



**The Ranch at Prescott
HOA Council Meeting Minutes
August 25, 2016**

ATTENDANCE

Council Members in attendance were Phil Alvarado-Unit I, John Stilo-Unit III, Mike Enders-Unit IV, Chuck Fullington-Unit V, Paul Scrivens-Unit VI, Scot Lee-Unit VII, Bernie Cygan-Unit VII and Terry Madeda-Unit IX. Alternates attending were Billie Powell-Unit II and Joe Pendergast-Unit VII. Ann Zdanowski, HOAMCO Association Manager, and Donna Forster, Minutes Taker, were also in attendance.

CALL TO ORDER/ESTABLISH A QUORUM

Council Vice Chairman Mike Enders-Unit IV called the meeting to order at 3:03 pm and a quorum was established.

APPROVAL OF MINUTES

Motion: Bernie Cygan-Unit VII moved to approve the minutes of July 28, 2016 as presented. The motion was seconded by Billie Powell-Unit II and passed unanimously.

APPROVAL OF FINANCIALS

The Council reviewed the Financial Reports for July through 7/31/16. **Motion:** Terry Madeda-Unit IX moved to approve the July Financial Report as presented, subject to audit. The motion was seconded by Paul Scrivens-Unit VI and passed unanimously. July accounting is summarized as follows:

Operating Account AAFS	\$ 35,511.38
Metro Bank MM Account (Operating)	\$ 14,540.30
AAFS Reserve MM Account	\$ 46,499.50
AAFS Operating MM	\$ 244,141.71
Construction Deposit MM	\$ 41,500.00
Accounts Receivable Assessments	\$ 3,659.17

OPEN FORUM

a. Joe Pendergast-Unit VII distributed to the Council a copy of the "Second Amendment to the Bylaws" approved at the Council Meeting on 6/28/07 and expressed concern that, although Council members are required to be lot owners, Scot Lee was not a property owner.

Mike Enders stated that Scot Lee represented Bullwhacker and a legal opinion had been received from the attorney stating this was sufficient. Mike requested that Ann Zdanowski provide Joe Pendergast with a copy of the legal opinion.

b. Mike Enders stated that the memo regarding meetings sent to the Council by Ann Zdanowski was at his request and the sole intent and purpose of the memo was to streamline and expedite meetings.

COMMITTEE REPORTS:

a. Architectural Committee Report - Scot Lee, Unit VII: Scot Lee reported that house plans for M35 on Bar Circle A was in the review process.

b. Firewise Committee Report - Paul Scrivens, Chairman, Unit VI: Paul Scrivens reviewed the Firewise report dated 8/25/16 and highlights included: The Phase II clearing of 17.5 acre grant assessments has been completed; to date there are 40 lots and 35 owners in the grant program; the Corrections crew will start clearing on the common ground between Rainbow Bridge and Heather Brook in early October; there will be a Firewise presentation at the Annual Meeting on 9/22/16; two new members have been added to the Firewise Committee; the Committee is working on the Fire Safety Rules and reaching an agreement from the Council on the final rules. As a result of questions from the Council members, Paul stated the grants are being used mostly on vacant lots. In order to maintain the lots, Paul is hoping to schedule an annual community cleanup.

c. Website Update - Paul Scrivens, Unit VI: Paul stated he will get a website "feature" list to Ann Zdanowski by Tuesday, 8/30/16 for Council feedback before the next meeting.

OLD BUSINESS:

a. Unit IX Barbed Wire Issue: Terry Madeda reported that cattle from a ranch north of Bar Circle A have been coming on homeowner lots as well as into the streets due to breaks and needed repairs to the rancher's fences. The rancher, who is leasing the land from the State, believes Arizona open range law states that homeowners are responsible for fixing the fences. Terry obtained the rancher's lease and current laws that appear to state the rancher is responsible for maintaining all improvements to his land. Terry Madeda and John Stilo-Unit III walked the fence line with the BLM to see where the repairs are needed. Terry got an estimate from American Fence for \$11,500 for the repair of the fence. Scot Lee suggested the first step to getting the fence repaired should be to file a formal complaint with BLM. It was also suggested that the attorney review the lease and laws. **Motion:** Terry Madeda moved that he and John Stilo meet with Jim Atkinson for advice and possibly filing the formal complaint with BLM against the rancher. Chuck Fullington-Unit V seconded the motion which passed unanimously. Terry questioned whether or not the HOA would consider a partnership (cost sharing) with the rancher for the fence repair. The Council stated the complaint should be pursued first, and then they may consider bringing in the rancher for discussions.

