

Three Canyons Ranch Master Homeowners' Association (MHOA)
Board Meeting Minutes
April 8, 2015
(approved at June 10, 2015 Board meeting)

1. Call to Order. Meeting called to order at 5:32pm

Board Members present:

Eileen McMannon - Sec. 19
Marilyn Wardlaw - Sec 20E
Richard Sontheimer - Sec. 21 (President)
Cathy Chouinard - Sec. 22
Mike Needham - Sec. 23 (Secretary)
Rich Frederici - Sec. 24
Bob Gilbert - Sec 26
Jim Dobis - Sec. 27
Evans Guidroz - Sec 28

Board Members absent: John Langholff - Sec 20W (Vice President)

2. Introductions and Review of Ground Rules

The President provided a brief review of the meeting ground rules.

3. Revision and/or Acceptance of Agenda

A motion was made and seconded for approval of the meeting agenda. The motion carried unanimously, 9-0.

4. Revision and/or Acceptance of March 25, 2015 Board Meeting Minutes

Motion was made and seconded to approve the minutes. The motion carried unanimously, 9-0.

5. Call to Membership

No comments from the membership.

6. Treasurer's Report - Donna Willard

Donna handed out the Financial Statement and the 2014-2015 Budget reports. The reports are included at the end of the minutes. Donna also presented the Board a letter, Administrative Assistant Proposal. This proposal was based on the Stachel and Associates, P.C., Proposal For Management Services, dated March 28, 2014. (Copy at end of the minutes. Members can see the April 8, 2014 minutes for a discussion on this and other management services proposals.) Donna reported the cost, \$1,600 per

month, was still valid. A question was asked if the Board wanted to discuss this proposal now or during the 2015-2016 Budget item of the agenda. The Board agreed to wait until the Budget discussion.

7. Committee Reports

Master Design Committee (MDC) - Cathy Chouinard

The Master Design Committee (MDC) received seven (7) and approved six (6) applications this quarter (January – March).

The MDC collected \$340.00 in fees this quarter. MDC expenses for this quarter were \$0.00.

There is one new construction ongoing currently and the construction deposit is in the HOA account.

The MDC reviewed and approved the revised VDO Design Guidelines dated March 28, 2015

The MDC issued four Notice of Violation letters this quarter. Two violations have been corrected. Both the remaining violations are in the process of being corrected. The Loretta violation is at P&Z for approval of building plans again (initial submission was rejected for not enough window area). The Mail box issue on Vista Montanas is with the Post Office which is informing the unauthorized mail box owners where to relocate their boxes for mail delivery.

The MDC welcomes the opportunity to assist the Association's members, our neighbors, to improve their property while complying with the Association CC&Rs.

Road - Rich Frederici

Since the January 14, 2015 Board meeting the road committee has completed the following.

- Installed new stop sign at Silver Conchos and 3 Canyons Road.
- Prepped and installed gabions and concrete at VDO wash.
- 3 Canyons Road chip seal and asphalt repair.

Gate - Jim Dobis

The East Gate was damaged (see initial comment in the March 25, 2015 meeting minutes) by an unknown person or persons. Both entrance and exit gates as well as some of the opening/closing mechanisms were damaged. Signal Gate is picking up the damaged equipment for repair. Our insurance will pay for the repair, less the \$1,000 deductible. Jim had no report concerning Gate Administration.

Governing Documents - John Langholff

Nothing to report.

Maps - Eileen McMannon

Updated Section 20E map

New Business

8. MDC Variance Request. Action tabled because the monthly MDC meeting will be held on April 13 and the matter may be resolved.

9. Digitized Records

The President put forth a proposal to digitize Association's records that are not already digitally saved such as those on our web site or with the Association's Attorney and CPA. Examples of association records that should be digitized are those of the various committees that have accumulated over the years.

The Board and the attending members discussed this proposal. The President submitted a budget request of \$12,000 for the 2015-2016 budget. (See minutes item 11 for additional information)

10. Section 20E Road Committee Report

Michael Wright provided the following information concerning the Section 20E roads and also an estimate for Calle Cielo Grande in Section 26.

Here are the roads in 20E covered by the proposal with specs:

E. Swallowtail Ln. 0.24mi EW, S. Airstrip Rd 1.17mi NS, E. Calle Malpaso 0.22mi EW, E. Windtalker Rd. 0.19mi EW, E. New England Pl 0.06 EW, S. part of S. Coyote Song 0.14mi NS, N. part of S. Coyote Song Ln 0.74mi NS, E. Tierra Del Sol Dr. 0.37mi EW, E. Avenida Jicarilla 0.43mi EW, E. Vista Montanas Rd 0.42mi EW, E. White Wolf Run 0.14mi EW, E. Treasure Garden Rd. 0.07mi EW, E. Vista Del Celo Circle 0.05 EW
Total: 4.24mi.

