



**The Ranch at Prescott
Homeowners Association
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October 25, 2007
HOA Council Meeting Minutes**

Council Members in attendance were: Mike Enders – Unit IV, Russ Parker – Unit III, Scot Lee – Unit IX, Kent Robinson – Unit V, Doug MacArthur - Unit VI. Previously excused were Michael Peters and Henry Lenhart – Unit VII and Billie Powell – Unit II. Three alternate members/homeowners were in attendance. Also in attendance were Gaye Morgan, Association Manager and Judy Connick, recording secretary from HOAMCO.

Approval of Minutes

Vice Chairman Mike Enders called the meeting to order at 3:00 PM. A quorum was established and Mr. Enders called for a motion to approve the August 23, 2007 meeting minutes. Russ Parker moved to approve the minutes. Kent Robinson seconded the motion and Scot Lee noted a correction and requested that paragraph “c” under new business be removed, there being no further discussion the minutes were unanimously approved as corrected.

Approval of Financials

Mike Enders called for a motion to approve the Financial Report for the period ending August 31, 2007 and September 30, 2007. Kent Robinson moved to approve the August and September Financial Reports, reserving any contrary findings of the annual audit. The motion was seconded by Russ Parker and unanimously passed.

Public Communications

Mike then opened the floor to public communications from the audience.

Phil Alvarado advised that he had taken a drive through the community and found over 25 lamp post lights were out. Russ Parker advised that in some cases the lights may

have been turned out by the homeowner. Mike Enders indicated that they should put a reminder in the newsletter that the lights need to be left on at night.

A resident brought up fire prevention in light of the California fires that were occurring. It was discussed that The Ranch at Prescott's policy on weed control and dead tree removal is based on the City of Prescott's Ordinances.

Future Agenda Items

Mike Enders inquired if anyone had issues that they wanted to place on the agenda for a future meeting. Mike suggested that the following items be added to the November 15, 2007 meeting agenda for review by the full Council.

1. Review of the Compliance Policy
2. Final Approval of the 2008 Budget

Old Business

a. Newsletter Update – Rosalie Naigle

In the absence of Rosalie, Mike Enders presented a written report prepared by Rosalie and advised that the fourth quarter newsletter had been mailed on October 22, 2007 for a cost of \$431.35.

b. Proposed Reserve Fund Limits – Kent Robinson

Kent Robinson advised that as previously discussed he recommended that the Council set a limit on the Reserve Fund and suggested that the Council limit the Reserve Fund to its present balance. He reminded the Council that funds in the Reserve Account could not be used to make up a shortfall in the operating account. Association Manager Gaye Morgan advised the Council that a Reserve Fund is created to maintain and/or repair common area assets. She explained that in The Ranch at Prescott area assets are approximately 40 acres of common area land, approximately 13 walls, the entry monuments, horses head monument, and picnic tables around the tennis court. It was noted at the present time that the only planned use of the Reserve Account was to refurbish or replace the park benches and tables near the tennis courts since the walls and monuments had just undergone refurbishing. It was also noted that the Council could at any time decide to replenish the reserve account from the operating account. Kent Robinson moved to cap the reserve account at its present level; the motion was seconded by Russ Parker and unanimously approved.

c. For Sale Sign Law – Interpretation of private property – Russ Parker

Russ Parker brought to the Councils attention the problem with placement of For Sale signs in The Ranch and the confusion about what constitutes private property. He noted during a drive-through of a portion of the community that for some properties it is difficult to place a sign on the owner's property and make it visible from the road. Scot Lee noted that the City has an ordinance against signs in their street right-of-way. The question was raised as to what was the problem

unless the sign is on the roadway. Russ indicated that he would drive through The Ranch and assess the problem. The matter was then tabled to a future meeting.

New Business

a. City of Prescott Meeting on Drainage

Scot Lee reported that the drainage meeting with representatives of City of Prescott was very productive. The City advised that they were responsible for maintaining the road side drainage ditches, those in the City right-of-way), and that they would be restoring them so that water would flow properly. Mike Enders added that the City will put this policy in writing for future reference. The City also advised that it would address the curb crack seal problem in November. The Council asked that a notice be sent to the homeowners regarding the construction activity and that the information be added to the web site. The Notice should also include a reminder regarding maintenance of the lamp posts. Scot Lee moved to approve the additional postage required for the mailing. The motion was seconded by Kent Robinson and was unanimously approved.

