

POINTE SOUTH MOUNTAIN RESIDENTIAL ASSOCIATION

Minutes of the Annual Membership Meeting
The Pointe South Mountain Hotel & Resort
December 13, 2005 7:00 p.m.

DIRECTORS PRESENT: Kay Hatch, President
Jane Karkosky, Vice President (arrived @ approximately 7:25 p.m.)
Dave Harp, Treasurer
Frank Frangul, Secretary
Greg Dunivant, Director
Mike Harris, Director

DIRECTORS ABSENT: 1 open seat as a result of Phil Gauthier's resignation effective 12/2/05

GUESTS IN ATTENDANCE: Bill Price, Director, Phantom Horse Spa, Pointe South Mountain Resort
Brad Filgas, Membership Advisor, Pointe South Mountain Resort
Dave Dalton, Handy Man
Tom Cooper, TOMCO Fencing

CITY PROPERTY MANAGEMENT COMPANY: Renee Gordon, Property Manager
Brian Lincks, Vice President

RECORDING SECRETARY: Barbara Hanser

ANNUAL MEMBERSHIP MEETING

CALL TO ORDER - WELCOME & OPENING

Brian Lincks called the Annual Membership Meeting to order at 7:12 p.m. All those sitting at the dais (Board members present, Property Manager, and Recording Secretary) introduced themselves to homeowners in attendance.

APPROVAL OF MINUTES

The Annual Meeting Minutes Committee approved the corrected minutes of the Annual Membership Meetings held on December 10, 2003 and December 14, 2004 on March 3, 2005. CPMC did not distribute the approved minutes for the December 10, 2003 meeting. Brian Lincks stated they would be mailed. Minutes of the Annual Membership Meeting held December 14, 2004 were presented for review. Unfortunately, the minutes presented were not the ones approved. Brian Lincks verbally noted the following errors:

- Page 3, under HOMEOWNER FORUM, 2nd paragraph, change NOTATION to read: "Expenses of prior year (2004) will be sent to the homeowners."
- Page 4, 1st paragraph, add the word "acknowledge" at the end of the paragraph.

HOMEOWNER COMMENT: Barry Smith pointed out that the expenses for 2004 were never sent to the homeowners and also requested the 2005 financials being sent.

RESPONSE: Brian Lincks stated 2004 & 2005 financials along with 2003 Annual Meeting Minutes would be mailed.

CALL FOR MEETING BALLOTS TO BE CAST

Brian Lincks explained the voting procedures for the evening, noting that only those homeowners who did not send in absentee ballots will be allowed to vote at this time.

HOMEOWNER QUESTION: The question was raised about Phil Gauthier's name on the ballot based upon his resignation.

RESPONSE: Brian Lincks stated he had obtained a legal opinion that this was permissible.

NOMINATIONS FROM THE FLOOR

- Kathleen Daurio nominated Dana Kennedy, courthome owner, to be elected to the Board.
- Mike Harris nominated Barry Smith to be elected to the Board.

Ballots were collected by the Property Manager for tallying.

PRESENTATIONS BY POINTE RESORT

Brad Filgas, Membership Advisor, gave a presentation in connection with a history of the area.

Bill Price, Director of the Phantom Horse Spa, spoke about the growth of the resort as well as the available amenities. Homeowners were reminded to renew their Pointe Privilege cards in January 2006.

TREASURER'S REPORT

Dave Harp, Treasurer, reported the following:

- Common Area Reserves are at \$373,000 and should be about \$350,000 at end of year.
- Vantage Pointe Pool project has been completed with no other major projects at this time.
- In connection with courthome operating budget, approximately \$40,000 has been spent repairing leaks and expenses currently stand about \$15,000 over budget in total.
- Courthome Reserves were at \$158,000 as of November 30 and should be about \$82,000 at end of year.
- By January 1, all the bad flat roofs will have been re-built and Capistrano roofs will be re-coated. Board and management company hope to complete balance of roofs in 2006.
- Courthome maintenance dues will increase \$20.00 per month beginning in January 2006.

HOMEOWNER QUESTION: Barry Smith asked about the status of current investment funds from reserves.

RESPONSE: Dave responded initially about the multiple rolling monthly \$25,000 investments only and interest from them.

HOMEOWNER QUESTION: Barry asked again specifically about the two \$25,000 5-year term investments.

RESPONSE: Dave stated a loss of \$1,100.

RESPONSE: Mike Harris corrected him, stating **each** of the \$25,000 had lost \$1,525 (6.1% loss).

HOMEOWNER QUESTION: Another homeowner asked Dave if he had authority to make this investment.

RESPONSE: Dave said yes.

RESPONSE: Mike Harris again corrected him and pointed out that Dave did this on his own (investments were made on 5/24/03) and Dave informed the board about it at the June meeting.

HOMEOWNER QUESTION: Constance Rohrer asked why the meeting announcement signs were not put out.

RESPONSE: Brian Lincks responded that signs would be put out next year.

HOMEOWNER QUESTION: There were questions about board meeting dates constantly being changed and the number of special meetings.

RESPONSE: Board meetings for next year will be the 2nd Tuesday of the month with a Homeowner's Comment Session beginning at 6:30 p.m.

HOMEOWNER QUESTION: There were questions/comments about the need for another \$20 per month increase in courthome maintenance dues.

RESPONSE: Mike Harris stated that he was the only vote against the increase and that he did not see a need for an increase if money was wisely spent.

MANAGEMENT REPORT

Renee Gordon gave a slide presentation. She stated that, in an effort to return the community to when it first began, the Board president and Board members approved new landscaping on 48th Street, stucco walls painted, street signs replaced, painting of gates, and flowers planted at the 48th Street gate. Future plans call for all fountains to be painted and tiles cleaned. She spoke to the Vantage Pointe Pool renovation as well as improvements/painting at Siesta and Monte Way pools.

