

STARLIGHT PINES HOMEOWNERS ASSOCIATION

Minutes of the Regular Meeting of the Board of Directors

Saturday, April 13, 2019

Starlight Pines Community Center

1. Call to Order /Determine a Quorum

Vice-President Bill Patterson called the meeting to order at 9:10 a.m. Board Members present were: Vice-President Bill Patterson, Secretary Connie Kiser, Treasurer Sue Davis, and Directors-at-large: Bill Cross, Kim Traver, Bill Stephens and Rosemary Brown-Jaeger. Mike Bradley was excused from the meeting. The Vice-President announced that there was a quorum present to conduct business. Others present were the Community Manager and Association Members as recorded on the sign-in sheet.

2. Pledge of Allegiance - Bill Patterson led all in the Pledge of Allegiance.

Bill Patterson announced that our HOA President Mike Bradley sadly felt that it would be best for him to resign from the Board of Directors of the Starlight Pines Homeowners Association due to the recent loss of his wife, Eula.

Motion: Connie Kiser moved and Rosemary Brown-Jaeger seconded a Motion to regretfully accept the resignation of Mike Bradley from the SPHOA Board of Directors for the remainder of his term.

No Members asked questions or expressed comments.

The Motion passed unanimously.

3. Minutes from Previous Meetings

March 9, 2019 Regular Board of Directors Meeting – Connie Kiser Secretary

Motion: Sue Davis moved and Bill Stephens seconded a Motion to approve the March 9, 2019 Board of Directors Regular Meeting Minutes as presented.

No Members asked questions or expressed comments.

The Motion passed unanimously.

March 9, 2019 Executive Board of Directors Meeting – Connie Kiser Secretary

Motion: Bill Cross moved and Kim Traver seconded a Motion to approve the March 9, 2019 Executive Board of Directors Meeting Minutes as presented.

No Members asked questions or expressed comments.

The Motion passed unanimously.

4. Treasurer's Report

4.1. Documents Distributed to the Board

- Account Balances on March 31, 2019
- Income-Expense Statement for All Funds compared to the 2018-2019 Budget as of March 31, 2019
- Income-Expense Statement for SPHOA funds only compared to the 2018-2019 Budget as of March 31, 2019
- Line Item 7041 Compactor area Renovation YTD Itemized Expenses March 31, 2019
- 2019-2020 Regular Annual Assessment Notice, May 1, 2019
- Transaction Report for March 31, 2019, by electronic transmission
- Starlighters Auxiliary Transaction Report March 31, 2019, by electronic transmission

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- All SPHOA funds are held in four (4) FDIC-insured bank accounts, reconciled as of the last day of the month and filed in the Office for review. Three (3) of the four (4) bank accounts earn interest at diminished rates due to the economy.

4.2. Year-to-Date Income/Expense Statements as of March 31, 2019

	All Operational Funds	HOA Funds Only	Starlighters Funds
Income:	\$227,514.12	\$211,383.96	\$16,130.16
Expenses:	<u>(\$184,447.89)</u>	<u>(\$168,317.73)</u>	<u>(\$20,327.03)</u>
Income Less Expenses:	\$43,066.23	\$43,066.23	(\$4,196.87)

- HOA income is at 160% of projected income. HOA expenses are at 127% of projected expenses.
- Refuse Collection and Trash Area Maintenance expenses are slightly below Budget projections.
- We've spent 42% of the \$140,000 projected Trash Area Renovation cost. See line 7041 handout.
- Payments to Replacement Reserves are suspended until Trash Area Renovation is completed.

4.3. Account Balances on March 31, 2019

Cash on hand or in the bank: \$235,202.37

Current Liabilities: \$101,985.83 (includes \$17,348.97 in Projected Budget Payables and \$70,228.63 in Compactor Renovation Payables)

Replacement Reserves: \$133,216.54 (Includes \$44,000 Trash Compactor Renovation Fund)

Total Liabilities and Replacement Reserves are \$235,202.37. Equity/Undesignated Funds have been moved into the Trash Compactor Renovation Project liability.

The SPHOA is in a sound financial condition but must continue to find sources of income to repay reserve funds borrowed to renovate the compactor site and to support required HOA expenses while building financial and replacement reserves for the future.

4.4. 2018-2019 Assessments as of March 31, 2019

Unpaid Assessments, Late Charges, and interest total \$10,901.07.

597 members (97.5%) have paid all of their 2018-2019 Assessment. 15 Members have unpaid Assessments for this year. Eight (8) of those Members owe for prior years also. Most delinquent Assessment lots are vacant. Liens are placed and re-placed every three years.

