

**STAR VALLEY ESTATES HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES**

Date: November 5, 2016

Time: 1:00 - 3:00 PM

Location: 3770 South Mission Road, Mission Branch Library Conference Room

BOARD OF DIRECTORS ROLL CALL:

PRESENT:

Bonnie Dukes, President
Bibiana Law, Vice President
Dan Pritchard, Treasurer
Ozzie Nelson, Secretary

QUORUM/CALL TO ORDER:

Quorum is met with four (4) members present. The meeting was called to order at 1:03 PM.

AGENDA ITEMS:

- Officer and Committee Reports
- ACC Report
- Old Business: Election Procedures
- New Business: Postcard Notifications, Updates of the ByLaws

HOMEOWNER INPUT:

A homeowner expressed concerns regarding past design guideline changes and a perceived lack of emphasis to enforce existing guideline standards. In the homeowner's opinion the overall condition of the community is poor.

In fairness, the board pointed out that last year's updates to the design guidelines were in fact mailed to all homeowners for feedback prior to being adopted. All accepted updates received favorable feedback from a majority of the homeowners whom responded. Recent updates, for example, updates to block wall heights, were simply adopted to reflect recent updates to county requirements.

Regarding the overall condition of the community, the board acknowledged that there are several lots that need "reminders" to police-up debris and trash around their lots. This is also a topic the board had planned to address as part of the treasurer's report (see below). The board agreed to provide additional guidance to Platinum on what to look for during community drive-thru's especially regarding debris.

PRESIDENTS REPORT

- a. The board president updated members on street conditions and landscaping. The county did respond to a request to patch a large hole mid-way down Brightwater Way. Unfortunately, only a cold-tar mixture was used. It was also pointed out that numerous other holes were left untouched.

The county was also contacted regarding the continued growth of weeds around the 8-foot right-of-way outside basin fence along Brightwater and Ironstone Road and at the north-side of the same intersection. County clean-up has been scheduled for the end of November.

- b. Our association's new points of contact is Lisa Garcia (lisa@platinumonline.org).

TREASURER'S REPORT

- a. The treasurer provided an update on the carry-over funds at the end of 2015 and the cumulative carry-over, which includes the 2015 total, for 2016. The carry-over for 2015 was \$7684.51; the expected total cumulative carry-over for 2016 is approximately \$12,088.74.
- b. The line-by-line 2017 budget was presented. It showed a total operating expense of \$14,550. Assessments are planned to remain at \$25/quarter.

Motion: To accept the 2017 budget and to approve the treasurer's report as presented.

Vote: Unanimous approval.

- c. The treasurer also presented information related to fees associated with a temporary trash container to be used for a proposed community-wide cleanup effort. Fees ranged from \$295 to \$618 + costs for tonnage. However, during the discussion it was noted that the cleanup effort would mainly benefit two (or three) homeowner's whose lots remain in clear violation of CC&R requirements as identified in Section 3.1.1 and 10.17 because of existing lot debris. The board felt it was unfair to have the community cover the costs for trash services for just a few lots. As such, the proposal for a community-wide cleanup was rescinded.

Instead, a community-wide reminder would be mailed to each homeowner by Platinum reminding them of their responsibilities for cleaning up debris on their property, including items in both side-yards and in rear of the property, outside the wall.

Motion: In-lieu of a dumpster for use in a proposed community-wide cleanup, the board instead will draft a notice to the community reminding all homeowners of their responsibilities to maintain their properties in

accordance with CC&R requirements, i.e. to keep all portions of a lot free of trash and debris. (The notice is to be mailed by Platinum.)

Vote: Unanimous approval.

ARCHITECTURAL CONTROL COMMITTEE (ACC) REPORT:

- a. Architectural Request Forms (ARFs) received since last board meeting:

Lot 116 – enclosure onto rear patio/porch - building permit received

Lot 99 – rear setback approval

Lot 75 – gutters approved

Also, during drive-thru reviews a proposal was made to delegate the review to one board member and then provide feedback to Platinum instead of having all board members responding, as is currently done by delegating review responsibilities to a different board member during each drive-thru. This would not prevent any board member from reviewing results since all board members still receive results. Also, hearing notices (4th letter) still require all board members to approve the citation before notifying the homeowner and scheduling a hearing.

The recommendation above was not adopted. Rather, the board president stated that her reviews are relative quick and that she has the time to continue to provide feedback to Platinum on noted infractions observed during community drive-by reviews.

