

BOARD MEETING MINUTES
San Ignacio Heights, Inc.

Date: October 16, 2024
Location: SIH HOA Ramada (1620 West Mariquita Street)
Call to order: 9:00 am
Roll Call: Don Julien, Dave Fenner, James Trobec, and Martha Gamez. (James Trobec was connected via telephone.)
Quorum established.
Residents attending: John Mear, Jerry Coffey, Vicky Bauman, Elizabeth Allard, Al Loomis, Don Caudill, Eileen Allen, Willie Gross, and Jeff Bruce.

Review and adoption of the agenda: **Motion** made to adopt the agenda, after changing the word “inspections to “service” under Old Business. **M/S/P**

Approval of Minutes: Motion made to approve September 18, 2024 minutes.
M/S/P

Resident Time: No resident comments

Officer Reports:

President, Don Julien:

- Don provided an update on recent changes to the website: the vacancy for Member-at-Large on the HOA Board, updates to the current board officers, and modifications to the Landscaping Request form.
- Don has provided all current Board Members with the Beneficial Ownership forms. The process should be completed within the next few weeks, well before the deadline for filing.

Vice President, Dave Fenner: Dave had reached out to Bill Bennett, owner of Bills’ Home Service Company with questions about the annual service that Bill provides the homeowners in our HOA. Bill clarified several issues, particularly regarding homeowner costs for repeat visits to check for termites. Although we have not decided whether we are going to keep the service, we all agreed that it was a nice perk for the residents.

Treasurer Report, James Trobec:

- The September financial reports had been distributed to the Board members prior to this meeting. **M/S/P** to accept the September financials.
- Since the interest rate return is greater on a 3-month CD than on longer-term CDs, a motion was made to combine the two CD’s coming up for renewal later this month into one CD – for a three-month term. **M/S/P**

Secretary Report, Martha Gamez: No report, beyond notifying the Board the Resident List had been sent out to homeowners – and that there are twelve houses currently for sale in the HOA, with a few more coming down the pike.

Committee Reports:

Architectural Committee: No report

Landscaping Committee, Phil Pitts:

- There is an issue with some trees in the common areas on Anastacia that require attention. Phil will work with Gabe on this issue.
- Beginning in January, 2026, Felix Landscaping will use pre-emergent on all common areas. This should reduce the need for extra manpower in the future.

Roads Committee, Al Loomis:

Al reiterated to the Board that the current bid of \$400K for the proposed Chip Seal method has increased by about 3-5%. For budgeting purposes, we will use the higher rate (5%), for inflation and cost of materials overruns.

Ramada Committee:

No report.

Compliance Committee: No official report; but Don advised that the issue with the tree on Wescotta has been resolved; a violation letter with pictures has been sent to the owner of the Lincoln that has been in guest parking since about 2021; and that progress is being slowly made with the issue on Campina.

Old Business:

2025 Budget Discussion, which included Homeowner Pest Service, Landscaping Maintenance, and Roads funding. We had an extensive discussion about the two proposed preliminary budgets, 2025A and 2025B, see attached. Neither proposed budget reflects the annual dues increase (to \$815 per year). We discussed the rationality for a decrease in Landscaping & Grounds and continued the discussion on the inclusion or exclusion of the Homeowner Pest Control service.

Don also provided the projected 2024 Budget Transfer to Road Reserve. Don wants to update this document for our November Board Meeting, where the budget will be finalized. But, as presented today, it provides a better picture of where we are relative to the Roads Reserve.

Management Company proposal:

Based on the Roads Reserve priority, it has decided that we simply cannot afford to hire a management company and will remove that line item from the 2025 budget proposal.

New Business: No New Business

Meeting adjourned at 11:10 am

SAN IGNACIO HEIGHTS HOA
2025 BUDGET REPORT (adopted xxxxxxxx)