4.5. CC&R Violation Fines outstanding as of April 10, 2019

35 Members owe a total of \$41,828.52 in CC&R Violation Fines.

- Ground Fires

\$1,100.00 – **3 Members** owe fines for Ground Fires. One member is making monthly payments.

- Firewise

\$33,948.52 – **20 Members** owe Firewise fines: 3 from 2014 (1 lot abated on 11/18/2018), 16 from 2017 (9 still Firewise noncompliant, Fines accruing at \$100 a month), and 1 from 2018 still noncompliant.

- Bark Beetle Infestations

\$6,780.00 – **12 Members** owe Bark Beetle Violation Fines. All are now BB compliant. 4 lots were abated. Cost of abatement was billed to lot owner.

4.6. Starlighters Auxiliary and the Transaction Privilege Tax (Arizona Sales Tax)

Treasurer Sue Davis had a teleconference with Mark Sahl, Esq., and Alexis Firehawk, Esq., with Carpenter, Hazlewood, Delgado, and Bolen regarding their professional opinion as to whether certain nonmember transactions may fall under the Arizona Department of Revenue Retail, Amusement and Restaurant Classification and may be subject to the Arizona Transaction Privilege Tax (TPT). Their opinion is due any day. Their professional fee is estimated at \$500 to \$600 depending upon the detail of the matter.

4.7. 2018-2019 Financial Compilation and 2018 Income Tax contracts were signed and returned to Butler-Hansen.

4.8. 2019-2020 Regular Annual Assessment Notice

A template of the 2019-2020 Regular Annual Assessment Notice is in the Board Meeting Packet. The Notice will be populated with information from the member database by way of a mail merge and mailed on May 1, 2019.

Sue Davis mentioned that the draft 2019-2020 Regular Annual Assessment Notice is an updated template previously approved by the Board of Directors. The changes are the current due dates, the \$210 amount for this year's Assessment, and the late charge amounts, which according to Arizona Revised Statutes can be 10% of the amount of the Assessment if paid after June 30, 2019. If an owner chooses to pay in semi-annual installments and doesn't pay the second installment by December 31, 2019, then by Statute we are limited to a \$15 late charge. On the bottom portion of the form it asks for updated personal information which helps keep our database current.

Bill Patterson asked if the outstanding Bark Beetle Firewise abatement charges are included in the \$6,780.00 amount listed in the Treasurer's Report under item 4.5 above. Sue Davis indicated that all abatement charges have been billed back to the Lot Owners and are included in the outstanding violation fine amounts listed in the Treasurer's Report.

Motion: Sue Davis moved and Rosemary Brown-Jaeger seconded a Motion to accept the Fiscal Year 2018-2019 Treasurer's Report as of March 31, 2019 as presented.

No Members asked questions or expressed comments.

The Motion passed unanimously.

Motion: Sue Davis moved and Kim Traver seconded a Motion approving the 2019-2020 Regular Annual Assessment Notice as presented.

No Members asked questions or expressed comments.

The Motion passed unanimously.

Bill Patterson then introduced Coconino County Deputy Sheriff Cody Watson. Deputy Sheriff Watson spoke regarding the recent homicide that occurred in our community and the body that was discovered at Bly Pit. He indicated that the case went to the Coconino County Grand Jury and the suspect, Pat Nagel, has now been arrested and charged with first degree homicide. Deputy Watson addressed how social media impeded their ability to investigate the matter. There were erroneous rumors already posted on social media before the Sheriff's office even had a chance to respond to the scene. The Sheriff's Office was trying to keep the investigative information low key because the suspect was a local resident, but that became difficult with all the local social media posts. They were concerned that the suspect would get scared and flee the area and possibly the State. Deputy Watson urged the Community to stay off social media when it involves something like this where there is an investigation going on. The Sheriff's office is also asking people to stop going through the locked Forest Service gates until those roads are officially opened. There has been a surge of gate locks being cut and people driving on those Forest Service roads and then having to be towed out. In some places on the Rim there is still 2 feet of snow. The Sheriff's Office has had to pull out several people who ignored the "Road Closed" signs. He indicated that he has also been responding to several false residential alarms going off over and over again.

