

The Villages at Lynx Creek HOA
Quarterly Board Meeting Minutes
Thursday, November 16, 2023

The meeting was called to order by Steve Breyer at 2:30 pm in the Social Hall and he led those in attendance in the Pledge of Allegiance In attendance: Steve Breyer, President, Bob Loskill, Treasurer, Edd Cantrell, Member at Large. Absent: Karolyn Zurn. Also in Attendance was Gail Haugland, Community Manager.

Bob moved that the minutes previously sent to the Board members for review be approved. Steve seconded the motion, and the minutes were approved.

Steve made a motion to have Jim Edwards join the Board as Vice President. Seconded by Bob. Motion approved. Jim joined the Board at the table, thanked the Board and gave a brief bio of himself. Steve then moved that Jim serve as chairperson of the Architectural Committee. Seconded by Bob, motion approved.

Bob Loskill gave a Treasurer's report dated 10/31/23. (See attached) Bob again explained the Brokerage Accounts. No employee of the Villages can sign a check or has access to our Wells Brokerage accounts. Only the President and Treasurer are signers on the account, and both must agree to withdraw funds from the Wells account and the funds can only be transferred to our checking account. Bob has asked Mike Smith, who does our webpage, to add a new heading, General Reserve Account Balance, so that you can go in and see a snapshot of what the balances are in our Wells Brokerage accounts. Bob will add that snapshot at least monthly. Bob again reminded residents that all this information is available on the community website: villagesatlynxcreek.com Password is V12200.

David Curley, Lot 167 asked where do we invest all our funds. Bob answered that all of our money, except \$75,000 that is in our checking account, is kept in our Wells Brokerage Accounts. Sue Griffin Lot 304, asked if the Treasurer had investigated Treasury bonds. Bob will investigate as to whether Treasury bonds would be a good investment for the Association. Peggy DeBartolo, Lot 145, asked if the Board was qualified to make these investment decisions without a financial advisor.

Bob replied that the broker at Wells Fargo Advisors has been working with him to identify which banks are paying the highest interest rates, and we don't pay him, like we would have to pay a Financial Advisor. If homeowners don't think the Board is handling it well, they can contact the office.

Gail gave the Manager's report for October 2023. (See attached)

The Architectural Committee reported that at the Manager's Meeting they had a Senior member of the Prescott Valley Code Enforcement to talk about when Permits are required for both outside and inside construction. He left some flyers which can be picked up in the office. The Architectural Committee meets in the Card Room at 9:00, on the Third Wednesday of the month. Year to date, the committee has processed 173 RFCs, many of which have been completed, but not yet returned. So please return your forms so they can be added to your file and kept up to date. Average monthly about 43 RFCs.

Jim announced Richard Crowell as the Vice Chair of the Architectural committee.

Steve announced 3 new members of the Architectural Committee: Mike Brown, Garland Cousinou, and Arlen Vanderploeg. Bob moved that these three men be appointed to the Architectural Committee, Steve seconded, motion approved.

Cindy Steyer-Lukowiak, Chairman of The Recreation Committee, reported that the new Veterans Group had a ceremony to install the new Veterans' Plaque. It looks good and they had a nice turnout. At the Veterans Day Dinner, 29 Vets received a free dinner, and we had 13 tables of diners. 52 members now in the Group. Fall Festival dance went well. Linda Nelson has been arranging for speakers/presentations of interest to our community. Be sure to check out the white boards and Crier for future activities. Duet Piano coming up, free concert, two ladies playing on one piano. In December: Karaoke, Golf Cart Parade, Club Tree and Big Tree Decorating, Outdoor Decorating Contest. Glassford Hill Middle School Choir on Dec 18th 8:30 after Coffee and Donuts, Memory Care Kits. No meeting in December. Cathy Edwards: White Elephant Gift Exchange Dec14, along with Happy Hour.

Steve reported that there have been changes to the Recreation Committee rules to comply with the Recreation Committee Charter. There were questions from the residents as to the changes. These have already been approved by the Recreation Committee Board but it was decided that the vote to approve be tabled so that copies can be distributed before voting.