Recommendations are ½" crown for every foot of width of roadway. Ditches 1 ft wide by 1 ft deep at edge of road. Some roads may require culverts or extra ditching to ease water flow.

Mr. Wright arranged for Virgil Millar of Track of the Wolf to come out and make an estimate. Mr. Millar did the work on Avenida Jicarilla which the committee all agreed was beautifully done and has held up very well through the rains.

The estimate is as follows: 48 hours of work at \$100/hr with three culverts. Total estimate for initial work: \$4,800. Estimated cost for yearly maintenance after initial grading: \$1,440 per year for all roads indicated.

(Note - please see minutes item 11 for vote on Section 20E road maintenance.)

The cost estimate for the Section 26 portion of Calle Cielo Grande was developed based on a presentation by the Palominas Fire Department at the October 8, 2014 Board meeting.

Estimate for Calle Cielo Grande

Extract and remove muck from three sinkholes	\$8,000
Fill and compact three sinkholes	\$17,000
Install culverts two locations	\$16,000
Gravel and grade road with drainage on sides	\$ 3,000
Total	\$44,000

The Association would need the compliance approval from all property owners affected before any work could be done. The President reported that at least two members along Calle Cielo Grande stated they would not give their approval. No board action was taken on this item.

11. 2015-2016 Budget

The Treasurer presented the Board with the proposed budget for 2015-2016. The 2015-2016 budget is attached at the end of the minutes.

The \$12,000 estimated for digitizing Association documents was added to two separate line items. \$1,000 was added to the Administration - Board line item and \$11,000 was added to the Attorney - Records Maintenance line item. The President is going to research which records the Association should or needs to digitize as well as the associated costs.

The President announced that the bank loan for the resurfacing of 3 Canyons Road was disapproved. Consequently the entire resurfacing project of 3 Canyons Road cannot be done with the available funds.

A motion was made and seconded to use available funds to finish all scheduled repairs, all scheduled roadway and driveway aprons for the full six miles of roadway. This is to also include all scheduled resurfacing and sealcoating of approximately four miles of roadway, starting at the west end of 3 Canyons Road. The motion passed 9-0.

The Section 20E road maintenance proposal and cost estimate was brought up for inclusion into the budget. Discussion ensued between the board members and the

attending members. The President reminded everyone that the Association's Attorney provided an opinion dated September 23, 2014 (and reported by the President in the October 8, 2014 minutes) that said the Board could approve maintaining the roads with a 3/4 approval vote of the Board.

A motion was made and seconded to approve the maintenance of the Section 20E roads by the Association. Vote was 3 yes, 5 no. The motion failed. (Board member Bob Gilbert left the meeting before the vote leaving 8 Board members to vote.)

The budget discussion turned to the Administrative Assistant Proposal from the Treasurer, Donna Willard. It was noted that some of the 8 items identified in the Treasurer's proposal letter are already done by the Association's Attorney, the Association's CPA, and the Board Secretary. The Treasurer and President said they would contact Stachel and Associates and see if the monthly cost could be reduced because of these apparent duplications.

A motion was made and seconded to approve the submitted 2015-2016 budget. The motion passed 5 yes, 3 no.

The Annual Assessment for 2015-2016 is \$15.00 per membership.

12. Call to Membership

Lynn Mattingly said the revised VDO Design Guidelines mentioned in the MDC report are located on the VDO web site which can be accessed under the Villages link on the 3 Canyons web site.

13. Adjournment

A motion was made and seconded to adjourn the meeting. The motion carried unanimously, 8-0. Meeting adjourned at 8:10pm.

(Agenda Item 6. Treasurer's Report)

Financial Statement
3 Canyons Ranch HOA
March 31, 2015

Commercial Checking	\$44,811.66
Outstanding Checks(2)	\$1,394.00
Construction Deposits (1)	\$1,000.00
Commercial Savings	\$5,004.05
Capitol Savings	\$311,032.50
Total	\$360,848.21

(Agenda Item 6. Treasurer's Report)