b. 2008 Budget Review

Kent Robinson reviewed the draft 2008 budget that was included in the Council's meeting packet. He advised that \$118.00 of the annual assessment goes into the operating fund and \$7.00 goes into the contingency fund. He reported that approximately two thirds of the annual budget goes to Weed Abatement and the Management Fee. He noted that the projected budget surplus (overage) of \$7,579.00 should be moved to the contingency fund. Kent requested that the Council review the draft and that the Council would need to approve the budget at the November meeting.

c. Proposed Clarification of Council Member Terms

Mike Enders advised that the CC&R's provide that two Council Members be elected from Unit VII. In the past the council members were designated to represent Unit VII-A and Unit VII-B. To conform to the language of the governing documents, the two Council Members should be designated as members at large as should their Alternate. The proposed clarification addresses this language as it relates to the Alternates. Russ Parker moved to approve the clarification of the Terms of Council Members. The motion was seconded by Doug MacArthur and unanimously approved.

d. Volunteers for Standing Committees and Alternate Council Representation

The Council reviewed the current Representative and Alternate vacancies on the Council. It was noted that these were the following: Unit I – Council Member and Alternate, Unit II – Alternate, Unit III – Alternate, Unit VI – Alternate, Unit VII – one Alternate, Unit VIII – Member and Alternate, Unit IX – Alternate. It was noted that an August 2006 legal opinion confirmed that the Council has the authority to appoint a Unit Representative to fill a vacancy while the amended by-laws provide that the Council can appoint Alternates to fill Unit Alternate vacancies. Those present were encouraged to propose possible Alternate appointees at the November meeting.

Joan Petty, who was present at the meeting, volunteered to serve as the Council representative for Unit I. Kent Robinson then moved to appoint Joan Petty to fill the vacancy in Unit I. The motion was seconded by Scot Lee and unanimously approved. Joan is especially well qualified having previously served as Unit 4 representative in 2005.

The Board requested volunteers to serve as chair and members for the Standing Committees. The following volunteers were appointed:

Government Liaison – Michael Peters, Chair, Joan Petty and Doug MacArthur with Scot Lee as consultant.

Finance – Kent Robinson, Chair, and Bob Tinney

Maintenance – Due to its importance to all Representatives, this will be considered as Committee of-the-whole Council. Michael Peters volunteered to serve as Chair.

Communications – Ray Loome, Community Directory; Rosalie Naigle, Editor of the Newsletter; Mike Enders, Council Representative.

Phil Alvarado, a former member of the Communication Committee and Secretary for the Council, has been handling the Community Website for the past year. It was suggested that these duties be outsourced at this time. 3/tomboy Productions is the company that has been working with Mr. Alvarado during the past year and has advised it would take over the maintenance and posting duties at the rate of \$40.00 per hour. After discussion, a motion was made by Joan Petty to approve turning over the maintenance of the web site to an outside source. The motion was seconded by Kent Robinson and unanimously approved.

Management Report

Gaye Morgan summarized the Manager's report provided in the Council's information package.

Picnic Tables for Tennis Court Area - Gaye Morgan advised that she had located picnic tables at Yavapai Exceptional Industries and reported that they were available in both Pine or Redwood and that the benches were attached. She advised that because picnic tables were a seasonal item it was difficult to locate them this time of the year. The Council requested that she look into steel or recycled plastic benches and obtain additional pricing.

IRS Ruling 70-604 - Gaye Morgan provided the Council with information regarding the IRS Ruling 70-604 which gives Associations the option of filing tax returns on Form 1120 or 1120H. A discussion was held on the process for this Ruling, and the estimated taxes based on interest income to the Association. This question will be taken to the membership at the next Annual Meeting for a vote. As to the filing of the

2007 taxes, Kent Robinson moved to file IRS form 1120H for tax year 2007. The motion was seconded by Russ Parker and unanimously approved.

Trail – Gaye presented the Council with photos taken by Mr. Kinney of the nature trail near his home after the a clearing excavation and then after the rain washed out the excavation work performed. The owner of Lot 417 has requested that these drainage culverts be removed as they do not appear to serve a function. The options for the Association are to remove the culverts and re-grade the area or improve the drainage with larger culverts. After some discussion it was decided to have Gaye research the costs and obtain bids for removing the culverts and smoothing over the trail.

There being no further business before the council, Kent Robinson moved to adjourn the meeting. Scot Lee seconded the motion and it was unanimously approved. The meeting adjourned at 4:35 PM.

Respectfully submitted,

Henry Lenhart, Secretary