Lou Hoover – Lots 537 & 538. Lou asked Deputy Watson to address the recent issue involving the south perimeter fence of Starlight Pines, a gate being locked by a Pine Canyon resident, and allegations of trespassing being made by Pine Canyon. Deputy Watson related that he was called by a Pine Canyon resident who was claiming that people were trespassing by walking in the Pine Canyon easement because that easement is Pine Canyon property. The President of Pine Canyon actually put a lock on one of the SP gates of our perimeter fencing. The lock issue was quickly resolved because the perimeter fence is owned by Starlight Pines. Deputy Watson also indicated that he cannot issue a trespassing violation for people using that easement and has now received from Trisha all of the historical paperwork for the agreement on use of the easement. Deputy Watson said he has tried to get in touch with the President of Pine Canyon, but his calls have not been returned. Bill Patterson indicated that the Pine Canyon HOA holds its meetings at our Community Center, and we have the contact information for its management company. Trisha also said she will e-mail the documents to Deputy Watson so that he can just e-mail them to the management company. Connie Kiser suggested that maybe there was some type of County violation that occurs when a person attempts to restrict a public easement. Deputy Watson said that issue would have to be handled by the Coconino Code Compliance Department. Initially there was a problem with people walking on the easement and then cutting through the Pine Canyon subdivision, which would be trespassing once they left the 40' easement area. People walking in that area need to make sure that they stay within the 40' easement.

Bill Patterson thanked Deputy Watson for his updated information.

5. Community Manager's Report – Patricia [Trisha] Birtwistle

Trisha Birtwistle reported:

- As of April 1, 2019 our mail delivery is being handled by a new mail contractor that is a corporate entity. It is a large corporation that was awarded the USPS rural contract for our area, but since April 1st mail delivery has been very sporadic and at times non-existent. Some residents haven't gotten mail for 2 weeks. Trisha provided a sheet with several USPS phone numbers for residents to call and complain about the poor service. She mentioned that with enough complaining the USPS will reduce payment to the entity awarded the contract based on its poor performance. The more complaints the USPS receives, the sooner the issue may get resolved. It has been a difficult transition for everyone. She also encouraged residents to call and make sure the USPS has a card on file that provides their contact information in case of mail problems, such as notification if a shipped package won't fit into their mail box.
- There have been several new sales escrows, several new residential structures started, and she has been handing out AC packets and answering Firewise questions.
- She has also been updating the database and ownership deeds, and is now organizing and reviewing the Voter Authorization forms.
- The new mailboxes have been ordered.
- Trash is still being dumped at the trash renovation site even though there are signs directing them to use the temporary site at the Community Center.

6. Committee Reports

6.1 Architectural Committee (AC) – Kim Traver, Chair; Ray Weimer, Brian Birtwistle and Dave Lutz

Brian Birtwistle reported for the Committee:

- Issued 4 RV permits
- Gave final approval for a shed

6.2 Greenbelt Committee – Bill Stephens – Board Liaison; Don Cacioppo, Chair; Kevin & Margaret Hickey, Jay Blodgett, Dave Lutz, Buddy & Sue Peck, Kathy & Pete Fenton, Dave Ihns, and Dan & Margaret Knox. Don Cacioppo reported that the Committee is continuing to inspect the Greenbelt for broken trees. The plan for this year is to not cut down any healthy pine trees during the spring while the Bark Beetle threat continues. The focus of the Committee will be thinning and removing dead and down oak and juniper trees to reduce the fire hazard. The Committee Members were thanked for last year's efforts in keeping the Greenbelt cleaned.

6.3 Firewise Education Committee (FEC) – Bill Patterson – Board Liaison; Open Chair; Brian Birtwistle, Linda Knaeble, Larry Butler, Bob Dahlgren, Dave & Pam Ihns, Paula & Tom Osterday, Dave Lutz, Dan & Margaret Knox, and Conrad Davis.

Conrad Davis reported that after receiving additional input from Firewise Committee Members he has prepared a revised draft of the 2019 Starlight Pines Firewise Inspection letter for mailing to Lots 201 – 400. Important aspects of the letter have been emphasized in red. Revisions have been made to the thinning requirement. It was decided that because sap from healthy pine trees, when cut, causes an odor that attracts Bark Beetles, Firewise Inspectors will not be requiring thinning of otherwise healthy pine trees while the Bark Beetles are still active. There are also other changes dealing with required raking of a 30' area around all structures, woodpiles and propane tanks. It was also suggested that the information pamphlet entitled "The Why Behind Firewise" should be included with the letter mailing in order to educate Lot Owners about the reasoning behind the need for the Firewise lot cleanup requirements. The Committee will be installing a drop box outside the Community Center for Inspectors to use when returning their completed Lot Inspection Forms. There are also going to be maps with assigned lot numbers given to each Inspection team. The idea is to have the Firewise Inspectors identify any failed item numbers from the Lot Inspection Form within each lot area on the map. The map would then serve as a backup to the online drop box. It was stressed that if Firewise Inspectors encounter a Lot Owner who won't allow access to his/her lot, they should immediately leave in order to avoid any confrontation.

