

STARLIGHT PINES HOMEOWNERS ASSOCIATION
Minutes of the Regular Meeting of the Board of Directors
Saturday, October 10, 2020
Starlight Pines Community Center

1. Call to Order /Determine a Quorum

President Dave Janecke called the meeting to order at 9:00 a.m. Board members present in person were: Dave Janecke, Connie Kiser, Sue Davis, Bill Patterson, Dan Knox, and Bill Cross. Gary Hansen appeared via Zoom and Kim Traver was absent. The President announced that there was a quorum present to conduct business. Others present were Members who had signed on to participate through Zoom. Due to the Corona virus, social distancing and masks were used by Board Members. The Community Manager was also in attendance to co-ordinate Zoom participation from the Members.

2. Pledge of Allegiance

The President led all in the Pledge of Allegiance.

3. Minutes from Previous Meetings:

September 12, 2020 Regular Board of Directors Meeting – Connie Kiser Secretary

Motion: Bill Cross moved and Sue Davis seconded a Motion to approve the September 12, 2020 Board of Directors Regular Meeting Minutes as presented.

No Members asked questions or expressed comments.

The Motion passed unanimously.

September 12, 2020 Executive Board of Directors Meeting – Connie Kiser Secretary

Motion: Dan Knox moved and Bill Cross seconded a Motion to approve the September 12, 2020 Board of Directors Executive Meeting Minutes as presented.

No Members asked questions or expressed comments.

The Motion passed unanimously.

4. September 30, 2020 Treasurer's Report:

4.1. Documents distributed to the Board

- Account Balances for all funds on September 30, 2020
- Income-Expense Statement for All Funds as of September 30, 2020, compared to the 2020-2021 Budget
- Income-Expense Statement for HOA Funds Only as of September 30, 2020, compared to the 2020-2021 Budget
- September 30, 2020, Transaction Report sent by electronic transmission for Board only
- September 30, 2020, Starlighters Auxiliary Transaction Report sent by electronic transmission for Board and Starlighters Leaders
- All SPHOA funds are held in seven (7) FDIC-insured bank accounts, reconciled as of the last day of the month and filed in the Office for review by Members. Three (3) of the seven (7) bank accounts earn interest at diminished rates due to the economy.

4.2. Year-to-Date Income/Expense Statements as of August 31, 2020

	All Funds	HOA Funds	Only Starlighters Funds
Income:	\$156,850.64	\$149,988.27	\$6,862.37
Expenses:	<u>(\$66,798.87)</u>	<u>(\$59,936.50)</u>	<u>(\$2,378.23)</u>
Income Less Expenses:	\$90,051.77	\$90,051.77	\$4,484.14

HOA Funds Only Income Highlights

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- YTD 33% over, income 85% of Budget projections
- Line 4062 - 30 New Member Initial Contributions; \$6,300.00
- Line 4065 - 35 lot ownership transfer document fees, including four \$100-rush fees: \$14,400.00
- Line 4066 - one (1) Building Cleanup Deposit forfeiture: \$500.00
- Line 4067 - three (3) Firewise and Bark Beetle fine collections: \$1,175.00
- Line 4071 - bank interest at 61% of Budget projections: \$337.30
- Line 4073 - 13 nonrefundable pre-construction plan review fees: \$650.00
- Line 4075 - 595 Members (90%) have paid their 2020-2021 Assessment: \$125,390.97

HOA Funds Only Expense Highlights

- YTD 33% over, expenses 34% of Budget projections
- Line 5010 Capital Improvement – New HVAC \$8,172.50, Total was \$15,075 spread over 2 fiscal years
- Line 5060 Arizona Corporation Commission Annual Report filed - \$10.00
- Line 5080 Insurance \$10,228.17 – 146% greater than projected; Property & liability, \$6,638; D&O, \$3,590.17. We increased coverage, underestimated premium increase, and should have allocated more funds to this line item, as last year's premiums totaled \$9,766. Workers Compensation Insurance (WCI) is tracked in Line 6055.1 Management/Payroll.
- Line 6055.1 Management/Payroll – WCI is estimated to be \$2,256 payable in December 2020 and subject to January audit of actual 2020 payroll.
- Line 7030 Refuse Collection \$13,776.23 is 64% over Budget projection – We are operating two compactors. More users are up in Starlight, could be seasonal.
- Line 7080 Taxes – Paid minimum 2019 AZ corporate tax. Butler Hansen filed 2019 federal and AZ tax extensions.
- Line 8010 Utilities – includes 2020-2021 Griffin Propane Pre-buy agreement: \$1,215.32