b. New Rules Proposal for Firewise: Paul Scrivens stated the attorney reviewed the previous six rules submitted by the committee and suggested the committee use the actual Firewise wording, instead of simplifying the longer list of rules into 6 rules. As a result of the attorney's recommendations, included in the Council packet was the "Suggested Firewise Precautions for the Ranch" for the Council's review and discussion. Concerns were raised that the clearing of lots according to the one and one-half page of rules may be too restrictive and too costly to the owners. An educational tool explaining to owners what

Firewise means for vacant lots and those with dwellings could result in a more favorable outcome. A letter to homeowners about Firewise, the grant programs available and the requirements for Zone 3 (with five rules) may be a good beginning. **Motion:** Phil Alvarado-Unit I moved that a letter to homeowners be written and then submitted to the Council for review prior to being sent out. Bernie Cygan-Unit VII seconded the motion which passed unanimously.

c. Architectural Submittal Fees: The fees charged by ARC, having an audit trail for payment of the fees and the ARC approval process was discussed. Terry Madedda noted he believed a check from a homeowner was written to the HOA but was not reflected in the HOA accounting. Mike Enders agreed that a clear path is needed to show specifically where the funds are being distributed from each check. Terry will get information to Ann Zdanowski about the check and Ann will research the matter.

NEW BUSINESS:

a. Budget Projections: Mike Enders advised the Council that the budget for the following year receives final approval from the new Council. Ann noted that costs are going up for postage and printing due to additional mailings required by State Statutes. Ann also mentioned that the Weed Abatement program was very difficult to manage since landscapers could not differentiate one lot from another, they often ended up trimming all lots along the roads and costs were escalating. Also noted was that the fire department received grants they may be able to transfer to the Ranch for clearing the common areas but additional funds may be needed for Firewise. Mike Enders requested that the Council keep these items in mind and provide inputs to Ann on the budget to be approved in October.

b. Assessments for 2017: Mike Enders noted that assessments have remained the same for eleven (11) years and suggested that raising the assessments from \$125 to \$150 per year would help offset an anticipated deficit in revenues. Mike requested input from the Council. The Council decided that if the weed abatement program remained in place, the increase in assessment funds could be used to offset the deficit and pay for the additional increases in expenses anticipated for 2017. **Motion:** John Stilo-Unit III moved to raise the assessments from \$125 to \$150 per year, beginning in January 2017. The motion was seconded by Bernie Cygan-Unit VII and passed unanimously.

c. Weed Abatement Program 2017: Motion: Phil Alvarado-Unit I moved to renew the Weed Abatement Program for 2017. The motion was seconded by Bernie Cygan-Unit VII and passed unanimously. Billie Powell-Unit II requested that the weed abatement letter not be sent to The Oaks.

d. Consideration of a Full Audit: As requested previously by the Council, Ann Zdanowski obtained three bids for a compilation, review or audit of the HOA's finances. The Council discussed whether or not a full audit is necessary. The bids for the audit ranged from \$2,500 to \$6,000. **Motion:** Joe Pendergast-Unit VII moved to appoint Terry Madedda-Unit IX to work with Ann Zdanowski to decide whether or not to have a full audit, review or compilation. The motion was seconded by Chuck Fullington-Unit V and passed unanimously.

e. Common Area Work in Mystic Heights: Terry Madedda stated, as previously discussed, the college wants to plant vineyards in 9-11 acres of the common area, which would mitigate the ladder fuels. Terry questioned whether or not the decision required a 2/3 favorable vote of the entire community. Scot Lee agreed to look into the matter.

f. Donny Brook Circle Drainage: Discussed and settled prior to the meeting

HOAMCO MANAGEMENT REPORT: Ann Zdanowski reviewed the monthly report dated August 25, 2016. Ann noted various violation letters were mailed as a result of compliance officer inspections and the second cutting of the year for weed abatement was completed the second week of August. Preparation is ongoing for the Annual Meeting on September 22, 2017 at the Hassayampa Inn.

FUTURE AGENDA ITEMS: none

NEXT COUNCIL MEETING: The Annual Meeting will be held on September 22, 2016 at the Hassayampa Inn at 3:00 pm. The next scheduled Council meeting is October 27, 2016, at 3:00 pm at HOAMCO.

ADJOURNMENT: Motion: Billie Powell-Unit II moved to adjourn the meeting at 4:56 pm. The motion was seconded by Scot Lee-Unit VI and passed unanimously. The Council then moved into Executive Session.

Respectfully submitted,

Terry Madedo, Secretary/Treasurer