

STARLIGHT PINES HOMEOWNERS ASSOCIATION
Minutes of the Annual Meeting of the Board of Directors
Monday, June 14, 2021
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: President Dave Janecke, Vice President Bill Patterson, Secretary Connie Kiser, Treasurer Sue Davis, and Directors at Large Dan Knox, Bill Cross and Gary Hanson. Kim Traver appeared by phone. The 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

The President led all in the Pledge of Allegiance.

3. Minutes from Previous Meetings:

May 15, 2021 Regular Board of Directors Meeting – Connie Kiser Secretary

Motion: Dan Knox moved and Sue Davis seconded a Motion to approve the May 15, 2021 Board of Directors Regular Meeting Minutes as presented.

No Members asked questions or expressed comments.

The Motion passed unanimously

May 15, 2021 Executive Board of Directors Meeting – Connie Kiser Secretary

Motion: Bill Cross moved and Dan Knox seconded a Motion to approve the May 15, 2021 Executive Board of Directors Meeting Minutes as presented.

No Members asked questions or expressed comments.

The Motion passed with Bill Patterson abstaining because on May 15th he had to leave before the Executive Meeting

4. May 31, 2021 Treasurer's Report:

4.1. Documents distributed to the Board

- Account Balances for all funds at end of fiscal year 2020-2021 as of May 31, 2021
- Income-Expense Cash Flow Statements at end of fiscal year 2020-2021 for All Funds and HOA Funds Only as of May 31, 2021, compared to the 2020-2021 Budget
- May 31, 2021, Transaction Report sent by electronic transmission for Board only
- Starlighters Auxiliary Transaction Report was sent electronically to Starlighters Leaders.
- 2021-2022 Budget
- All SPHOA funds are held in six (6) FDIC-insured accounts at four (4) banks, reconciled as of the last day of the month, and filed in the Office for review by Members.

4.2 Year-to-Date Income/Expense Statements as of May 31, 2021

	All SPHOA Funds	HOA Funds Only	Starlighters Funds
Income:	\$283,229.61	\$273,909.34	\$9,320.27
Expenses:	<u>(\$283,229.61)</u>	<u>(\$273,909.34)</u>	<u>(\$9,520.67)</u>
Income Less Expenses:	\$0.0	\$0.0	(\$200.40)

Income Highlights for HOA Funds Only

- Fiscal year is over. Income received is 155% of Budget projections.
- Line 4062 - 63 New Members paid Initial Contributions
- Line 4065 – Trisha processed 76 Escrow Disclosure Statements at time of sale

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- Line 4067 - We collected \$11,625.00 in CC&R Violation Fines.
- Line 4075 - 601 Members (98%) have paid their 2020-2021 Assessment. Unpaid balances for 11 Members were forwarded to their 2021-2022 fiscal year accounts.
- Line 4078 - 394 Members prepaid their next year's \$210.00 Annual Assessment.

Expense Highlights for HOA Funds Only

- Fiscal year is over. We managed our funds well. Not counting payments to reserves, we paid \$248,317.95 in expenses and were able to transfer \$25,591.39 from operating to reserves.
- Line 5010 Capital Improvement - HVAC, Mailboxes at \$9,848.36 is 492% of Budget projection.
- Line 5080 SPHOA Insurance at \$10,260.17 is 147% over Budget projection because the Treasurer underestimated the premium.
- Line 6040 Common Properties Maintenance is 437% of Budget projection because Board did not include Community Center upgrades in the 2020-2021 Budget.
- Line 6055 Management Payroll is 99% of Budget.
- Line 7030 Refuse Collection is 185% over Budget projection.
- Line 7040 Compactor maintenance is slightly over Budget Projection at 113%.

4.3. Account Balances for fiscal year 2020-2021

Funds in BBVA Operating Account -1042 were transferred to Bank of the West Operating Account on February 8, 2021. BBVA refunded the \$10.00 Management Fee charged in April 2021, and the Treasurer closed Operating Account -1042 on May 11, 2021.