Steve introduced a motion to change Policy 3.07 in the Policies and Procedures 3.07 in regard to sponsored social hall events. The change would be to strike out the following: "and must include an open invitation to all Village Residents to attend." There is a perceived conflict with the Recreation sponsored dances. Steve attended a meeting with Maryann, Gail, Cindy Steyer, Diane Ponter, Cathy Edwards. The entire Executive Recreation Committee was invited to this meeting. It was agreed that Maryann would continue hosting line dances next year in 2024 with these dances limited to 4, and would not be an adjacent week to anything scheduled by the Recreation Committee. This should eliminate any perceived conflict. Sandy Robbins asked for clarification on the dances sponsored by Mary Ann: Do they have to pay to use the Hall? Yes. And they must provide insurance and comply with our governing documents. Cheryl, Lot 198, So they cannot advertise using our white boards or Crier? No. Lot 148, will there be tickets sold? We will not sell tickets. Someone else clarified the above and asked what is the max number allowed. Steve did not know the capacity of the room, but over 300 would require special approval. There were still some questions about who collects the money that were unclear. Maryann Schulte clarified that she gets no money; the Host who is a local line dance teacher collects the money. Jan Shoemaker asked how they police "no alcohol". Maryann said they don't check bags, but if somebody has liquor out on the table, they will ask them to remove it. Host provides bottled water.

Steve moved to strike the words "and must include an open invitation to all Village residents to attend." Bob seconded, motion passed.

Bob introduced a motion to increase the cost of laundry. There would be a .25 increase to laundry machines. Part of this will be going towards a dollar bill changer that is on the capital budget. There has been no increase in at least 6 years, while our gas, electricity and water bills have been going up. We have limited revenue options to assist in deferring our monthly HOA fees. I would like to monitor these things more closely to bring our pricing into modern times. Bob moved to go forward with .25 increase, Steve seconded, motion passed.

Bob reported on the purchase of a new copier that will be owned by the Association, not leased. The cost is approximately \$9,700.00 with a monthly, maintenance and toner contract of \$225.00 with unlimited copies (color and black and white) The maintenance will cost 13,500.00 for 5 years, will save us \$35,000.00 over 5 years over what the last agreement was. Because we need the copier before the end of the year, this will be a contingency expense, something we need but wasn't budgeted for. Bob moved to purchase and sign the contract, Steve seconded and motion passed.

New Policy 4.11 Inflation increase to RV space rentals. Bob is moving to create a new policy that will reflect an inflation fee to be added annually on RV rental spaces whether it be annually, semi- annually or monthly. Each year in November, the office will add whatever the percentage of the rate of inflation to the current fee we are charging. (The government recently announced that the rate of inflation for the last 12 months was 3.2%. That means the increase for 2024 for an annual rental will be \$13.44 for the year, 6 month rental increase will be \$7.68, monthly rental increase will be \$1.60 per month. This will give the Villages a gradual increase in income while continuing to offer extremely low pricing to you. Carol Geck Lot 167, Does this start this November? No, January 1. And this will go on every year so no Board will ever have to deal with this again, no renter will have to wonder what increase there may or may not be from year to year. This is identical to the Asset Preservation fee which will also be going up 3.2% on Jan 1. Again, it ensures income growth while our expenses are growing. Janine James, So those that have paid for a year but didn't start in January, theirs will be set until they renew, is that correct? Yes, the increase will apply when they renew. Bob moved to implement Policy 4.11. Steve seconded, motion passed.

New water refill station. Instead of repairing the water machine owned by the Association which has become very expensive, Bob is suggesting that the Association enter a contract with Primo Water. The new system will increase the cost from 25 cents to 50 cents per gallon. Primo machines are all over the area. They will service the machine two times a month with water tests done periodically. Their machine offers a 5 step water purification system. They will not reduce the price of water. We pay \$5.00 a month and receive 45% of profits. Bob moved to sign the contract and get that machine in here. Steve seconded, motion passed.

