

# STARLIGHT PINES HOMEOWNERS ASSOCIATION

## Minutes of the Regular Meeting of the Board of Directors

Saturday, September 12, 2020

Starlight Pines Community Center

### 1. Call to Order /Determine a Quorum

President Dave Janecke called the meeting to order at 9:07 a.m. The meeting was late in starting because Connie Kiser was tardy. Board members present in person were: Dave Janecke, Connie Kiser, Sue Davis, Bill Patterson, Dan Knox, Gary Hansen, Bill Cross and Kim Traver. 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

August 8, 2020 Regular Board of Directors Meeting – Connie Kiser Secretary

**Motion: Gary Hansen moved and Sue Davis seconded a Motion to approve the August 8, 2020 Board of Directors Regular Meeting Minutes as presented.**

No Members asked questions or expressed comments.

**The Motion passed unanimously.**

### 4. August 31, 2020 Treasurer's Report

#### 4.1. Documents distributed to the Board

- Account Balances for all funds on August 31, 2020
- Income-Expense Statement for All Funds as of August 31, 2020, compared to the 2020-2021 Budget
- Income-Expense Statement for HOA Funds Only as of August 31, 2020, compared to the 2020-2021 Budget
- August 31, 2020, Transaction Report sent by electronic transmission for Board only
- August 31, 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. One 12-month liquid CD with AmTrust, a Division of NYCB, is earning 1.73%, will mature on 9-9-2020, and be rolled into a new CD at .40% interest. A second NYCB 12-month liquid CD was funded on 7-29-2020 at .40% in interest. On July 23, 2020, BBVA increased interest rates to .20% for balances of \$50,000 and .30% for balances of \$100,000.00. On August 28, 2020, BBVA decreased interest rates back to .10%.

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

	All Funds	HOA Funds Only	Starlighters Funds
Income:	\$145,573.51	\$139,248.23	\$6,325.28
Expenses:	<u>(\$55,629.92)</u>	<u>(\$49,304.64)</u>	<u>(\$2,351.33)</u>
Income Less Expenses:	\$89,943.59	\$89,943.59	\$3,973.95

SPHOA Board of Directors Regular Meeting Minutes 9/12/2020



#### **HOA Funds Only Income Highlights**

- YTD income was 79% of Budget projections.
- \$3,570.00 - 17 New Member Initial Contributions
- \$7,800.00 - 19 lot ownership document fees, including two \$100-rush fees
- \$500.00 - one Building Cleanup Deposit forfeiture
- \$900.00 - two Firewise and Bark Beetle fines collected when 2 lots sold in June
- \$269.49 - bank interest at 49% of projection
- \$350.00 - 9 pre-construction plan review fees
- \$124,548.74 - 592 Members (97%) have paid their 2020-2021 Assessment

#### **HOA Funds Only Expense Highlights**

- YTD expenses were 28% of Budget projections.
- \$8,172.50 - HVAC installation is 409% of projection because we expanded the installation.
- \$504.00 - One-time Membership fees for Community Association Institute is 91% of projection
- \$10,228.17 - Property, liability, D&O insurance premium is 146% greater than projected. We increased property coverage and D&O premium increased.
- \$11,398.62 - Refuse collection is 53% of projection. We are operating two compactors. More users up in Starlight

#### **4.3. Account Balances on August 31, 2020**

- \$276,361.37 - Cash on hand or in seven (7) bank accounts
- \$141,810.23 - Current Liabilities
- \$126,782.71 - Replacement Reserves; Board needs to replenish and redistribute Replacement Reserves
- \$268,592.94 - Total Liabilities and Replacement Reserves
- \$7,768.43 - Undesignated/Equity Funds
- 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.

8-8-2020 SPHOA Treasurer's Report for August 31, 2020 Page 2 of 2

#### **4.4. 2020-2021 Assessments on August 31, 2020**

- 20 members (3%) have unpaid Assessments for 2020-2021 totaling \$14,966.46. Liens will be placed on these lots.
- 10 of those 20 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 on August 31, 2020**

- 32 (5%) Members owe CC&R Violation Fines totaling \$36,997.75.
- 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 - 27 Members owe Firewise (18) and Bark Beetle (9) fines. 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)
- \$1,250.00 - 1 Member
- Architectural Committee Violation accruing - Improvements without AC approval (CC&R 3.24)
- \$1,000.00 - 1 Member

4.6. A second \$50,000.00 12-month Liquid CD was funded on July 29, 2020, at AmTrust Bank, a Division of New York Community Bank (NYCB), at a rate of .40%. The first AmTrust NYCB Liquid CD funded at a rate of 1.73% will mature on September 9, 2020, and will be rolled over into a new NYCB Liquid CD at a rate of .40%.