- Cash on hand and in six (6) bank accounts - \$288,508.93
- Current Liabilities - \$97,666.63 - HOA cannot use prepaid assessments until June 1, 2021.
- Replacement Reserves - \$152,380.42 - Unused Compactor Renovation Funds were moved to various Reserve Accounts on 9-12-2020 and unused operating funds were swept to reserves on 5-31-2021.
- Total Liabilities and Replacement Reserves - \$250,047.05
- Undesignated/Equity Funds - \$38,461.88

The SPHOA is in a sound financial condition but must continue to find sources of member income to support required HOA expenses while building future financial and replacement reserves.

4.4 Account Receivables - \$48,616.44

a. 2020-2021 Unpaid Assessments - \$14,013.69 - Owners have been notified and billed. 11 members (2%) have unpaid assessments for this year and previous years. Liens have been placed on these Lots. All unpaid 2020-2021 balances were carried forward and billed to the 2021-2022 fiscal year. Unpaid Assessments are often collected when the lot is sold.

b. 2020-2021 CC&R Violation Fines - 37 Fines - \$33,972.75 - Owners have been notified and billed.

• Ground Fires

\$1,500.00 - 3 Fines for 3 Members owe \$500 each in fines for Ground Fires in 2015, 2016, and 2020.

• **Firewise Fines** (a slight increase over last month due to noncompliant fines accruing)
\$20,892.75 - 14 Fines, Two violations were abated into compliance. Abatement cost was billed to Lot Owners. Some fines and abatement costs will be collected during escrow when the lot is sold. The Association has engaged legal counsel to help collect some unpaid Firewise violation fines.

• Bark Beetle Fines

\$6,780.00 - 10 fines for 9 Members. Four (4) violations have been abated into compliance. Abatement cost has been billed to Lot Owners. Some fines and abatement costs will be collected during escrow when the lot is sold. The Association has engaged legal counsel to help collect some unpaid violation fines.

• Property Rules Violations accruing – \$4,150.00 - 9 Fines, 9 Owners in 2020 have been notified and billed. Fines are accruing.

3.8.1 – 2 Members, \$1,050.00

3.9 – 3 Members, \$1,200.00

3.10 – 3 Members, \$1,400

3.11 – 1 Member, \$500.00

• Architectural Committee Violation

\$630.00 – One Fine for one (1) Member. The property is noncompliant for constructing a tree house in 2020 without AC approval. Fines are accruing at \$50.00 a month. Owner has been notified and billed.

c. Newsletter advertisers - \$630.00 still due for 2nd Quarter 2021

4.5. Fiscal Year 2020-2021 ended on May 31, 2021.

The Treasurer swept \$21,820.03 from unspent Operating Account funds into various Replacement Reserve Accounts and \$3,771.36 from unspent Operating Account funds into Unallocated Reserves. (See detail in Fiscal Year SPHOA Account Balances Report.) The Board will decide how these Reserve Funds should be distributed among the Reserve Accounts.

4.6. Fiscal Year 2021-2022 began on June 1, 2021.

Sue Davis indicated that the Association has had a very good year and we ended up with unspent operating funds. On May 31st those funds were moved into various reserve accounts. The Board can vote to reallocate those funds if it wishes to, but she put the money there as a placeholder so that we have a balanced budget. You can see from the documents she provided to the Board; in several Budget areas we were over but were able to make up for that with under-budget expenses. She also indicated there was a typo under year 17 of the Reserve Schedule Update given to the Board and she will get that corrected.

Motion: Sue Davis moved and Bill Patterson seconded a Motion to accept the Treasurer's Report as of May 31, 2021 as presented.

No Members asked questions or expressed comments.

The Motion passed unanimously.

5. Community Comment:

Dave Janecke opened the meeting to Members.

Sue Davis: Lots 352/353 Sue indicated that she is speaking not as a Member of the SPHOA Board but as a Member of the Board of the Blue Ridge Domestic Water Improvement District [BRDWID]. The District did receive the WIFA funding of \$2.9M and has received verbal acceptance of the purchase offer made to Starlight Water Company. The District hopes to be in business in October. WIFA is also funding with a promise to give back a \$400,000 credit on the principal. The loan interest rate is less than 2% for 20 years. The District will be making capital improvements and are talking about converting to electric meters to make it easier to complete the monthly meter reads.