	2024	12/31/2024	2025 A	2025 B
Income	Budget	Projected	BUDGET	BUDGET
HOA Dues	\$108,120.00	\$107,440.00	\$108,120.00	\$108,120.00
Other Income & HOA Social Function	\$0.00	\$0.00	\$0.00	\$0.00
Disclosure Fee Income	\$1,550.00	\$1,240.00	\$1,550.00	\$1,850.00
Unapplied Cash Payment Income	\$0.00	\$0.00	\$0.00	\$0.00
Total Income	\$109,670.00	\$108,680.00	\$109,670.00	\$109,970.00
Expense	Budget C	Projected	Budget A	Budget B
Intuit Quickbooks	\$382.00	\$381.96	\$454.00	\$454.00
Office Expenses	\$300.00	\$0.00	\$0.00	\$0.00
Supplies	\$260.00	\$418.71	\$200.00	\$500.00
Postage	\$300.00	\$204.00	\$250.00	\$360.00
USPS Box Rent	\$360.00	\$364.00	\$365.00	\$365.00
Bank Charges	\$0.00	\$0.00	\$0.00	\$0.00
Catering & HOA Party Supplies	\$200.00	\$0.00	\$0.00	\$0.00
Dues (Green Valley Council)	\$2,226.00	\$2,226.00	\$2,226.00	\$2,226.00
Insurance - Liability	\$1,850.00	\$1,827.00	\$1,850.00	\$1,850.00
Landscaping & Grounds	\$38,410.00	\$47,800.00	\$45,000.00	\$38,410.00
Other landscaping projects	\$3,000.00	\$0.00	\$3,000.00	\$3,000.00
Tree Removal - Trim	\$5,000.00	\$0.00	\$5,000.00	\$5,000.00
Legal & Professional Fees	\$6,000.00	\$1,284.99	\$2,000.00	\$2,000.00
AZ Corp Commission Fee	\$10.00	\$10.00	\$10.00	\$10.00
Homeowner Pest Control	\$13,360.00	\$12,561.00	\$13,817.00	\$0.00
Ramada Pest Control	\$0.00	\$415.00	\$0.00	\$0.00
Ramada Maintenance	\$1,500.00	\$0.00	\$1,500.00	\$600.00
Complex Repairs	\$500.00	\$1,445.84	\$500.00	\$500.00
Road Maintenance	\$0.00	\$183.22	\$0.00	\$0.00
Storage Locker Rental	\$500.00	\$480.00	\$500.00	\$500.00
Property Taxes	\$225.00	\$154.80	\$160.00	\$160.00
GV Water	\$500.00	\$433.00	\$450.00	\$450.00
Tucson Electric	\$1,400.00	\$1,380.00	\$1,400.00	\$1,400.00
Contingency Fund	\$18,987.00	\$18,987.00	\$18,987.00	\$8,000.00
Landscape Reserve	\$0.00	\$0.00	\$0.00	\$0.00
Road Reserve	\$20,000.00	\$20,000.00	\$20,000.00	\$50,000.00
Total Expenses	\$115,270.00	\$110,556.52	\$117,669.00	\$115,785.00
Interest Earned	\$5,600.00	\$4,038.11	\$5,600.00	\$7,000.00
Late Fees	\$0.00	\$20.00	\$0.00	\$0.00
Net Income (Loss)	\$0.00	\$2,181.59	-\$2,399.00	\$1,185.00

2025 Dues increase notes:

Don: These draft budgets begin with the assumption of no dues increase. Raising dues to \$815 (20% increase) would generate an additional \$21,624, which would let us raise the reserve contribution to \$72,000. (The February 2024 Capital Reserve Study recommended a \$72,000 first-year contribution to the Reserve with future annual contributions increasing by approx \$2,000 to \$3,000/year.)

2024 Budget Transfers to Roads Reserve

(This is generated as part of the 2025 Budget discussion)

Landscaping & Grds	\$-7,140 (budget overrun from increasing landscaping crews)
Landscaping Projects	\$ 3,000
Tree Removal	\$ 5,000
Professional Fees	\$ 4,700
Homeowner Pest	\$ 500
Contingency Fund	\$19,000
<u>Road Res Contribution</u>	<u>\$20,000</u>
Total:	\$45,060

Roads Reserve:

current	\$183,185
Interest (est)	\$ 3,000
2024 contrib	\$ 45,060
<u>2025 contrib</u>	<u>\$ 50,000 to \$ 72,000, based on whether & how much dues increase</u>
Totals:	\$281,245 to \$303,245

The Board's concern about Roads Maintenance is to complete the Roads Committee's recommendation to do a chipseal as a short-term preservation of our roads as soon as possible. If we are to pursue this in 2025, we must consider a combination of dues increase and special assessment. Assuming a road chipseal will cost \$425,000, The above contributions to Roads Reserve would still have a shortfall of \$143,755 to \$121,755.

If a special assessment were pursued, each homeowner would be asked for at least \$904 to \$766, depending on if and how much dues are increased. (Not included in this is the common practice of adding 5-10% to cover non- or slow payment or cost overruns.)

Note 1: By increasing dues by 20%, homeowners would be out of pocket an additional (\$815-\$680) \$135. By seeking a higher assessment instead of raising dues (\$904 instead of \$766), the homeowner would be out of pocket an additional \$138. However, if an assessment doesn't pass, we cannot retroactively raise dues.

We may want consider promoting this as an effort to raise the additional funds needed (\$143,755) by a combination of dues increase & special assessment. The Board decision would be how much to raise dues, knowing that a lower than 20% increase will call for a higher assessment request.

Note 2: The \$50,000 Reserve contribution is based on a modified 2025 budget, including removing Homeowner Pest Control, reducing landscaping service, reducing the contingency fund, and other minor changes. Restoring these cuts would increase the amount of a special assessment accordingly.

Note 3: \$72,000 is the amount recommended by the Reserve Study for the Year One Reserve contribution, and can be reached in 2025, if dues are raised 20%, along with other budget cuts.