4.3. Account Balances

- \$280,134.93 - Cash on hand or in seven (7) bank accounts
- \$134,905.84 - Current Liabilities
- \$126,782.71 – Unspent Compactor Renovation Funds were redistributed on 9-12-2020. Other payments to Reserves are on hold until later in fiscal year.
- \$280,134.93 - Total Liabilities and Replacement Reserves
- \$18,446.38 - Undesignated/Equity Funds
- The SPHOA is in a sound financial condition but must continue to find sources of income to support required HOA expenses while building future financial and replacement reserves.

4.4. 2020-2021 Unpaid Assessments – 17 Members

- 17 members (3%) have unpaid Assessments for 2020-2021 totaling \$14,293.65. Liens will be placed with a charge of \$75 per Lien placed and removed.
- 10 of those 17 members owe Assessments, Late Charges, Lien fees, and accrued interest carried forward from 2019-2020. Liens have already been placed on these Lots.

4.5. 2020-2021 CC&R Violation Fines

30 (5%) Members owe CC&R Violation Fines totaling \$37,222.75. (Total paid YTD Line 4067: \$1,175)

- Ground Fires
\$1,500.00 – **3 Members** owe \$500 each in fines for Ground Fires in 2015, 2016, and 2020.
- Firewise and Bark Beetle Fines
\$33,247.75 – **25 Members** owe Firewise (18) and Bark Beetle (7) fines. 1 lot is Firewise noncompliant since 10-16-2019. 9 Lots have been abated into compliance. Abatement cost has been billed to Lot Owners.
- Property Rules Committee Violation accruing - Building in Disrepair (CC&R 3.10)
\$1,350.00 – **1 Member**

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- Architectural Committee Violation accruing - Improvements without AC approval (CC&R 3.24) \$1,100.00 – **1 Member**

4.6. The first AmTrust NYCB Liquid CD funded at a rate of 1.73% matured on September 9, 2020. The initial \$50,000 was rolled over at a decreased rate of .40%. Interest earned (\$874.93) was transferred to NYCB Account -5528.

4.7. Butler Hansen continues to work on completing the 2019-2020 compilation and 2019 federal and Arizona income tax returns. We filed extensions and paid the \$50 corporate minimum to ADOR.

Motion: Sue Davis moved and Bill Patterson seconded a Motion to accept the Treasurer's Report as of September 30, 2020 as presented.

No Members asked questions or expressed comments.

The Motion passed unanimously.

Sue Davis clarified a question about our insurance expense from Bill Cross that she answered during the September Board Meeting. She indicated she did not fully understand his question due to the masks and would like to clarify the insurance expense line item. The fourth bullet down in the Treasurer's Report this month under "HOA Funds Only Expense Highlights," is line item 5080, which is \$10,228.17 and represents an amount that is 146% above our budget projection. One reason why we are over budget is because we increased the amount of our property insurance coverage and we should have allocated more funds to this line item when considering the budget. Workers Compensation Insurance [WCI] is not included in line item 5080 but is tracked in line item 6055.1. Sue indicated she identified the Worker's Compensation Insurance independently from the total Management line item so the Board could see it. That WCI line item amount of \$2,356.00 is based on last year's official audit by Worker's Compensation. We will pay the WCI premium again this December based on our payroll, and then when that payroll is audited by WCI in January 2021 we may have to pay an additional premium.

Also, after the Motion that passed at the last meeting, Sue said she has moved any funds left over from the trash compactor renovation loan fund into their designated reserve funds. She did not move any of the additional replacement reserve funds at this time because that can be done at any time during this fiscal year.