6. Old Business:

6.1 – Dogie Tank Rd. – Gate

Dave Janecke explained that last year we talked about the need for a gate at Dogie Tank Rd. and the Board talked about it again at last month's meeting. A current estimate of \$6,157.89 was received for the installation of the gate from North Pine Construction, who was the contractor on the trash site renovation project. A copy of that estimate, along with last year's estimate from October 2020 is in the Board packet. The price has gone up but so has the cost of materials. Bill Patterson indicated the October 2020 date on the recent estimate given by

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North Pine Canyon needs to be corrected to the current June 2021 date. Sue Davis mentioned that we have \$7,708.00 in the budget for capital improvements. Dan Knox explained the reason for the gate is that when the forest is closed, we need to be able to shut that road off, because in the past people have used the Dogie Tank to bypass locked forest gates. There has been damage done to our property as well as the metal cattle guard and wings when RV and motor home drivers attempt to drive over it. In the past people have even cut chains and moved boulders on that road in order to get access to the forest. It was also mentioned that Steve Yeary indicated this type of gate will be solid and much harder to breach.

Motion: Dan Knox moved and Gary Hanson seconded a Motion to approve and accept the estimate from North Pine Construction in the amount of \$6,157.89 and move forward with having the gate installed on Dogie Tank Rd.

No Members asked questions or expressed comments.

The Motion passed unanimously.

6.2 – Community Center Watering System

Dan Knox explained that the volunteers doing the watering of the Community Center plants by hand found it to be extremely time-consuming. It took over two hours and over the years volunteers just stopped showing up. Dan said he, Dave Lutz and Don Cacciopo want to install a drip watering system to make watering easier and less time consuming. Bill Patterson indicated that back when the building was remodeled from the Fire House to the Community Center, the County didn't require an underground irrigation or watering system because the HOA gave them assurances that we would have an above-ground system or would water by hand. The plan Dave Lutz is presenting won't require us to make any revisions to the Conditional Use Permit from the County. Dave Janecke also mentioned that the outside water faucets have now had locks put on because people considered it to be free water and were filling up their RVs, etc.

Dave Lutz said historically he has been taking care of the grounds and watering for years and was able to get volunteers to help but it is time consuming for people in the summer. Dave provided the Board with working drawings for the drip system that is being recommended. It was noted that the drip hoses will not cross over any of the concrete walkways, and there are two drip systems, one on the north and one on the south, because there are individual hose bibs on both sides of the Community Center. It was also explained that there will be pressure regulators on the bibs and the system will be installed by volunteers. Attached to the working drawings was estimated pricing from Sprinkler World and Home Depot for the cost of materials which should run around \$183. Dave Lutz also explained that at the end of the season the system can be easily disconnected and stored and he said that if there isn't room in the storage shed it can be stored in his garage. There will also be numbering on everything so that it will be easy to reassemble in the spring. Sue Davis asked about the use of bubblers and Dave explained the type of emitters being used and the adjustability of the water flow to the shrubs. Dave Janecke indicated that he had concerns about tripping over the tubing in the area around the benches. Dave Lutz explained that when there is an event at the Community Center that one section can be easily removed, or if there is enough rock in that area, they can put the tubing under the rock when it is installed. Bill Patterson recommended that replacement parts should be included in the cost in case anything breaks.

Motion: Dave Janecke moved and Bill Patterson seconded a Motion to approve the purchase and installation, in an amount not to exceed \$200.00, of a drip watering system for the outside plants at the Community Center as presented by Dave Lutz.

