

COLONIA VERDE BOARD OF DIRECTORS MEETING
March 12, 2008

The meeting was called to order by President Mike Zonnefeld at 4:00 p.m. Those in attendance: Kent Driesbock, Mindy Faulkner, Bob Ferguson, Jim Kelly, Ron Sipp, Nancy West, and Gloria Williams.

Old Business (item 8G):

Mike allowed Emil Bair to speak first on shopping center issues due to a conflicting engagement. Emil spoke from an outline summarizing efforts to date (attached). Two letters have been sent to the management company regarding a number of issues (noise, temporary structure, open dumpsters, clutter, vegetation). The letters received no response or a less than satisfactory response. Councilman Ron Glassman was copied in on one letter and he assigned Katie Bolger as Emil's point of contact for dealing with this issue. Emil has also been working with Bert Lubliner, who has experience dealing with the city council. It sounded to Emil as if there might be a possibility of closing the driveway by the dumpsters to traffic. He was also told by the city representative that the chain link fence behind Mayfield's is not legal. No citations have been issued while we consider what we might want to pursue. Emil thought that if we could close the driveway and screen the view, we wouldn't need to ask for any other changes. A motion was proposed by Kent Driesbock to support Mr. Bair and Mr. Lubliner in their continuing discussions with the city to improve the traffic flow and appearance of Colonia Verde, 2nd by Bob Ferguson, approved unanimously.

Treasurer's Report: Ron Sipp

Financial statements were presented for the period of Jan-Feb 2008.

The 2007 tax return has been filed, with no tax due. In preparation for filing, Ron went over the 2007 records and depreciation schedule in great detail. He removed from the General ledger fully-depreciated assets, which result in a reduced value for depreciable assets and accumulated depreciation on the Balance Sheet. He also determined that we can save money by expensing some work which has been capitalized in the past, such as seal-coating and related sales tax. There are a couple of other places where we have the potential for tax savings. Since he is just starting a 3 year term, he will continue to chip away at this.

Approval of minutes/Secretary's Report: Gloria Williams

The February minutes were sent out via email. Comments and corrections were submitted by Mike, Goldi and Kent. Proposed changes were discussed. The changes made were: 1. to clarify that legal advise on volunteer use was informally given, not solicited, and 2. to identify details of voting. Motion to accept by Nancy West, 2nd by Jim Kelly, passed with one dissenting vote (Driesbock)

Manager's Report: JJ

JJ's monthly report to the Board has a new format. He worked with Kent to develop something that would be in line with Kent's strategic plan & budget project. JJ has a number of jobs scheduled for the next few months, some that will be done by outside

contractors and some he will do. Some of work, such as painting, could be done by volunteers. Kent added that there are dollars in the budget to complete these projects without the use of volunteers, but using volunteer labor (if we pursue it) would result in a savings. JJ's complete report is attached.

Jim Kelly had a question about pathway lighting. If these are 110 voltage, they are not in compliance with code, because the wires are exposed in some places and should be underground. JJ acknowledged that some may be uncovered due to erosion and he takes care of them when he sees them.

Vice President's Report: Kent Driesbock

Deferred until Old/New Business discussion.

President's Report: Mike Zonnefeld

Mike apologized to Dee Ruelas for failing to give her credit for past efforts in his open letter in the Chronicle, attributing them to another Board member. This was unintentional, and Mike was not slighting her, or any other Board member's work. He also restated his invitation to board members and homeowners to contact him with issues. He also acknowledged the homeowners attending this 4:00PM meeting. We talked about changing the time for the April meeting to 4PM also. We will keep the date as the 3rd Wednesday (April 16th) and meet at 4PM. Kent mentioned that we do not have the letters needed to announce a regular Board meeting on a banner, as we do for the Potlucks and Coffee's. JJ will investigate costs and sources.

Alene Schwartz asked if any additional salary costs had been considered when making the change to a later hour, since additional hours may be required. Kent said yes, this had been considered.

Landscaping Report: Bob Ferguson

Bob said that mistletoe has been removed from about 60 trees. They didn't get all of it, but did get the major infestations. Mistletoe is slow growing, so we should be able to get away with trimming it about every third year. Since it was above the 15 foot limit of our contractor, we had to get a separate contractor to do the work and spent \$1,650.

Our landscaping contractor can take care of the mistletoe below 15'.

Gloria added that the Landscaping Addendum approved last month has been given to Goldi for copying and distribution to homeowners to add to their Rules & Regs books.

Annette Green asked how much is budgeted for plants for homeowners. Kent said that historically the budgets have been undefined in this area. He is going over past data and restructuring the budget, adding a category for Homeowner requested planting. He 'guesstimates' spending will be about \$1,650, based on past experience. He said this was not addressed in the old budget. Dee Ruelas corrected him to say that there was \$1,500 for planting in the budget approved by the last Board, it was called 'Plantings', rather than 'Homeowner requested planting'.

Annette asked if homeowners were being encouraged to buy their own plants. Kent said not really, if homeowners want more, we need to consider their wishes, keeping in mind

that something else may be moved to a lower priority if one area is increased. Bob added that we use transplanted material, when possible, to avoid spending a lot for plants.

Club House Report: Nancy West

Since the Board meeting was moved up a week for March, this month's pot luck and CVWA Coffee have not been held yet. The pot luck will have a Mardi Gras theme.

Architectural Control: Mindy Faulkner

We are working on getting the fence fixed where kids cut through the property. The cost will probably be about \$200.