HOMEOWNER COMMENTS: Constance Rohrer, courthome owner, spoke to concerns in her area:

- Dirty carports,
- Early garbage,
- Illegally parked and unregistered vehicles and,
- In particular, rental properties.

She stated there are over 260 rental properties. She stated there are a number of rental units shown as OWNER OCCUPIED which is a violation of AZ Revised Statute that could be considered tax evasion that carries a considerable fine.

NOTATION: Law requires that all owners/landlords of residential rental property to provide owner's name, address, and phone number. Any change in information must be updated within 10 days. Out-of-state owners must provide same information of a designated in-state agent. Law also prohibits occupancy until information is on file at county assessor's office. Property owner is subject to a mandatory \$1,000 penalty plus a \$100 penalty for each successive month until information is provided.

RESPONSE: Mike Harris pointed out that the CC&Rs clearly state that rental properties can be rented for no less than six (6) months and, in addition, leases must be on file with the management company.

ELECTION RESULTS

The following are the results of the election:

- Dave Harp 236 votes (211 from mailed ballots + 25 at the meeting)
- Phil Gauthier 216 votes (209 from mailed ballots + 7 at the meeting)
- Dana Kennedy 25 votes (all from write ins at the meeting)
- Barry Smith 22 votes (all from write ins at the meeting)
- Sue Larson 8 votes (all from write ins at the meeting)
- Angelo Daurio 1 vote from write in on mailed ballot

VENDOR OF THE YEAR AWARDS

Vendor of the Year Award was presented to Dave Dalton for his work in the community.

Outstanding Vendor Award was presented to Tom Cooper of TOMCO.

HOMEOWNER FORUM

Question: Jane McBee asked why a Candidates Night was not held this year and requested that a Candidate's Night be held in advance of each election and, in addition, that at least 30 days be given for solicitation of candidates.

Response: There was no response (see discussion above in regards to Phil's resignation) to why there was no Candidates Night this year, but Brian Lincks promised there would be in the future and that at least 30 days would be given for solicitation of candidates.

Question: A homeowner inquired about the necessity of spikes recently installed at the Vantage Pointe Pool.

Response: He was informed that the spikes were installed to discourage vandalism.

Comment: There were several comments that this would not prevent access to the pool and cabana.

Response: Mike Harris pointed out that he agreed and had voted against the addition of the spikes.

Comment: A homeowner expressed concern with traffic on the Siesta/Hazel/51st Street loop and recommended that Board look into the problem as it is a liability for the Association. A suggestion was made to turn it into a one way road.

Response: There was no response from the board, but the suggestion will be considered.

Question: Angelo Daurio inquired into the status of the web site.

Response: Greg Dunivant responded that this is something the Board would like to do in the future and will look into the management of a site with, hopefully, a decision by April.

Question: A homeowner raised a question regarding the security of the community mailboxes and stated there have been several recent mail thefts.

Response: Mike Harris provided a **detailed** review of the USPS mailbox issue. Following are the highlights:

- USPS offer was to replace all NBU cluster boxes with **High Security Centralized Box Units (HSCBU) for free.**
- Currently there are 54 mail stops (30 for court homes, 24 for single family homes).
- 47 of the 54 mail stops have NBU cluster boxes enclosed in stucco.
- 7 of the 54 mail stops have stand alone Centralized Box Units (CBU); 2 of these would have been left.
- 52 mail stops (47 with NBU cluster boxes and 5 with CBU) could have been consolidated into 13 stops.
- Accepted offer result would be 15 mail stops (13 with HSCBU and 2 with CBU)
 - 6 stops for court homes
 - 11 stops for single family homes which are more spread out by design
 - 2 stops would be shared between court homes and single family homes
- Pros:
 - **Over \$100,000 savings to the HOA** (replacement by HOA of 46 more mail stops with NBU cluster boxes over time can be estimated at approximately \$138,000 based upon the estimate of \$3,000 to replace the broken Winston cul-de-sac unit)
 - HSCBU have never been broken into (**PROTECTION AGAINST IDENTITY THEFT**)
 - HSCBU include an outgoing mail drop box
- Cons:
 - Consolidation of mail stops (actually there are pros (e.g. more exercise) and cons (e.g. less convenient) about consolidation)

Mike Harris stated that had approved the plan; however, a formal vote was never taken and hence you will find no such vote in any minutes.

Mike Harris ended by noting that articles he had written for the HOA newsletter had been censored.

Comment: Homeowner, Tom Chiara, volunteered to post Mike's articles on his website (www.thepointe.org).

Comments: There were several comments about dissatisfaction with the water submetering program.

Response: Mike Harris stated that **over 83%** of water bills sent out by the vendor are in error due to systematic errors, but the majority of the board has refused to deal with the problems. Mike Harris pointed out that he had volunteered to run the program for free. He noted that while his free offer was not accepted, the board had agreed to pay Phil Gauthier \$15 per hour for roof inspections.

Response: Brian Lincks responded that contract with vendor is coming up for renewal in another year.

NOTATION: Article VI, Section 1(e) of PSMRA Bylaws require that contracts "shall provide for termination by either party without cause or payment of a termination fee upon thirty (30) days or less written notice" from one party to the other.

ADJOURNMENT

There being no further business to come before the homeowners, City Property Management, or Board of Directors, motion was made by Tom Chiara and 2nd by Barry Smith that the Annual Membership Meeting be adjourned. Brian Lincks adjourned the meeting at 8:45 p.m.