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

New Business:

7. Trash Compactor Issues

Connie Kiser indicated that the Board has in its packet copies of the e-mail/letter and violation photos that went out to the Community, the current Trash Compactor Usage Rules and Agreement that lot owners sign when a fob is activated, and a copy of the Trash Compactor FOB Deactivation Agreement that must be signed in order to get a fob turned back on. She noted that from the photographs it is evident that people are putting ridiculous and unacceptable items such as lawn chairs, door mirrors, construction materials with nails, and large uncut cardboard boxes in the trash compactor. Dave Janecke indicated that Ray, Trisha and some other volunteers are the ones having to get in there and retrieve improper and unsafe things that have been dumped, such as nails, wood, etc. Sue Davis also mentioned that while in the office one time she witnessed an owner come in to complain to Trisha because his fob had been turned off. Sue said she couldn't believe the attitude, because that person felt he had every right to dump his large uncut TV box in our trash compactor. Connie Kiser pointed out that during Saturday's Member meeting Sheriff Driscoll gave the perfect example of the same frustration they are having with ATV riders not following the rules. The Sheriff said you educate and you continue to try and educate, but people still don't think the rules apply to them. At that point you stop educating and start enforcing the rules by issuing citations and fines. Connie also mentioned that no less than 5 e-mails and notifications have gone out to the entire Community on what can and can't be put into the compactor, and yet people still refuse to follow the rules because they think the rules don't apply to them. It was mentioned that in 2019 there was a continuous problem with uncut cardboard boxes being dumped into the compactor. As a result, the Board voted to turn off the owner's fob after a violation and the owner would be required to make a trip to the office to sign an agreement acknowledging he/she had read the Trash Usage Rules and understands that if there was a second violation it would be a charge of \$50 to get the fob turned back on. That attempt at a resolution by the Board apparently isn't helping to stop the current misuse. Gary Hanson suggested that perhaps we could rent a roll-off for people to use for large items, wood, etc., charge extra for it, and then have it hauled away once a month. He also said he doesn't think a lot of people know that there is the Clear Creek Disposal dumpster across from Clints Well where you can pay a nominal fee to dump wood, furniture, etc., but it is open only on certain days. Bill Patterson said we have evolved a lot and we have had trash problems for years, so he isn't surprised at what is happening. He also hasn't seen a list of how many fobs have been turned off and how many people have had to pay fines. He feels that somehow our accountability as a Board is lax and we need to tighten up the process. Dave Janecke indicated that it isn't the intent to solve this in this meeting and that specific violations will be discussed in Executive Session in an attempt to come up with possible solutions on how to move forward with the issue. Connie Kiser addressed Sally Butler, who was in attendance at the meeting and had expressed her thought that the e-mail sent to the neighborhood was too harsh. Connie explained the frustrations for the Board in trying to get people to just follow very basic and simple rules. There were comments made on how this problem has been getting worse with more flagrant violations. There was discussion on the number of posted signs already at the trash site reiterating the Trash Usage Rules but how those signs are being overlooked or just flatly ignored. It was also pointed out that the trash site, bins, etc. are a huge benefit to our community but are also big expense in our budget. The Association has budgeted \$40,000 for this next year for the cost of having Waste Management switch out the bins when they are full. Several people in attendance gave other examples of

ridiculous and unsafe things that have been put in the compactor. John Motley said he was not offended by the letter and thought it was needed, but also suggests that the fines be increased or turn the fobs off for a longer period for violations as possible solutions. Both Sally Butler and John Motley have volunteered to serve on any committee that might be formed to come up with suggestions on how to address this issue. It was noted that daily deliveries from online orders at Amazon are a huge contributor to the number of uncut cardboard boxes being put in the compactor, and those deliveries are probably only going to increase as new residents move into Starlight Pines. There was also discussion about the possibility of raising the dues or charging for the use of the compactor to cover any additional costs. It was also explained how uncut boxes will not compact and take up empty space inside the compactor bin, which in turn causes the pressure gauge on the bin to show that it is fuller than it really is. The cost for each pick-up by Waste Management is over \$1,500 just to drive from Payson to Starlight Pines, plus additional charge for the tonnage. It was mentioned that we have also been charged for underweight pickups by Waste Management as a result of uncut cardboard boxes taking up empty air space. Dave Janecke indicated that this issue will be discussed again in Executive Session in order to address certain owners who are violating the rules and work on a plan going forward.

10. Adjournment:

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

Motion: Connie Kiser moved and Bill Patterson seconded a Motion to adjourn the meeting into Executive Session to discuss legal advice, contemplated litigation, personnel issues, 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.

Submitted by:

151
Connie Kiser, Secretary

Board Approved On:

7/10/21

Approved:

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Dave Janecke, President