Mindy is getting a lot of complaints, many of which are coming in as phone calls. She believes we need a form so complaints can be submitted in writing. She would like the Board to determine where they need to go. She thinks a lot of complaints aren't really architectural in nature. Kent said he will address the complaint form issue in his draft of an enforcement policy.

Old Business, Item A – Personnel review- There is more to do than Mindy can get done in the 30 days we estimated last month. The estimated report date is being extended by 90 days. She is currently taking care of getting all notices required by statute. These must be posted in employee workplaces.

Legislative: Ron Sipp

Ron believes after reviewing the Arizona statute that we need to have a CPA do a review of our annual financial records. The cheapest form of review would be a compilation. He will ask around to find a good source for this.

Paving/Flood Control (vacant)

Since no one currently occupies this position, we will drop this report from the agenda here and address under "New business", if need arises.

Pools/Utilities: Fred Hambly

No report, Fred is away.

Old Business:

A. Personnel Policies Addressed above by Mindy Faulkner.

B. Volunteering Jim Kelly asked to clarify where we stand on volunteering. He has checked and our insurer will cover us, as long as we use the program prudently. We should get waivers from people volunteering. Gloria said that one of the reasons we had rejected in the past was that we were afraid that an overzealous volunteer would go out and take actions which he believed to be appropriate, but which were unwelcome by a nearby homeowner. We were basing this on actual complaints due to "vigilante" plant pruning. Kent agreed that there should be Board control over approved volunteer activities. He also had an example of a magazine article telling about a community which is using volunteers to help older resident so the Board can avoid issuing notices of non-compliance for needed maintenance. He thinks a similar program would be a positive thing for Colonia Verde.

Alene Schwartz commented that we use volunteers every day. Every one who works on the Board or a committee is volunteering. Just remember that it is the Board's mission to uphold the CCRs and By-laws, not to be either the nice guy or the bad guy, but to be unbiased and objective in performing their duty. The use of volunteers for projects should be carefully considered – she remembered one where the landscape contractor had to take over work that volunteers had committed to do, but failed to continue.

Mark Brook added that volunteering is essential to non-profit organizations. If we implement some form of waiver we should have no liability problems. Usually a non-profit has a paid coordinator to manage the activities of the volunteer staff. Maybe Goldi or JJ could do that, or a Board member.

Bert Lubliner added that all those who volunteer are basically doing so with the approval of the Board. He believes that a Board member should be in control of whatever projects we do under take.

C. 2008 Budget & E. Professional Mgmt Company. Jim Kelly asked when we will address the professional management issue that caused so much heated talk in the recent past. Kent plans to address the issue in his strategic plan. He is currently playing a bit of catch-up, trying to learn where we have been in the past and are in the present before he looks forward. He is currently looking at the 2008 budget, trying to re-categorize some items to make it easier to understand. He provided Board members with a recast of the 2008 Budget with footnotes explaining his approach. This is a draft and is more of a format for 2009 than something to be implemented in 2008.

D. Enforcement Policy. Kent presented a draft enforcement policy (attached) for consideration. It includes an enforcement and fine overview and an informal process to address noncompliance issues. Mark Brook said that he had worked on a committee to draft an enforcement policy last year. Mark thought it had been approved, but Bert Lubliner and Alene Schwartz added that it had not been sent forward to the Board because there was not enough time to complete it for inclusion in the Rules & Regs book. Mike and Kent will find a copy and incorporate into the new draft. Kent wants to get a policy in place soon. It would make life easier for Committee Chairmen and ensure we are treating everyone equitably.

F. Street Markers – Nothing new. Bert will attend the next Ward 2 Council meeting and find out where we stand. He also invited all residents to take part in the meetings, which can be very informative.

G. Shopping Mall noise/clutter. Addressed at beginning of meeting.

New Business:

A. Delinquency Problem – Kent asked for a resolution to authorize the President to take all necessary and prudent measures to collect from one of the two serious delinquents (the other is protected by Bankruptcy at this point). We have the paperwork to file a small claim and will move forward with it. Ron Sipp so moved, 2nd by Nancy West, approved unanimously.

B. Infrastructure projects. Discussed under Budget

C. Contractor Compliance. Kent took a look at all the contracts that we currently have in place to see if the contractors were living up to the terms of their contracts. He found that the landscape contractor had not submitted proof of liability insurance. We have asked for this proof for the life of the contract. Mike said he just received proof of insurance for the entire period, including the time from the beginning of the contract.

D. Neighborhood Watch – Mike asked if there had ever been a Neighborhood Watch here – he has been having some vandalism problems lately.

Guest Comments:

Bill Neathammer provided a copy of the Long Range plan and related input that had been obtained from homeowners in response to a questionnaire sent with the Chronicle. He also emphasized the need to not forget actions taken in the past. Be aware of what has been done already. Document current actions and follow through on implementing them. Proper record-keeping is crucial.

Bert Lubliner asked about expanding the use of the ‘Clubhouse’ so that it can be used more as real clubhouse. Renovations and expanded hours were mentioned as possibilities. Security issues (vandalism) were also a concern if the building were to remain open without an employee present to watch. Mike said he will add this to the Agenda for next month.

Alene Schwartz said that we have a pack of coyotes that is running through the area that constitute a danger to residents and pets. She asked the Board to look into what can be done to solve the problem. Feeding small animals seems to attract predators.

Kent moved to adjourn, 2nd by Ron Sipp, approved unanimously.

Respectfully submitted,

Gloria Williams
CVHOA Secretary