On several occasions this year, we have had situations where the Board and office staff followed our By-laws only to find out they are out of date. Gail and Bob began to correct the problem and Gail presented residents

with those efforts at the last Managers Meeting. After further consideration to be sure the Villages are following State Statutes, the Board decided to have our HOA attorney review and revise the By-laws. The cost is not to exceed \$900.00. This expense is included in our operating budget for 2024, under \$1,000. Bob asked for Questions or comments There being none, Bob reported that this will be covered when we approve the budget.

Bob: Last year Desert Pines expressed interest in leasing a portion of our North RV Lot to rent to their residents. They are no longer interested in doing that, but we could still rent individually to their residents, and their management would refer them to us. We have approximately 70-75 parking spaces out there, with only 14 rented. I am suggesting that we use our current RV rental agreement and alter it slightly to fit Desert Pines. A specific area could be set up so that we know exactly which vehicles are theirs. A possible fee would be \$70.00, double what we charge, \$840.00 for a 12 month only rental with no refunds. These restrictions limit the additional time our staff would incur. They would not get the option of a six month rental, they would not get the option of renting month to month. If you want to rent from us, \$840., there's your spot, for a year. Further, unlike our current agreement, we can add that an active credit card be kept on file to cover any possible damages or incidentals. We will have the agreement reviewed by our attorney prior to implementation. It has been addressed by the Board, and previously by me as recently as the Monday meeting, that this additional income will not affect our non-profit status. I think it is a good thing to make extra money to try to keep our HOA fees where they are at. What I didn't know at the Monday Manager's meeting is something of critical importance. Our non-profit status is covered under section 501C4. Any questions or comments? Sandy Robbins Lot 124. What about insurance, how will that work? Bob reported that is one of the things we will look at. There is no agreement; as yet we are just bringing the idea of the proposal to you. Gail: anyone who rents from us, our own residents, must carry insurance on their own vehicle, and registration. Bob: We have, in our own agreement right now, the agreement is incredibly tight. Anything that happens out there to you is entirely your fault. But I don't know, specifically, the answer to your question.

Steve then stated: It's highly likely that we will have some sort of coverage through the Villages. We'll have to check with our insurance broker, and we will certainly be protected from our end, however we may request additional insurance from the renter. Sue Reidenger Lot 408: Sue was confused as to whether the Association would be able to rent to residents outside of the

Villages. Her concern was that even though the RV storage is our land, you're still giving our amenities to someone who doesn't live in the Villages. That's my question. Steve: So as Bob explained, the major difference is the Fain property is not ours, so it's outside the bounds of our area of influence or management. The RV lot is ours, and it does fall under our management. Now, I think your question might have been that we had conflicting legal information that would open us up to ADA compliance. That was the crux of the issue with the original one. We will run this by our attorney, we are bringing this to you first, because whenever we go to the attorneys, it costs us money. So we will contact them to make sure. Now ADA compliance in a clubhouse like this with all the doors and pool is completely different than it would be out there. Most RVers are not ADA people anyway. So, I don't know if that answered your question or not, but they are completely different things. And we will have buy-in by our attorney and the insurance before we would ever move. We're just looking for comments from our residents.

The last thing I have is the Operating Budget and the Capital Budget and Major Expense Budget which was completed by Jan Brown, Liz Brooks, Gail and myself. We held 3 open meetings to residents which included Zoom conferences. There was a total of 17 residents for those three meetings. I want to thank Jan, Liz and Gail for all of their efforts, questions and insights in preparing these budgets. Over the past three years Gail and I have set up a much more detailed system and actually created the Capital and Major Expense Budget. The Budget was sent out to all residents on October 31, and your resident HOA meeting was held on Nov 2 with 14 residents in attendance. I presented the two budgets to the residents at that time, answered any questions and informed them that the recommendation to the Board would be that there be no increase to the monthly HAO fee for 2024. Are there any other questions on the Budgets, the Operating Budget or the Capital Budget that was presented to you? I motion that we approve the Operating Budget and the Capital and Major Expense Budget for 2024. Seconded by Steve. The Budgets are approved.

