool is in need of replastering and painting. The last time this has been done is approximately 15 years ago. He has received two bids. One coming in at \$40,800 and a second bid of \$39,796. The best time to do this will be in the summer when there are good drying days. The pool would be down approximately 3 weeks.

Common Area Maintenance – Cyndie Alto: Rod Harp stated that there was no activity to report other than the Points West contract had been signed. Also that a “tip jar” is available for Points West workers and is currently in Dean Lockwood’s possession.

Gardeners – Rod Harp: Rod said that he and Gary Rautio met with an inspector from the Green Valley fire station regarding “buffalo grass” on our properties. They identified several areas where removal of grass might be accomplished. The inspector suggested, for property owners, to keep a hose with a nozzle always available. He also noted some branches/trees near walls that should be removed. Rod also said the Gardeners (with some appreciated help from Points West crew) had spread another 28 tons of gravel in needed areas. Rod finished with mentioning a project on the North side of Regallo, along the wash is taking shape with a lot of volunteers currently moving rocks. It is starting to look very nice.

Green Valley Council – Hugh Rhine: Hugh stated GVC is implementing a program to make bracelets for people who might tend to wander. He also said GVC is getting a Pima county map application that GVC is preparing training on how to use the application.

Recreational Facilities – Tom Cooke – Gary Rautio said that pickleball lessons are set to begin Dec 4th with two, eight week, sessions. While the spa was not working for a month, it is now working. A reminder, please cover the spa when not in use. There is significant loss of heat with the cover open. Heat loss also applies to the pool when the cover is off. Gary suggested changing the pool hours from

7:00 am to 7:00 pm to maybe 9:00 am to 6:00 pm. No action taken. Gary also stated some of the Ramada walls were losing stucco. He will contact Miguel to get these repaired.

Neighborhood Relations – Debbie Wright stated that she was working on an issue and would report when she had more info.

Hospitality – Robin Lockwood: Robin Lockwood said a Halloween event was held with a turn out of around 85 people. She said the pumpkin carving contest was a success and fun. She also stated that a Veterans Day event was held with a turn-out of 59 people with 18 of those being Vets. They had a “clean-up” of the kitchen on Nov 28th with super volunteers. The next event will be a Holiday party and will have an Ugly Sweater contest on 12/14/23.

Welcome Corps – Sharon Falor: Sharon announced they were having a Christmas open house on Dec 6th for new and old residents to become acquainted. The motivation for this and future get togethers is to be good neighbors.

Enhancement Team – Jackie Rautio: Jackie introduced Jodie Hauge as the new coordinator for the “Enhancement Team”. Jodie said that at the Fall meeting discussed some enhancements for Flag Park. They have identified a Saguaro that Lynn Noble would like to have removed. This would be one of the enhancements to Flag Park with maybe a few more flags. She also stated that the elves were again volunteering to decorate mailbox posts. She also said they will be collecting again for the Spring Rummage sale. Right now, it looks like it will be the second Wednesday of the month at the shed on Del Sur. She asked that no furniture, electronics or clothes be donated.

OLD BUSINESS

- Results of Edward Jones Investment Portfolio review – See Finance review
- Dog Waste Stations – The report given is that they are getting a lot of business.
- Neighborhood Fire Prevention – See Gardeners section.

NEW BUSINESS

- Election – Ken Lindeman stated that he would like a few more candidates for the Board election. He currently has four candidates for three positions.
- Spa Cover – Hugh Gates suggested the board look into a cover that could be used with half an opening when only a few people are in the spa. This will be looked into.

ADJOURNMENT

Ken Lindeman moved to adjourn. Dave Sielken seconded the motion. The motion passed without dissent and the meeting ended at 2:03 pm.

Submitted by Ken Lindeman