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

Trisha reported that she:

- Processed/Sent 12 Escrow Demands and gave incoming checks to the Treasurer.
- Met with three New Residents to go over HOA information, i.e., trash fob, mailbox keys, and local information.
- Met with two Residents over trash compactor inappropriate use.
- Forwarded information to the Committees and Board regarding member calls and trouble with hard to manage Bark Beetle tree removal.
- Sent AC and Property Rules Committees various information in order to respond to Member's needs.
- Updated the spreadsheets for the Firewise and Property Rules Committees.
- Mailed letters to property owners as directed by each Committee.
- Paid bills for the HOA and Starlighters.
- Updated the database as property changed ownership.

Sue Davis asked what kind of misuse is happening at the trash compactor site. Trisha said that big boxes are being put in without being cut up, stuff and trash that falls out of bags is being left

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on the ground, and non-recyclable things are being put into the recycle bin. Trisha added that Ray Weimer identifies what the violation is and she can usually identify most of the violators with the cameras. Trisha also mentioned that turning off the fobs for violations seems to be working in order to get residents to follow the rules. Sue Davis said we are way over our line item for Refuse Removal and perhaps that expense item will need to be adjusted on next year's budget. Trisha pointed out that there have been a lot more residents up here this summer due to the COVID 19 pandemic, thus the increase in trash.

6. Committee Reports:

6.1 Architectural Committee (AC) – Kim Traver, Chair/Board Liaison; Brian Birtwistle, Ken Grode and Gene Traver

Trisha read the report for Kim Traver and indicated that the Committee had:

- Approved four RV Permits
- Approved change of siding color for a new cabin
- Sent two Notices of Noncompliance RV/Trailer letters
- Approved two new sheds
- Approved one shed change
- Passed garage doors that were installed

6.2 Greenbelt Committee – Don Cacioppo, Chair; Buddy & Sue Peck, Dave Ihns, Dan & Margaret Knox, Paul & Gayle Budrick. Dan Knox read the following report prepared by Don Cacioppo:

Inspections continue to look for Bark Beetle signs and other potential problems in the Greenbelts and fortunately no new issues were found. The two trees designated for removal have been cut down, but not removed as of the writing of this report. Trimming and removal of dead branches and other slash was removed from various parts of the Greenbelt areas in a continuing process of maintenance. The new signs for reducing unauthorized motor vehicle use of the Greenbelts were installed. The Greenbelts are looking good in spite of the lack of moisture and no complaints have been reported.

Dan Knox added that Steve Yeary will be repairing those portions of the green belt where they have had problems with vehicles and ATVs violating the use of the Greenbelt paths.

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

All the evidence indicates that the community of Starlight Pines not only accepts but appreciates our Firewise program. Our hard-working Committee completed the re-inspections with a compliance rate of better than 95%. We had to send out just 10 letters of noncompliance. Last year our compliance rate was 89.5%, and we had to mail 21 letters of noncompliance even though we inspected 13 fewer lots that year. Furthermore, since this year's letters were mailed, two more lots have become compliant so we are now better than 96% compliant.

We did a good job last year, but this year all of our teams performed exceptionally well. All six teams had a compliance rate of better than 91%. This is remarkable, and it tells me that our community as a whole has decided to buy in to the necessity of Firewise. No doubt the fires in California, Oregon, and Washington as well as fires in other areas of Arizona have helped to change some minds. Part of the proof is that even as all these fires have been happening, our SPHOA Board of Directors Regular Meeting Minutes 10/10/20

real estate values have increased significantly over the past year.

Our community owes a debt of gratitude not only to our teams of inspectors but also to Trisha whose meticulous record keeping and communications between the lot owners and the individual inspection teams enabled them to know when, where, and how to proceed. But most of all, we should be grateful to the property owners who invested so much sweat equity and money in maintaining fire safe lots.