Bill Stephens noted that in the draft 2019 Lot Inspection Form before the Board, Bark Beetles are mentioned under Item #3 on both pages 1 and 2. There was discussion on how best to handle the Bark Beetle infestation issues now that spring is here and they are becoming active again. The issue is whether or not Bark Beetle infestation inspections are going to remain a separate inspection process, with its own forms and notification criteria, or be included with this year's annual Firewise Phase 3 Ongoing inspections of Lots 201 – 400. It was the consensus of the Board that Bark Beetle issues and inspections should remain separate from the regularly scheduled yearly Firewise lot inspections. The draft Lot Inspection Form submitted today will now be modified to remove the words: 1) "or trees with bark beetle infestation" under item # 3 on page 1, and 2) "or bark beetle infested" under Criteria #3 on page 2. Bill Patterson indicated that previously the Bark Beetle notification process had a 30-day notice to get the infested trees removed with no grace period before fines would start. That process should remain the same.

Motion: Connie Kiser moved and Rosemary Brown-Jaeger seconded a Motion to accept and approve the new version of the Starlight Pines 2019 Firewise Inspection Notification letter and Lot Inspection Form [subject to striking "or trees with bark beetle infestation" in item #3 on page 1, and "or bark beetle infested" in item #3 on page 2] as presented, with the mailing to also include the pamphlet entitled "The Why Behind Firewise."
No Members asked questions or expressed further comments.

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The Motion passed unanimously

There was further Board discussion concerning how the Bark Beetle process will be handled now that they are starting to become active again with the warmer weather. Conrad indicated that the Firewise Inspectors conducting the Phase 3 – 2019 Firewise inspections of Lots 201 – 400, could look for and report separately any Bark Beetle infested trees. If infested trees are found, then the same Bark Beetle 30-day notification process and forms approved by the Board on 9/8/18, during last year's Bark Beetle outbreak, would be used moving forward this year. Bill Patterson also reminded the Members that if any permanent or part-time residents happen to see a dead or stressed pine tree it should be reported immediately to Trisha or a Firewise Committee Member so an official inspection can be made to confirm any Bark Beetle infested trees. It is important for everyone to keep an eye out for new Bark Beetle infestation to avoid additional loss of our beautiful Ponderosa Pine Trees.

Motion: Connie Kiser moved and Kim Traver seconded a Motion that the Bark Beetle inspections continue this year, using the same process and forms as approved by the Board on 9/8/18, with the same 30-day deadline for compliance from date of notification, with fines to start after that 30-day deadline.

No Members asked questions or expressed comments.

The Motion passed unanimously

6.4 Community Center (CC) and Grounds Maintenance – Naila Erwin

Naila Erwin reported:

- We are experiencing the usual increase in Community Center usage. Other local HOAs and the Chevelon Butte Elementary School Board hold their meetings here, and there are also two annual blood drives scheduled.
- She and Don Cacioppo worked to get the first part of the Highway Sign Project started, which is repairing and refurbishing the three existing signs along Highway 87.
- Historically for this Community Center, the first meeting of the stake-holders and Coconino County representatives was held in April 2000 -- 19 years ago. The outcome of that meeting was a preliminary draft outline of a long-range vision and plan to change the two-bay firehouse into the Community Center facility that it is today.

6.5 Property Rules Committee (PRC) – Rosemary Brown-Jaeger, Chair; Bill Cross and Bill Stephens. Property Rules was put on hold during the Bark Beetle season, but it will start up again now that winter is over.

6.6 Newsletter – Bonnie Steele

She was happy with the quality and content of the first Newsletter for 2019.

6.7 Starlighters – Bonnie Steele

Bonnie Steele reported:

- The Starlighters served 73 people at the March Community Breakfast. On April 27th there will be an all-you-can-eat pancake breakfast.
- The "Winter Deer" quilt wall hanging by Arlene Dahlgren will be raffled off in September.
- The Annual Boutique will be on May 25th. There will be burritos, a bake sale, vendors and Happy Jack merchandise for sale.
- Bonnie read a thank you note from a new Mountain Top Community resident.

7. Community Comment: Trisha Birtwistle - Lot 279. Trisha said she posted a note on the bulletin board for one of our long-time residents who is having a yard sale. Steve Yeary – Lot 351. Steve would like to go back to Conrad's question about Committee Members going on to a lot when the owner asks you to leave. He said it is very important to never enter any confrontational situation – your duty is to leave. He would also like to see something in the Newsletter about the different Committees that are authorized by the Board to do certain things. Sue Davis reiterated that if you are asked to leave a property, do so, and the Board will then address the situation directly with the Lot Owner.