- b. A summary of the various citations issued over the past several months continue to be notices for: parking violations, weeds, and trash cans.

OLD BUSINESS

- a. Election Procedures (ballot requirements – the addition of “for” or “against” on the ballot)

At the 17 Sep meeting a disagreement occurred whether or not the election of board members is considered to be a “proposed action”. One interpretation is that the election of board members is NOT a “proposed action” because it does not constitute alternative options a “proposed action” would imply, i.e., one either votes “for” a candidate or one does not mark the square. This is similar how the ballot is prepared during national, state and city elections, i.e., voters only have one square to mark.

However, the fact is that the election of an association’s board members is specifically defined in ARS33-1812, and defines and requires that the ballot used in the election of board members (and any other ballot measure) provide homeowners an opportunity to vote “for” or “against” each ballot measure. Because the association is a corporate entity, governed by both Title 10 (Corporations and Association) and Title 33 (Property, and includes Planned Community, i.e., HOAs) requirements, which both have the same

requirement to provide voters the option to vote "for" or "against" each proposed action, the association's ballot should include the same.

The other question that needs to be addressed is whether or not the election of a board member is a "proposed" action. It is. To show this a corporate ballot example was presented that is used by the Microsoft Corporation. It clearly includes the option to vote "for" or "against" each board nominee, as well as any other ballot measure. Based on the corporate example, in this regards ARS 33-1812 does in fact illustrate that the election of board members within an association constitutes a "proposed action".

Unfortunately, even after the above information was presented, the same obstinate homeowner still insisted that the election of a board member was not a "proposed" action. The board's discussed whether or not it might make sense to obtain a legal opinion on the matter, even though it had previous feedback from the management agent's legal counsel. Some members of the board felt that the solicitation of an opinion from an independent counsel would be more appropriate. But, one board member mentioned that costs for doing so could run as high as \$5K.

Because of the excessive amount of time the board has spent trying to resolve this issue with the homeowner, it decided to compromised and agreed that the next ballot would not contain "for" or "against" blocks against each candidates names, rather it would simply amend the ballot and replace both the "for" and "against" blocks with a single blank block to be marked. However, it was also agreed that a note would be included on the ballot telling voters to leave the candidate's block unmarked if the voter does not want that, or any other, candidate elected.

b. Updates to the Rules and Regulations Document

The Section VIII, Collection Procedures of the Rules and Regulations document were updated with comments received from Platinum. Based on today's discussion, Section V, Election Procedures, sub-paragraph 2 (Procedures for determining elected board members) will also need to be revised.

NEW BUSINESS

By-Laws Updates

- a. Document updates were sent out to the review committee and board on 29 Oct. Updates include numerous admin changes:
 1. Cover page + the addition of a table of contents)
 2. Additional clarifications added from the AZ state statutes in Article X, Hearing Procedures, Article XII, Assessments, and Article XIII, Sales of Lot by Owner
 3. Also added a short paragraph on member-at-large duties (none was there before)

4. Moved the directors descriptions to the director's section (was under the officers section in the original document)
 5. Deleted Section XIV, Corporate Seal
- b. One contentious section may be with proposed updates to Article XV, Section 15.1.1, Amendment Submission. This section was amended by a previous board in March 2010. In the opinion of one review committee member it was intentionally made to be too restrictive because it requires 2/3 majority of 25% of homeowners (e.g., requires 37 homeowners to respond + 2/3 majority approval → 25 votes to approve update). At the last annual election the association only received ~37 ballots. The current criteria makes it difficult for boards to make simple updates to the document. Also, it is important to note that using current criteria the original change would NOT have passed (approval of the change in 2010 only received a total of 34 responses from homeowners!). The criteria is negative and restricts the board in making constructive amendments.
- c. A more practical change would be to use the same criteria as is used for the election of directors which would require a simple majority of 10% of homeowners to respond (e.g., 15 homeowners to respond + 8 affirmative votes to approve).
- d. Any updates to the By-Laws will require a 2/3's majority of 25% of homeowners to approve.

Next Meeting Date: 14 January 2017

ADJOURNMENT:

Motion to adjourn at 3:06 PM by President Dukes and seconded by Bibiana Law.

//signed//

"Ozzie" Nelson

SVHOA BOD Secretary

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Current Draft of the Star Valley Estates By-Laws