The prolonged drought is presenting a new challenge. According to weather news on Channel 3, the 2020 monsoon was the driest ever for Blue Ridge. The rainfall totals for the past 10 years from the beginning of the year to October 10th are very revealing (2014 is missing because twin, two-year-old grandsons regarded the weather station monitor as a toy). The totals for the other 9 years are listed below:

<u>Year</u>	<u>Rain fall to Oct. 10th</u>
2011	14.59 inches
2012	10.27 inches
2013	16.19 inches
2015	11.65 inches
2016	14.64 inches
2017	13.04 inches
2018	12.62 inches
2019	12.57 inches
2020	7.85 inches

For the first eight years listed above, the average rainfall from Jan. 1st to Oct. 10th is **13.20** inches. This year's total of **7.85** is less than 60% of this average. This drought will have a negative effect on our trees. Since the last week of June, we have discovered 26 lots with one or more Bark Beetle infested trees, and if the weather stays warm there will be more this year. There will also be some drought-stressed trees that were infested in late fall but the needles did not turn brown until the spring. To minimize the damage, Firewise must stay vigilant and get these trees removed to Bly Pit as soon as possible.

Finally, Firewise has submitted our Renewal Application to the National organization (NFPA), and we are ready for the new year.

6.4 Property Rules Committee (PRC) – Bill Cross, Board Liaison, Rosemary Johnson
Bill Cross reported that:

All 612 lots have been inspected and 60 Lots failed inspection. Forty Notices of Noncompliance were sent and 20 are still to be mailed; 4 Property Owners have completed the work; 31 Property Owners have not responded; 5 Property Owners are working with the Property Rules Committee on becoming compliant. Property Rules also mailed 10 new Notices of Noncompliance Letters and have responded to and met with several Members to address questions regarding their Noncompliance Letters

6.5 Newsletter – Bonnie Steele – Nothing to report

6.6 Starlighters – Bonnie Steele

Trisha Birtwistle read the following report authored by Bonnie Steele:

The Starlighters held a highway cleanup on Friday, Sept 18th. In spite of a small turnout they SPHOA Board of Directors Regular Meeting Minutes 10/10/20

were able to meet their goals. Thanks was given to Gayle Budrick, Don Cacioppo, Naila Erwin, Lou Hoover, Sue Peck, Becky Pettit, Frank Pettit, Bonnie Steele and Ken White for their hard work in getting the job done.

The Starlighters deposit for September was \$537.09, and their account balance on 10/03/2020 was \$5,449.75. They have not asked to schedule any additional merchandise sales but are currently considering whether to request an additional sale before the end of October. In November they will decide how to distribute their profits to their charities and send it to the Board for approval.

7. Community Comment:

Dave Janecke opened the meeting to Members.

Sue Davis -- Lots - 352 and 353. Sue Davis indicated that she is not speaking as a Board Member for the Association but is speaking as a Member of the Board of the Blue Ridge Domestic Water Improvement District. They had their first meeting at the Community Center on September 26th observing CDC protocols with Board Members only in person. They were a bit to have a Zoom meeting thanks to Trisha and her expertise. The next Board meeting is scheduled on the 4th Saturday of October. The District did accept the resignation of Board Member Jeremy Westfall from Timber Ridge Ranch, so they are accepting applications from Arizona registered voters who are property owners in the District, specifically from Timber Ridge and Tamarron Pines. She explained that it was the original plan that Board Members come from each of the different communities within the District. Sue indicated she was elected Clerk of the Board so she is accepting applications by e-mail or mail. The District is going to post notice of the vacancy on public bulletin boards. The plan for the District's Board Member replacement election has been sent to the Coconino County Board of Supervisors.

Connie Kiser asked if the Water District had already hired its own attorney and Sue indicated that an attorney had been identified but not officially hired yet.

8. Old Business:

Maintenance/Updating the Community Center:

Trisha indicated she is getting a second bid for the painting but hadn't received it as of the time of the Board Meeting. Sue Davis said that after moving money from the compactor renovation fund that was not used the painting line item in the reserves is \$5,191.00.

9. New Business:

9.1 Amerigas Propane

Connie Kiser indicated she is trying to work with Amerigas to get some type of price break for Starlight Pines. The prices in this community vary and she is hoping to meet with the Amerigas Sales Representative. Currently the propane prices range from \$1.81 to \$2.79 a gallon and we have enough residents in Starlight Pines that we should be able to negotiate a new price. Sue Davis said the HOA negotiated a \$1.89 for its propane, which is ten cents down from the initial offer through Griffin Propane. Bill Patterson indicated that there is another company now also providing propane gas to our community, but the issue becomes whether or not you own or lease your tank and have the option of who you can buy your propane from.