**3 Canyons Ranch HOA 2014 - 2015 Budget
March 31, 2015**

		March 31, 2015	Year-to-Date	2014-2015 Budget	Budget Remaining
Income		\$2,570	\$161,656	\$160,900	\$(756.00)
Assessments	\$1,190		\$150,450	\$148,400	(\$2,050)
Fees	\$1,380		\$11,206	\$12,500	\$1,294
Expenses					
Admin		\$381	\$4,805	\$8,100	\$3,295
Board	\$0		\$936	\$3,500	\$2,564
MDC	\$0		\$103	\$200	\$97
Gate	\$250		\$3,763	\$3,600	(\$163)
Road	\$131		\$276	\$200	(\$76)
Documents	\$0		\$0	\$200	\$200
Map	\$0		\$25	\$200	\$175
Website Maint	\$0		\$83	\$200	\$117
Accounting		\$0	\$1,655	\$2,500	\$845
Attorney		\$0	\$13,740	\$12,000	\$(1,740)
Services	\$0		\$5,152	\$4,000	(\$1,152)
Litigation	\$0		\$4,570	\$5,000	\$430
Legal Expenses	\$0		\$14,887		
Recovered Expenses	\$0		\$10,317		
Administration	\$0		\$4,018	\$3,000	(\$1,018)
Recovered Expenses	\$500		\$2,711		
Insurance		\$0	\$0	\$4,400	\$4,400
Board	\$0		\$0	\$1,600	\$1,600
Road/Umbrella	\$0		\$0	\$2,800	\$2,800
Lockbox		\$0	\$1,233	\$2,600	\$1,367
Taxes		\$0	\$65	\$200	\$135
Gate		\$3,118	\$11,155	\$25,500	\$14,345
Warranty	\$640		\$5,060	\$7,500	\$2,440
Utilities	\$153		\$1,367	\$2,000	\$633
Projects	\$1,216		\$1,216	\$3,000	\$1,784
Maintenance	\$1,109		\$3,514	\$8,000	\$4,486
Law Enforcement	\$0		\$0	\$5,000	\$5,000
Road		\$4,684	\$34,643	\$53,000	\$18,357
Repair	\$4,684		\$22,240	\$35,000	\$17,444
Mowing	\$0		\$3,290	\$5,000	\$1,710
Drainage	\$0		\$9,113	\$10,000	\$887
Fence	\$0		\$0	\$3,000	\$3,000
Contingency		\$0	\$0	\$5,500	\$5,500
Resurface Road		\$6,000	\$47,000	\$47,000	\$0

(Agenda Item 6. Treasurer's Report)

April 8, 2015

To: 3 Canyons Ranch HOA Board of Directors
From: Donna R. Willard, Treasurer
Re: Administrative Assistant Proposal

As treasurer I would like to propose to the 3 Canyons Board of Directors the following proposal:

The Association hire the services of Michele Dopadre of Stachel and Associates, as it has with a past treasurer, to perform the following Management Services in addition to the current services provided:

1. Receive, audit and prepare for payment all HOA invoices other than auto pay invoices. (Treasurer to audit, write check, obtain signatures and mail payments)
2. Maintain HOA membership list based on title transfers and any information provided by HOA
3. Prepare and mail yearly assessments.
4. Receive and maintain payment/nonpayment by property owner of yearly assessments.
5. Prepare and Deposit assessments collected. (Report to Treasurer monthly)
6. Process late fees, demand letters and initiate legal process for nonpayment.
7. Prepare Treasurer's report for quarterly meeting to be reviewed by Treasurer.
8. Prepare Administrative report for Board of Directors.

The estimated cost of these services is \$1600.00, plus costs per month based on a March 28, 2014 proposal submitted by Stachel and Associates, (copy attached). Keep in Mind that the Association receives \$150.00 per title transfer. Plus any expense associated with unpaid assessments referred to the legal department will be charged to the delinquent owner as part of their reinstatement. The Association currently pays for those expenses.

With this change in the Association's current processes, the Association will move toward running the Association as a business. There will be checks and balances in the processes of the Treasurer duties, with no one person having sole control.

Thank you for your consideration in this matter.

Respectfully,

Donna R. Willard
Treasurer

(Agenda Item 6. Treasurer's Report)

STACHEL & ASSOCIATES, P.C.



A Professional Corporation of Attorneys

March 28, 2014

Electronically-Delivered to: kgallew@juno.com - rsonth@q.com

Board of Directors
3 Canyons Ranch Master Homeowners' Association

Re: *Proposal for Management Services*

Dear Board Member:

Stachel & Associates, P.C., is pleased to present to the Board of Directors of 3 Canyons Ranch Master Homeowners ' Association, our Proposal for Administrative, Financial and Management Services. Since 2001 , the staff of Stachel & Associates, P.C. (S&A) have been pleased to provide varying association management services to 3 Canyons. We provide this proposal in hopes of maintaining continuity of services to the Master Association.

In reviewing your Request for Proposal, it should be noted that some of the management services you seek for the coming year are presently provided by Stachel & Associates, P.C. Specifically, Stachel & Associates, P.C. prepares Residential Resale Disclosure Packages, provides legal services on an as needed bases as well as field informational calls to the Association. Stachel & Associates is prepared to submit the following for your consideration.

Stachel & Associates, P.C. handles all client matter with the highest level of security and privacy. All information is maintained in a triple layer of security server system.

2.2 Task Completion

S&A has been a repository for the CC&R's and By-laws, and maintains a copy of both in our capacity as Attorney for the Association. We acknowledge that any and all work must be in compliance with the CC&R's, timely and communication electronically. S&A maintains professional liability insurance as must adhere to a higher standard of privacy protection under the requirements of a professional law office.