Steve: Thank you, Bob. Okay, Homeowners Forum, 3 minutes, 1 subject, we invite you up and tell us what you think

Homeowners' Forum:

Jan Shoemaker, lot 105, Jan was concerned with the legality of the Recreation Committee Charter as she was unable to find a statute specifically regarding the Charter.

She stated that she understood the HOA Board can create as many committees as it wants, and can also abolish committees also. But to my knowledge, there is no law, no statute for creating the charter. Steve then asked Jan what was her point: Jan stated that she felt that the reason for the Charter was misrepresented to the Recreation Committee. As the meeting was becoming very contentious, Bob asked for this discussion to end. Cindy Steyer then stated that she would like to have this resolved. She stated that she is the President of the Rec Committee and the Charter and everything has been approved and she would like this discussion put to rest. She stated that the Recreation Committee Board has no objections to the Charter.

Rick Merrill Lot 243, Rick stated that this meeting is not the place to air our grievances. There's another place for that. He suggested that the Board set up some kind of tribunal or board or whatever, a small group just for airing any grievances so that this kind of thing doesn't have to happen for everybody. This is not comfortable for anybody; it makes particular people very angry and that isn't good. Our blood pressures aren't that good like they used to be. But I really want to see us have another venue where grievances can be carried out honestly and openly but not in front of everybody.

A new resident, Marcia Bartok, lot 351 expressed concern about divisiveness as she picked this community because of all the wonderful things she had heard. She was assured by residents that this was an unusual event and that it wouldn't be the norm.

Steve: Are there any other comments? Okay we have a couple of additional items to take care of before the end of this meeting. Due to some developing health issues, I will be stepping down today as President. And I want to thank those of you who have supported me and this Board in the myriad of things that have been accomplished in this community over the last 3 years. I thank you for your support. Per our governing documents, I have submitted my resignation in writing to Gail in the absence of our Secretary. OK, Jim?

Bob: Actually, Steve, I'll move your resignation into the record if I can get a second. Seconded and passed.

Bob thanked Steve and Randy Wolfenden for all of their efforts on the Board.

Jim Edwards then moved to appoint Bob Loskill as President. It was moved, seconded and approved to appoint Bob as President.

Bob then stated: During the process to find someone to replace Randy Wolfenden, we did have 3 individuals step forward for our community offering to serve. And all of us on the Board, I should say, Edd, Steve and I and Jim, even as he got to find out who was applicants, reached out to those people to talk to them. We are fortunate that we had two other fine candidates and one of those candidates had a very strong background that would make a fine treasurer for us. I welcome Lonnie Fay up to the table.

Lonnie, would you come up please. Lonnie, would you like to give everybody a brief bio?

Lonnie: My wife and I moved here (inaudible) we're in lot 258. We like this place. I've sat on a variety of....surveyor....as a mental health professional dealing with a variety of law enforcement agencies and a variety of different courts as a remedial agent for their felonious clientele. I think one thing that is missing is that the members of the community have to understand that a Board of Directors is charged with the responsibility for maintaining property, maintaining the well-being of its residents and its owners. We're not here as, I don't know, agents of what, somebody made some mention of Social Media. I just think it sucks. Anyway, no more gossip, please. Let's get down to the business of looking after our community and taking care of our community and making everybody comfortable here and feeling safe here. No more, alright. Let's take care of business. I'm Lonnie Fay, I'm in 258, you got any complaints, take them to (inaudible.)

Bob: Well, I'll go with one last piece of business here. Because we are a business and we must continue, I want to make sure that it goes into the record, the meeting minutes that it reflect that Bob Loskill holds the position of President and Lonnie Fay the position of Treasurer and both have the authority as signors and are listed to be on our AZ Credit Union Bank Account. That's needed so that we can keep operating here. (inaudible) Well, we might not have, but we better do it again just in case we didn't. I move that Lonnie Fay become our Treasurer. Seconded and approved. Boy, we would have had to have a unanimous consent form and we know how popular that is. Thank you all very much, we'll see you in February.
Happy Holidays to you.

Submitted by: 
Karolyn Zurn, Secretary