4.7. Butler Hansen is preparing the 2019-2020 financial compilation and the 2019 federal and Arizona income tax returns.

4.8. Griffin's Propane has agreed to deliver 800 gallons of propane at \$1.89 a gallon from 9-3-2020 through 5-15-2021 for \$1,657.15 less the \$440.03 credit in our account for a net payment of \$1,217.12.

Sue Davis noted for the Board that the Reserve fund balance as of May 31, 2020 was \$126,782.71 and she also filed the Association's annual report with the Arizona Corporation Commission.

Bill Cross asked about the SPOHA Insurance amount noted on the Unaudited Income and Expense statement that is about \$3,000 over budget. He wondered if that was just a matter of how it is being accounted for on the schedule. Sue Davis indicated that the figure now includes Worker's Compensation Insurance, which was previously tracked under Payroll because it is a payroll expense, but she moved it to Insurance so it could be better identified.

**Motion: Sue Davis moved and Bill Patterson seconded a Motion to accept the Treasurer's Report as of August 31, 2020 as presented.**

No Members asked questions or expressed comments.

**The Motion passed unanimously.**

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

Trisha report that all Starlight Pines Committees are very busy and the office is helping all of them. She also reported that she has:

- Been updating databases, addressing forms, mailing forms and answering questions.
- Seen a high number of escrow demands for properties selling and has been meeting with new members that require fob activation, mailbox assignments, and information about our community, CC&Rs etc.
- Continued to do research and get bids for updating the interior of the Community Center.
- Taken care of and paid the kitchen's Coconino County license renewal fee. The kitchen is now licensed for another year. It is unknown when, due to the Corona virus, the Coconino County Health Department will come to perform its official on-site inspection of the kitchen.
- Taken care of a broken light reported at the trash compactor site with Mark Stephenson working on getting that replaced/repaired.

#### **6. Committee Reports**

##### **6.1 Architectural Committee (AC) – Kim Traver, Chair/Board Liaison; Brian Birtwistle,**

Ken Grode and Gene Traver

Kim Traver indicated that the committee has:

- Approved 1 cabin new paint color
- Approved 1 shed
- Approved house pillars
- Approved 5 new utility trailer permits
- Verified County soil testing on a lot
- Sent 2 RV Noncompliance letters
- Returned 1 completed fence deposit after it passed final inspection.
- Coordinated with Property Rules on having sheds and trailers comply with the CC&R's and Property Rules



**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. Fortunately, no issues were found until 9/3 when a dead tree was reported by a lot owner. Upon examination it was determined that the tree had been hit by lightning and it now has signs of bark beetle. A second tree nearby is slowly dying and now is an excellent time to remove it. Action will be taken to remove these trees as soon as possible. The Greenbelts are looking good in general with no other complaints reported.

**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:

Firewise inspected 213 lots in 2020; 120 lots passed and 93 failed for a pass rate of 58%. As of August 20th, 46 lots remained noncompliant so courtesy calls were made using the message below.

*Dear Starlight Neighbor,*

*This is a friendly reminder that you have not yet called for a Firewise reinspection. We would just like to remind you that you need to complete the corrections indicated on your green inspection sheet and call the office (928-477-2602) by September 19th to meet the Firewise deadline. Please remember that you are responsible for correcting only those items that are marked "NO" on that sheet. For example, if only item #6 was marked "NO," the inspectors will be looking only for raking. If you have any questions, please call one of the inspectors who signed at the bottom of your form. Attached is a list of contractors in case you need help getting your lot ready. The members of Firewise thank you so much for your hard work to help keep all of us safe from wildfire.*

Conrad indicated that he spoke to about 30 of the 45 lot owners, and Trisha also did an email blast to those owners using the same message. Results of the calls were very gratifying. About two-thirds either answered or called back. All of them were very polite and respectful, and many thanked him for the call. Those he could not reach were left a message, except for two that had no working phone number in the database.

As of Wednesday, September 9th, 30 lots remained noncompliant, but 6 of those have called for reinspection. The pass rate is now 86%. Many thanks to the inspectors and to Trisha for taking the calls for re-inspection, assigning the inspectors, and tabulating the results on DROPBOX.

If the Property Rules Committee will agree, as they have done in the past, Firewise will mail the remaining noncompliant owners the letter that will inform them that they are currently in violation of our Property Rules and that a fine of \$250 will be assessed if the violations are not corrected by October 24th.

From April 15th to August 30th we only had 2.3 inches of rain, far below normal. As a result, many of the ponderosas are drought stressed and unable to make the normal amount of pitch. Accordingly, bark beetle activity has picked up. During the first 5 months of this year there were no bark beetle infested trees reported, but then at the end of June and during the first three weeks of July we had eight bark beetle cases reported. In August we added 12 more for a total of 20, and many of those involve more than one tree on a lot. There have also been infested trees that were removed promptly before Firewise inspected and there are undoubtedly



more that have not been reported or sighted by our members. September and October could be busy months.