S&A will continue to advise the Board of Directors necessary changes required to conform with Arizona Law. Stachel & Associates, P.C. continues to send its staff to yearly educational classes to assure the Association adheres to the ever changing laws governing the management of Homeowners' Associations.

2.3 **Miscellaneous Requirements**

S&A presently has open instruction with all escrow offices in Cochise County to provide transfers in ownership. We do not provide an on-going research of the public record- if not properly reported. Notice of Community Association will be prepared and recorded to ensure that any title agency will be advised of the point of contact when title reports are run.

S&A currently handles the Residential Re-Sale Disclosure Process. Re-Sale Disclosures are currently \$400.00. S&A's fee for preparing the disclosure is \$250.00 for each Disclosure (Net proceeds to the HOA- \$150.00). Checks are received made payable to the HOA, along with a copy of the Deed and the signed acknowledgment letter. These packets will continue to be received, logged into the HOA's sign out book and made available to the BOD Point of Contact for retrieval.

2.4 **Evaluation**

S&A acknowledges the review process proposed and understands that the Treasurers will make any requests for changes within two business days of electronic transmission from S&A.

3.0 **Deliverable Guidance**

3.1 **Deliverables**

S&A Acknowledges the RFP's requirement to include

- 1) Timely Annual Assessment Invoice
- 2) Quarterly Updates to the BOD
- 3) Delinquent letter in accordance to the CC&R's to include the 10% late fee.
- 4) Owners whose assessments are unpaid after the late notice period will be referred to the legal department for further action. Any expense associated with unpaid assessments referred to the legal department will be charged to the delinquent owner as part of their reinstatement.
- 5) Refer to 4-above
- 6) Unknown
- 7) All Financial reporting documents will be provided in a timely, and in a format that complies with accounting standards.

All "Deliverables" as defined in the RFP will be transmitted timely to the President and the Treasurer via electronic delivery.

Additionally, S&A proposes that it's office be listed as the HOA's "Place of Business" for housing all corporate documents. Stachel & Associates, P.C. is currently listed as the Statutory Agent and has completed the ACC annual filings.

Stachel & Associates, P.C. proposes providing the Administrative and Financial services, not already covered under the Residential Re-Sale Disclosure contract, at a monthly rate of \$1,600.00, plus costs.

Please feel free to call me should you wish to discuss this proposal in greater detail.

Very truly yours,

Stachel & Associates, P.C.

Robert D. Stachel, Jr.
For the Firm

Addendum - Costs

HOA is also responsible to reimburse Stachel & Associates, P.C. for out-of-pocket costs and expenses which are necessary or desirable to assist in performing the duties provided for in the request for proposal. Costs are defined but not limited to costs of photocopy charges, publication fees, long distance telephone calls, on-line charges for computer assisted research, postage (regular and certified), mileage and any other fees or expenses which Stachel & Associates, P.C. must pay to others in order to represent HOA. Envelopes and letterhead (HOA specific) shall be either provided by the HOA or will be ordered for the benefit of the HOA.

(Agenda Item 11. 2015-2016 Budget)

**3 Canyons Ranch MHOA Budget
Fiscal Year 07/01/2015 - 06/30/2016**

Income				
Assessments	10,700 memberships X \$15.00	\$160,500		
Fees	MDC, Transfers, Gate Openers, etc	\$12,000		
Total Income				\$172,500
Expenses				
Administration			\$8,400	
	Board	\$4,500		
	Master Design Committee	\$200		
	Gate Committees	\$3,200		
	Road Committee	\$100		
	Documents Committee	\$100		
	Map Committee	\$100		
	Website Maintenance	\$200		
Accounting/CPA Review			\$2,500	
Attorney			\$43,000	
	Attorney Services	\$5,000		
	Litigation	\$4,000		
	Administration	\$23,000		
	Records Maintenance	\$11,000		
Insurance			\$4,400	
	Board Officer Liability	\$1,600		
	Road /Umbrella Liability	\$2,800		
Taxes			\$200	
Gate Committee			\$25,800	
	Warranty/Maintenance	\$8,000		
	Utilities (SSVEC & Quest& APS)	\$1,800		
	Projects (Curbing, Culvert, Lighting)	\$3,000		
	Gate Maintenance	\$8,000		
	Law Enforcement Support	\$5,000		
Road Committee			\$25,000	
	Road Repair/Patching	\$3,000		
	Mowing	\$5,000		
	Drainage Ditch Repair	\$15,000		
	Fence	\$2,000		
Contingency Fund	5 % of Projected Expenses		\$5,465	
Resurface 3 Canyons Road			\$57,000	
Total Projected Expenses				\$171,765