9.2 Sending the Newsletter electronically:

Trisha Birtwistle asked the Board to consider the possibility of sending the quarterly Newsletter electronically and uploading it on to the Starlight Pines website. She indicated that it would be a cost savings for the HOA. Sue Davis said she has a concern that all Members need to receive SPHOA Board of Directors Regular Meeting Minutes 10/10/20

the Newsletter because that is our official method of communicating with Association Members and some Members may prefer to receive it by mail. Connie Kiser suggested that we do a blast e-mail to the Members asking who does or doesn't want to receive the Starlight Pines Newsletter electronically. Sue Davis said she is for it as long as Members can continue to receive it by mail if they want to. It was suggested that the option of receiving the Newsletter electronically or by mail also be included in the mailing of the Annual Assessments invoices. Sue Davis indicated that there is a bottom tear-off portion on the Annual Assessment invoice that asks for comments and the Newsletter option could be included on that tear-off. Connie indicated that she thinks we should do both. We could get this started and see where the glitches are going to be. Bill Patterson said he is concerned that a non-response would be interpreted as an affirmative response to the electronic distribution. There was also discussion about the Newsletter being posted and made available on the Starlight Pines Website.

Motion: Dave Janecke moved and Bill Cross seconded a Motion approving the sending of an e-mail blast to the Association Members to inquire who would be interested in receiving the Newsletter, with advertisements, electronically, instead of by mail, and to then follow up with another questionnaire when the annual assessments are sent out to all Association Members.

No Members asked questions or expressed comments.

The Motion passed with Dave Janecke, Connie Kiser, Sue Davis, Gary Hansen, Dan Knox and Bill Cross voting yes. Bill Patterson voted no.

9.3 Short-term Rentals:

Dan Knox expressed concern about blast e-mails that are being sent to various residents soliciting them to list their homes in Starlight Pines for short-term rentals. Dave Janecke pointed out that we did respond to the original e-mail blast from two agents for Redawning, a short-term rental company, to notify them that according to our governing documents Starlight Pines does not allow short-term rentals. Connie Kiser asked if we want to be pro-active and send something out to the Members as a reminder that short-term rentals are now allowed in Starlight Pines? Sue Davis indicated that the Arizona Revised Statutes address short-term rentals and how they can be monitored, and she that it may come down to whether or you can prove that money exchanged hands. Bill Patterson said he thinks we should send out an e-mail blast letting the Members know that short-term rentals are not allowed pursuant to the CC&Rs and Property Rules. It was suggested that we also put something in the Newsletter reminding Members that short-term rentals are prohibited.

Motion: Bill Patterson moved and Dan Knox seconded a Motion that we do a blast e-mail to all Members reminding them that short-term rentals are not permitted in Starlight Pines pursuant to our governing documents.

No Members asked questions or expressed comments.

The Motion passed unanimously.

Connie Kiser volunteered to prepare the e-mail blast for Trisha to send out.

9.4 Resignation:

Bill Cross indicated that Rosemary Brown-Jaeger has submitted her resignation from the Property Rules Committee.

Motion: Sue Davis moved and Bill Cross seconded a Motion to accept the resignation of Rosemary Brown-Jaeger from the Property Rules Committee.

No Members asked questions or expressed comments.

The Motion passed unanimously.

Bill Cross indicated that he is going to need one or two volunteers to help with the Property Rules Committee and asked Trisha to get that information out to the Community.

10. Adjournment:

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

The next Board meeting will be on November 14, 2020.

Motion: Sue Davis moved and Bill Cross seconded a Motion to adjourn the meeting into Executive Session to discuss legal advice, contemplated litigation, personnel issues, and personal and financial information about individual Association Members and appeals relating to various violations and delinquent and outstanding assessments and fines.

No Members asked questions or expressed comments.

The Motion passed unanimously.

Board Approved On: 11/14/20

Submitted by:

15/
Connie Kiser, Secretary

Approved:

15/
Dave Janecke, President