Conrad concluded his report with the sad news that Linda Knaeble officially resigned from Firewise and turned in her orange vest to the office. She said she just has too much on her plate right now. She was the longest serving member of the Firewise Committee and its members praised and thanked her for her service.

Dave Janecke spoke for the Board and accepted Linda Knaeble's recent resignation with a thank you for all of her years of being a Firewise volunteer.

**6.5 Property Rules Committee (PRC) – Bill Cross, Board Liaison, Rosemary Brown-Jaeger - Chair, Rosemary Johnson**

Bill Cross reported:

Property Rules has completed inspections of all 612 lots. Approximately 25 letters have gone out for noncompliance, and there are approximately 20-30 more to go out. Some of the owners receiving letters have already rectified problems and had their lots re-inspected. He has spoken to several lot owners helping them to understand exactly what on their lot was in violation. The Property Rules Committee has the important job of keeping our neighborhood looking it's best in accordance with our CC&R's and Property Rules. They have also been working with the Architectural Committee with lot compliance issues during the recent inspections. Thank you to all Lot owners for working with us.

**6.6 Newsletter – Bonnie Steele** – The next Newsletter will be in September and the deadline for turning in articles is September 15<sup>th</sup>. A special thanks was given to Conrad and Sue Davis for picking up the previous newsletters from Copyfast Printing Center in Scottsdale and bringing them to Happy Jack.

**6.7 Starlighters – Bonnie Steele**

Kim Traver read the following report authored by Bonnie Steele:

The Starlighters held a 2nd Community Center drive-through parking lot sale for Happy Jack merchandise on Aug 22<sup>nd</sup>. They followed the requirements for safety during the sales by following the restrictions approved by the HOA Board. Their clothing sales total was \$2236.19 and they have an account balance as of Sept 3<sup>rd</sup> is \$3944.39.

Their merchandise committee, led by Kelly Hobel, is brainstorming this week on whether to sell the remaining Happy Jack merchandise or just carry it over for 2021 sales. All bills are paid, so now income from merchandise is pure profit!

Naila Erwin has created a Starlighters Information document that states the Starlighters mission, the history of the group, and the cash amounts of profits given to charities over the past 5 years. An example was also given of the many items that the Starshine Project has donated to local charities. The many fund-raisers typically held before the COVID-19 pandemic restrictions began this year were listed. An invitation to join the Starlighters and Starshine Project was given in conclusion.

A request has been made for Board approval for the Starlighters' highway cleanup to be held on Sept 18<sup>th</sup>. That request also documents the procedures that will be used to prevent the spread

SPHOA Board of Directors Regular Meeting Minutes 9/12/2020



of the Corona virus. This event is necessary to adhere to the Starlighters' commitment to ADOT.

Dave Janecke noted that the Starlighters are planning the Arizona Adopt-A-Highway Litter Road clean-up on September 18, 2020 and have submitted a formal request for Board approval for access to both the women's and men's restrooms in the Community Center for use by the clean-up volunteers. The Starlighters have indicated there will be no more than a total of 16 volunteers allowed to participate in the clean-up, and they would clean, sanitize and restock the restrooms at the conclusion of the event. The chairs and tables from the Community Center will not be used and there will not be the usual potluck after the cleanup. Sue Davis expressed concern about the protocol that would be used to sanitize the restrooms after their use. There was discussion regarding the sanitation protocol requirements.

**Motion: Connie Kiser moved and Sue Davis seconded a Motion to approve the opening of the women's and men's restrooms at the Community Center for use by male and female volunteers helping with the September 18, 2020 Starlighters Highway clean-up. The Starlighters are to use the CDC Covid19 sanitation protocols when sanitizing the restrooms and access to the Community Center will be limited to one person for each restroom available.**

There was no additional discussion, questions or expressed comments.  
**The Motion passed unanimously.**

7. **Community Comment:** Dave Janecke opened the meeting to Members and explained how to join the discussion using the icons on Zoom.

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. The District had its first official meeting via telephone conference with Steve Wene and will now be required to comply with the Arizona open meeting laws. Any member of the District is invited to attend these meetings. The District will be holding its meetings via Zoom and the District has asked if the Board can have its meeting at the Community Center, with perhaps a limited number of the District members that may want to attend in person. Sue feels that a phone/Zoom meeting at 9:00 a.m. on September 26, 2020, with only the District Board members present, might be an acceptable option to this Board. Sue Davis, as a District Board member is asking for the Board's opinion on allowing them to meet at the Community Center. Bill Patterson commented that he is in favor of the District using the facility and our equipment, but he is not in favor of having in-person participants, other than the District Board Members, because that would change the precedent for what we have been enforcing for other organizations asking to use the Community Center. Bill Patterson also said that he doesn't feel the District should be charged for its use of our facility because it currently has no operating budget. Bill Cross asked if Trisha would be required to be there during her office hours and she responded that she will help with the meeting but will not be charging those hours to the Association. There was additional discussion on whether or not to charge fees in the future to the District for the use of the Community Center.

