

SpringPointe HOA Board Meeting Minutes – November 15, 2021

Call to Order, Roll Call and Establishment of Quorum

- Meeting called to order at 2:00 PM by President Rod Sundsted.
- Present: President Rod Sundsted, Vice President Sue Eaton, Treasurer Travis Gamble, Secretary Jim Armstrong, Director Phil Vande-Riet (Quorum: 5 of 5; one Director position vacant)
- Notice of meeting was sent 11/1/2021 by email; 11/2/2021 by USPS to those with no email on file.

Minutes of previous meeting: Board Meeting of October 25, 2021:

Motion to approve the minutes as submitted made by Travis Gamble; 2nd by Sue Eaton. Passed unanimously.

President's remarks: Rod Sundsted spoke of the challenges of this past summer and fall with damage from the storms and all the clean-up. He thanked the Board for their work in dealing with these issues, especially Sue Eaton, and thanked the owners for their patience and cooperation.

Treasurer's report - Travis Gamble:

- Latest financial statements are posted on **SpringPointeHOA.com** under Association > Financial Info.
- Budget projections through the end of 2021 were presented. \$6,800 was transferred from Reserves to the current budget to cover extra landscaping costs due to the storms. Any excess funds remaining in the 2021 budget will be directed into Cul de sac Reserves.
- Payments have been sent to SPHOA by CAU, the HOA's insurer, for storm damage claims. We are waiting for additional information from two homeowners before determining amounts they could be paid. Another owner's claim for a roof leak was turned down by her insurance company and by CAU; the insurers stated the damage was not caused by the storm but was a maintenance issue. She will pursue further.
Motion to approve payment to Bruce Farkas of the amount received from CAU for damage at his address made by Sue Eaton; 2nd by Jim Armstrong. Passed unanimously.

Architectural Committee - Sue Eaton: requests for window replacements and patio work are being reviewed.

Buildings & Grounds - Phil Vande-Riet:

- Our landscaper, Bert, has continued to catch up on storm clean-up.
- Spraying of pre-emergent began on Friday 11/12 and continues today, to be completed on 11/16/2021.
- The next regular 2nd Wednesday landscaping day will be Dec. 8, 2021.
- Rod reported Leo George has volunteered to work on painting the Clubhouse; Rod will seek additional volunteers for this project which will save the HOA the cost of hiring a contractor. Thank you, Leo!

Old Business:

1. **Proposal to revise Rule #3 - Annual Assessments and Nonpayment Penalties**

- The current rule allows owners to split payment of their annual assessment (dues) into two installments, but the great majority of owners pay in a single payment. Travis explained the benefits of eliminating the installment option. To accommodate any owner who would have a financial hardship in paying all at once, the existing rule authorizes the Board to waive for legitimate reasons. Travis also advised that the Arizona legislature changed the law since Rule #3 was adopted in 2007, to change the penalty an HOA can charge for late payments to \$15 so we need to revise our rule to fit the current law.
- Motion to revise HOA Rule #3 as below made Travis Gamble; 2nd by Sue Eaton. Passed unanimously.

Rule #3 Paragraph 1, sentence 1:

Current wording: Annual assessments are due the first day of the calendar year and may be paid in full on January 1; or in installments on January 1 and July 1.

Revised wording: Annual assessments are due the first day of the calendar year and must be paid in full on January 1.

Rule #3 Paragraph 2, sentence 2:

Current wording: If payment is not received within the 15 days, the account shall be assessed a late charge of ten percent of the amount due.

Revised wording: If payment is not received within the 15 days, the account shall be assessed a late charge of fifteen dollars (\$15).

2. Proposal to seek change of CC&R 7.1.2.3 as amended in 2003 – to increase the property insurance deductible payable by owners from \$2,500 to \$10,000

- Travis spoke on the benefits of asking owners to vote to approve an increase in the HOA policy deductible. Many owners' individual policies already cover more than the proposed \$10,000 HOA deductible, so the change would have no impact on them. Every owner should review their own policy details; many of us do not know and/or understand the details of our own coverage in relation to SpringPointe's policy. As a result many are hesitant to consider any change even if it would benefit the entire HOA. There was considerable discussion among owners and the Board.
- *Motion to authorize a vote of the owners on revising CC&R 7.1.2.3 (as amended in 2003) to increase the deductible of the HOA insurance on Dwelling Units from \$2,500 to \$10,000* made by Travis Gamble; 2nd by Sue Eaton. 1 in favor, 3 opposed: Failed.

New Business

1. Annual Assessment (Dues) for 2022

- Travis explained the Cul de Sac Reserves are not adequate to repave all 7 cul de sacs. We may assume they all will need repaving within 10 years, some sooner if pavement deteriorates too much. To build up the necessary reserves, we need to allocate more of each yearly budget into reserves. Our current shortage is estimated between \$112,000 and \$187,000; that cost will increase each year (inflation). Regular dues increase could be directed into Cul de Sac Reserves; the Board can raise dues each year by a maximum 7.5%, per our CC&Rs. Adding that maximum each year would fund the needed Reserves within the 10 year timeframe, but the steady dues increases must be maintained those years. Another option would be for owners to vote to approve a Special Assessment; 60% of owners must vote for it, and about 25% have individual driveways so may not vote for a Special Assessment for cul de sacs. Therefore, a Special Assessment is not a sure way to build Reserves.
- Travis presented 10-year plans for funding the Cul de Sac Reserves, along with options for the 2022 budget assuming no dues increase, a 3.5% dues increase (\$20 per owner) or a 7% increase (\$40 owner). There was spirited discussion concerning the \$20 vs. \$40 options.
- *Motion to increase the Annual Assessment (Dues) for 2022 by \$20* made by Rod Sundsted; 2nd by Sue Eaton. 3 in favor, 2 opposed. Passed.

2. Next Board Meeting: set for Monday, Dec. 13, 2021 at 2:00 PM at the Clubhouse.

3. Annual Meeting and Nominations & Elections Committee

- Timelines and possible dates were discussed.
- Valerie Prehm was appointed to chair the Nominations & Elections Committee. Three Director positions will be up for election at the Annual Meeting. All owners are eligible to run – all are encouraged to consider serving your community in this important role!
- The Annual Meeting was set for Monday, Feb. 21, 2022 at 2:00 PM.

Homeowners' comments

- One owner expressed concerns about a tree beside her unit on SPHOA common area; Phil will review.

Adjournment – *Motion to adjourn* made at 3:35 PM by Sue Eaton; 2nd by Jim Armstrong. Passed unanimously.

NEXT MEETING: Monday, Dec. 13, 2021 at 2:00 PM at the Clubhouse.

Masks and social distance required.

Watch for complete agenda on SpringPointeHOA.com Events calendar