8. Old Business:

8.1 Trash Compactor Update:

Naila Erwin reported that the pile of fill dirt and the dirt floor have been drying out from the winter weather. We still need to pass the soil compaction test conducted by Western Technology. ANCO has been contacted and the second compactor and its bin have been refurbished and are ready to be delivered when needed. Steve Yeary indicated that he is continuing to turn over the dirt pile with his tractor to help the soil dry out.

Naila Erwin reiterated that there are still problems with people throwing trash over the fence at the site of the Starlight Water Company, even though there is a sign saying "No Dumping." A thank you was given to Steve Yeary and Lou Hoover who have been covering for Ray Weimer while he is on vacation. Although not related to the trash compactor, there is a new larger four-bin parcel box that has been installed at the Starlight Drive/Apache mailbox location.

8.2 Highway Signage Project

Naila Erwin reported that she and Don Cacioppo met regarding the three "Starlight Pines" signs in disrepair along Highway 87. There are two stand alone wood frame signs on the west and a larger rock base sign on the east side of the highway. All three signs need to be refurbished and/or replaced, and although there has been discussion about this sign repair project in the past, it has never formally been approved by the Board. The handout for this meeting sets forth the plans and anticipated cost for that project. Don Cacioppo indicated that refurbishing and repairing the damage to the two wood signs on the west is the smaller and least expensive part of the project. The wood portion of the larger rock-base sign was in such bad shape that it was removed. The rock-base portion of that sign has some deterioration, but it can probably be repaired and a new wood sign installed on the top of the existing base. The total project cost for the repairs is estimated to be \$2,100, but hopefully it will be less. Don indicated that it will be about an 8- week project to complete the repairs.

Naila pointed out that the wood signs on the west side of the highway contain different elk profiles and asked if the Board wanted the side profile or face-on view for the new sign to be built for the top of the rock base on the east side. It was the consensus of the Board that the side profile would work best, especially since that sign will be larger.

There was discussion about the \$2,100 budgeted for next fiscal year for this project. The question was whether or not Don Cacioppo could go ahead and pay for the materials now and get started, and then be reimbursed, with receipts, at the start of the new budget for fiscal year 2019-2020. Sue Davis indicated that there are funds currently in the Grounds Maintenance line item to get him reimbursed.

Motion: Bill Stephens moved and Bill Cross seconded a Motion to approve an amount not to exceed \$2,100 for the sign repair and refurbishing project for the current three Starlight Pines wooden signs and rock base as presented.

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No Members asked questions or expressed comments.
The Motion passed unanimously

8.3 2019 Annual Election – Ballot Certification

Connie Kiser, Secretary, reported that on April 10, 2019 she set the Official Member List for those entitled to vote in the 2019-2020 Board Election. There were no Members who turned in Nomination Petitions and she has certified the 2019 Election Ballot that is in the Board packet. That Election Ballot contains the names of the 8 candidates submitted by the Nomination Committee and accepted by the Board on March 9, 2019. It was the consensus of the Board that the 2019 Election Ballot form doesn't need Board approval because it is the same template previously approved by the Board and used in previous elections.

8.4 TPT Update

Sue Davis indicated that she has no updated information on the issue because she is waiting for an opinion letter from Carpenter, Hazlewood, Delgado, and Bolen, which she hopes to have in time for next month's Board meeting.

AS AN ASIDE:

Bill Patterson mentioned that Sue Peck dropped off the Nation Firewise Program Renewal Certificate for 2018 which will be posted on the wall in the Community Center hallway.

Sue Davis reminded everyone that at the May meeting the Board will be finalizing and approving our 6 vendor contracts. The perimeter fence maintenance contract is still open, but someone has expressed an interest in bidding on that contract. The scope of work is contained in the Perimeter Fence Maintenance contract language, and that contract opening has been announced at the last two Board meetings.

10. Adjournment: There being no further business to come before the Board, the Vice-President asked that the meeting be adjourned into Executive Session.

Motion: Connie Kiser moved and Kim Traver seconded a Motion to adjourn the meeting and reconvene into Executive Session to discuss violation fine appeals, legal opinions, and personal and financial information about individual Association Members.

No Members asked questions or expressed comments.

The Motion passed unanimously.

Submitted by:

Board Approved On:

5/11/19

15/
Connie Kiser, Secretary

Approved:

15/
Bill Patterson, Vice President