**Motion: Bill Patterson moved and Connie Kiser seconded a Motion to allow the Blue Ridge Domestic Water Improvement District to conduct its zoom/phone open meeting on September 26, 2020 at the Community Center; using the Association's equipment, and subject to having only Board Members in attendance who will follow CDC Covid 19 guidelines.**

SPHOA Board of Directors Regular Meeting Minutes 9/12/2020



No Members asked questions or expressed comments.

**The Motion passed with all Board Members voting yes except Sue Davis, who abstained from voting.**

There were no other comments or questions from the Members.

## **8. Old Business:**

### **A. Review of the Reserve Schedule**

Sue Davis indicated that she provided the Board with copies of a Draft Proposed Reserve Schedule for 2020-2021. This is an abbreviated spreadsheet reflecting that as of May 31, 2020, the end of the fiscal year, there was \$126,782.00 in reserve funds. She also noted that we are in the 16<sup>th</sup> year of the Reserve Schedule. As indicated in the columns for 2020-2021 in the Draft, Sue is proposing to redistribute the compactor loan funds to the following reserve account line items: Community Center improvements for painting \$2,000, \$3,000 for siding, \$4,000 for floor coverings, \$2,000 for office equipment, and \$10,000 for expansion of the Community Center parking lot. Also, the trash compactor area would get \$4,900, the common areas \$1,000 and mailboxes would be funded with \$500. In addition to the above amounts, column two reflects other line items that would be credited with reserve payments for a total of \$52,222 for reserve fund payments to be made for the fiscal year 2020-2021. These reserve fund payments are just a proposal or roadmap for distribution of income the Association anticipates it will be receiving during this fiscal year. Bill Cross mentioned that we have outstanding violation fines that may also be collected. Sue Davis indicated that we have added a legal fund as a new reserve fund line item this year.

**Motion: Bill Cross moved and Bill Patterson seconded a Motion to accept the Draft Reserve Schedule for 2020 – 2021 presented by the Treasurer.**

No Members asked questions or expressed comments.

**The Motion passed unanimously.**

### **B. Maintenance/Updating the Community Center:**

Dave Janecke reported that the Association is getting bids for painting the inside of the Community Center. There is one bid from Mike Payne to paint the entire interior and ceiling of the Community Center, including the cost for the paint, for \$5,000. The only exception to that bid is that if he can't use his own scaffolding, then there would be an additional charge for renting scaffolding. Trisha Birtwistle reported that Mike Payne said if members were willing to volunteer to do the masking, remove electrical outlet coverings, etc. it would reduce the cost by 10%.

Sue Davis pointed out that we currently have \$3,191 in the painting reserve fund, and if we put \$2,000 from the compactor renovation fund into that reserve line item and pay out \$5,000, we would have \$191 remaining. Bill Patterson noted that when the Firehouse was converted to the Community Center, there were certain acoustical materials added to the paint to help with sound issues. Trisha reported that Mike Payne said he felt that any acoustical additions really aren't beneficial enough to justify the added expense and if the ceiling doesn't need painting then that could also reduce the price. There were also questions raised about the need to get more than one bid for the job.

Dave Janecke concluded by saying that we are definitely moving forward on this project but we are not in a position at this time to accept just one bid. We will need to do more research and get other bids for Board consideration.

SPHOA Board of Directors Regular Meeting Minutes 9/12/2020



Sue Davis also pointed out that on the Reserve Schedule we have paint identified with a 7-life year replacement time period, so we are long overdue on replacement of that one line item.

**9. New Business:**

Trisha Birtwistle requested authorization from the Board to purchase additional microphones to supplement the new one she purchased. This should help Members hear the Board better during our Zoom meetings.

**Motion:** Sue Davis moved and Bill Cross seconded a Motion authorizing the purchase of additional microphones for use in Board meetings being conducted by Zoom so that Member attendees can hear better.

No Members asked questions or expressed comments.

**The Motion passed unanimously.**

**10. Adjourn:**

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 October 10, 2020.

**Motion:** Connie Kiser moved and Dan Knox 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.**

Submitted by:

Board Approved On: 10/10/20

15/  
Connie Kiser, Secretary

Approved:

15/  
Dave Janecke, President