

**Minutes of Sunrise Mountain Ridge Homeowner's Association
Board Meeting, November 14, 2019**

Call to Order: President, Jim Warner, called the meeting of the SMR Board at 9:00 am, November 14, 2019.

1. Directors Present: President – Jim Warner, Vice President, Roads, Archive – John Mitchell, Treasurer – Carole Malan, Architecture – Larry Glasser, Landscape – Eloise Gore, Secretary and Nominations Chair – Susan Arbuckle, Recreation Facilities – Jay Flaherty

2. Directors Absent:

3. Committee Chairs Present: Hospitality – Leslie Adams, Publications – Alan Frankle, Neighborhood Watch – Jim McAlister,

4. Committee Chairs Absent – Database – Herb Burton, SAC Representative – Cynthia Clark, Volunteer Liaison – Wendy Reed

5. Guests: Bob Cole, Mattie McAlister, Allen Hile, Barbara Carbajal

President Report: Jim Warner

Jim thanked all Board Members for another successful Annual Meeting and for their continued good work as a Board.

Jim also spoke about improvements to the calendar which will be available on the SMR website at smrhoa.com. Kathie Flaherty will take information that has been e-mailed to her and add it to the calendar. Viewers will be able to click on an event and get a description of the event. Thank you Kathie.

Secretary Report: Susan Arbuckle

The October minutes were submitted for approval and were approved with a unanimous vote. The updated description Board duties and policies was approved.

Additional Comments/Discussion:

Due to some additional edits, Susan will be resending the Board duties for one last review.

Treasurer Report: Carole Malan

Cash Balances	Account	10/31/19	9/30/19
Operating Accounts:			
	Chase Checking	\$29,684	\$29,684
	Alliance Checking	\$35,634	\$58,691
	Alliance MM	\$30,179	\$30,170
	Alliance Debit	<u>\$ 4,000</u>	<u>\$ 2,000</u>
	Total	<u>\$ 99,498</u>	<u>\$120,546</u>
Reserve Accounts:			
	Alliance MM	\$ 65,646	\$ 65,232
	Great Western MM	\$244,917	\$244,642
	Goldwater MM	<u>\$101,049</u>	<u>\$100,943</u>
	Total	<u>\$411,612</u>	<u>\$410,817</u>
	Total Cash Accounts	\$511,110	\$531,363

November Report:

1. The HOA has had a credit card at Chase Bank but it is in my name and I am personally liable. We receive cash rebates of about \$1,000 each year. Monthly recurring bills for Comcast, E-Konomy Pool, and Republic Services are charged to the card, as well as occasional charges from Alphagraphics. The charges are usually about \$5,000 per month, but sometimes go over \$10,000. I will be cancelling this card in December since I am resigning. Is there an officer who wants to take over this function? The alternative will be to receive these bills in the mail, issue manual checks, and forego any cash back.
2. When Dick Grisham and I met with Cadden last month, one issue we discussed was how Cadden can access the bank accounts we have at Greatwestern Bank, Goldwater Bank, and Chase Bank in order to print the monthly bank statements. Currently, statements are mailed to Cadden but they don't arrive in time to issue the monthly financial statements. At the end of each month, I have been downloading the bank statements and emailing them to Cadden. All of the banks allow for the setup of a user whose only function is to print bank statements. I plan on adding Cadden to these accounts to be able to print bank statements to ease the administration of issuing monthly financial statements.
3. Overdue Accounts Receivable – I sent the voting board members drafts of two possible letters to send to the homeowner who has not paid in two years. Please be ready to discuss whether we should proceed to put a lien on the property, or whether we should refer to an attorney for collection. The owner has not responded to any of the letters sent by Cadden's Collection Department.

Additional Comments/Discussion:

A decision to change the name on our credit card was tabled until Carol speaks with Bruce Moore, the candidate for Treasurer. Other Board members suggested that the \$1000 rebate is nice, but not necessary if it creates an unnecessary burden on whomever is Treasurer. Carole offered to look for other credit card options that might not require a personal guarantee.

Susan reported that our CC&Rs (Article 7- Assessments, Section 3 – Establishment of Lien) require us to place a lien on delinquent accounts. Carole will proceed with Cadden to place a lien on the property that is delinquent.

Bob Cole reported that delinquent accounts that are currently under lien can be adjusted after the lien is in place to reflect additional fees and penalties.

Below is a follow up letter between Eloise Gore and Cadden Community Management Co.

Here are the issues:

*1) You explained that, pursuant to a new Arizona statute, the duration of a lien for unpaid assessments is 6 years. What happens if when the 6 years have passed, the homeowner still hasn't paid the assessments and hasn't sold the home. Do we re-file the lien and start the 6 years over again? **Yes... You will want to re-file the lien before the six years is up, so there is no gap.***

*2) If the unpaid assessment is, for example, \$3000 when the lien is filed in 2019, what happens when the owner doesn't pay the 2020 assessment and would then owe \$4150? Do we have to amend the lien to reflect the increased indebtedness? **No, the lien would cover the current amount.***

*3) When the homeowner sells the home, if they still haven't paid the assessments, what happens with the lien? Does the lien remain in effect for the property and is still owed by the new owner? **The home cannot be sold without the lien being paid and cleared up. Once the lien is paid, then a Lien Release would need to be filed right away so the house can go through close of escrow.***

Thank you for your help Sylvie, and if someone from the Cadden Legal/Collections Department would prefer to talk to me, let me know and we can arrange a time.

Eloise

Architecture Report: Larry Glasser

Board approved the addition of Linda Jones to the Architecture committee.

Archive Report: John Mitchell

John will be inviting Janet Pearce Foster, Allen Hile, and Barbara Carbajal to join Dropbox and will arrange a tutorial for each.

Now is the time to complete uploading important documents to Dropbox for 2019.

Database: Herb Burton

No Report

Hospitality: Leslie Adams

A resident has approached Leslie about having a First Friday event for residents at the clubhouse. This would be a Happy Hour/Potluck. Since alcohol will be served, a question about liability arose. Because we have received information that our State Farm insurance may not cover alcohol related incidents, there was a discussion about amelioration of liability for SMR. We discussed having residents sign a disclaimer and also about asking for them to provide proof of insurance. Susan to call Tom Bower, our State Farm agent, for further clarification. Our next social event is November 20 and will include a Happy Hour and then a presentation by Mattie McAlister on mountain lions.

Leslie and Allen Hile (Volunteer Liaison 2020) will coordinate a Volunteer appreciation event on February 11.

The following residents were approved to serve on the Hospitality committee:

Allen Hile, Carol Sumner, Collen and Ron McAuliffe, Kathie and Peter Dannerbeck

Additional Comments:

Liability Insurance for events in the clubhouse that serve alcohol. Tom Bower, State Farm, has sent his reply.

Susan,

Per our telephone conversation this morning, SMR's HOA policy specifically EXCLUDES Liquor Liability from coverage, generally speaking (Page 25 of the policy booklet, Item 3-a). However, coverage is brought back in the following paragraph, Item 3-b.

The preceding exclusion only applies if you (SMR):

- 1. Manufactures, sells or distributes alcohol; or*
- 2. Serve or furnish alcoholic beverages:*
 - i. As a regular part of your business;*
 - ii. For a charge whether or not such activity:*
 - i. Requires a license*
 - ii. Is for the purpose of financial gain or livelihood; or*
 - iii. Without a charge, if a license is required for such activity.*

So with regard to activities SMR hosts, I believe you folks are adequately covered per above.

With regard to individual homeowners renting the clubhouse, I believe SMR's coverage would still apply, but I also think it might be prudent (not required) for SMR to require the homeowner to furnish proof of coverage via a Special Events Rider which can be added to individual homeowners' policies (maybe called something else on non-State Farm Policies).

Finally, for events where a catering outfit might be supplying alcohol. THEIR Liquor Liability would be primary.

Hope this puts you folks more at ease regarding use of the clubhouse.

Landscape: Eloise Gore

Eloise presented a request for the purchase, construction, and placement of 7 signposts to be installed at each of the mailboxes. With Allen Hile's help, she has calculated a cost of \$1500 which will come out of the Landscape Budget. She presented photos of similar signposts used by Sunrise Territory Estates which are made of pressure treated wood and boxes that are enclosed. Darrin of Infinity Earthworks will install the signposts. All Board members agree that this will be a good permanent addition and will be better than placing flimsy signs on mailboxes.

The Board approved the allocation of \$1500 to purchase materials and install 7 signposts.

Neighborhood Watch: Jim McAlister

The Board approved the addition of new committee members. They are Jim Hailey for Camino Ferreo and Bob Shaff for Penoso.

Nominations: Susan Arbuckle

The following people were approved by a unanimous vote to serve on the 2020 Board:

Janet Pearce Foster – Architecture, and Allen Hile – Volunteer Liaison

Two persons came forward at our annual meeting to inquire about the Treasurer Position. They are Bruce Moore and Janice Stroh. Carole will be meeting with Bruce to give him a description of duties, and Janice said that she would also be happy to serve on Budget and Finance Committee.

Barbara Carbajal was elected to the Board of Directors at our Annual meeting. Welcome Barbara.

The Nominations Chair is vacant for 2020. The CC&R’s require that this Chair be a director (not President). Susan asked both Jay Flaherty and John Mitchell to consider the position.

Additional Comments/Discussion

To be brought before the December Board: John Mitchell has tentatively agreed to become Nominations Chair for 2020. He will continue to Chair Roads and Archives. Jay Flaherty has agreed to take over duties of Vice President in addition to chairing the Recreation committee.

Publications: Alan Frankle

December newsletter articles due on November 20.

Recreation: Jay Flaherty

Maria Haro who cleans the clubhouse is retiring after 20 years and would like her son to take over the job. Jay will look into the need for a Bonded provider and cost of Workers Compensation Insurance. He plans to compare hiring an independent contractor vs. a professional service.

Jay is also concerned that we find an answer to the alcohol liability question.

Resale: Cadden

Marc N. and Laura K. Blais – 4210 N. Camino de Carillo

Mitch Canin - 4350 N Camino Ferreo

Thomas C. Connoy and Jill L. Alverson – 4311 Vereda Rosada

Roads: John Mitchell

Two minor projects are scheduled through the Roads committee before the end of the year. They are repainting stop bars and replacing the guardrail on Bronzino.

The Board also approved the addition of Dennis Nowick to the Roads committee.

SAC: Cynthia Clark

No Report

Volunteer Liaison: Wendy Reed

No Report

Old Business: None

New Business: None

Member Comments: None

Motion was made and seconded to adjourn the meeting. Motion passed unanimously. Meeting adjourned at: 11:40am.

Next regular meeting of the SMR HOA Board will be held on December 12 at 9:00am in the SMR Clubhouse.

Respectfully Submitted,

Secretary, Susan Arbuckle _____ **Date** _____

President, Jim Warner _____ Date _____