

THIRTY-SIXTH ANNUAL ASSOCIATION MEETING MINUTES OF SUNRISE MOUNTAIN RIDGE HOMEOWNERS ASSOCIATION

November 10, 2020, 7:00 PM
Meeting via Zoom video conference

Call to Order and Opening Remarks: Jim Warner

Welcome to the Thirty-Sixth Annual Association Meeting of the Sunrise Homeowners Association. Thank you all for attending tonight.

Jim welcomed new homeowners to their first Annual Meeting.

The purpose of this Annual Meeting is to elect three Directors to the Association's Board and to transact other lawful business outlined in the agenda distributed to you in the Annual Mailer. No other business can be conducted this evening nor can the board entertain any items that require our deliberation. New business and items requiring board deliberation occurs at our regularly-scheduled open business meetings. The board's next business meeting is scheduled for Thursday, December 10, 2020 at 9:00 am via Zoom video conference. Any HOA member may attend our open meetings via Zoom.

Introduction of Board and Committee Chairs: Jim Warner

Directors Present:

President: Jim Warner
Vice President: Jay Flaherty
Treasurer: Bruce Moore
Secretary: Barbara Carbajal
Architecture Chair: Janet Pearce Foster
Landscaping Chair: Eloise Gore

Committee Chairs Present:

Archive Chair: John Mitchell
Database Chair: Herb Burton
Hospitality Chair: Marc & Leslie Adams
Neighborhood Watch Chair: Bob Shaff
Publications Chair: Alan Frankle
Roads and Nominating: John Mitchell
Volunteer Liaison: Allen Hile
Website Chair: Jim Warner

Quorum: Barbara Carbajal confirms that a Quorum of 46 lot owners present, meeting the requirement of at least 10% of 291 HOA Members or 30 lots.

Secretary Report by Barbara Carbajal

Minutes of the Thirty-Fifth Annual Association meeting, November 13, 2019 were presented in the Annual Mailer. No corrections were made, therefore, the minutes stand approved as presented. Barbara announced that a copy of the 2019 annual minutes will be available on the SMR website at smrhoa.com. A draft of the 2020 Annual minutes will also be found on the SMR website.

At this time I want to thank all the “village angels” who helped me this year. Especially Janet Foster, John Mitchell, Herb Burton and my counting committee, Maureen Armijo, Joy Greenberg, Elisa Mitchell. Without their help I could not do this job.

New Business:

Jim Warner asked John Mitchell to present the Nominating Committee report and to introduce the three candidates to fill three Director vacancies in 2021.

Nomination Report and Introduction of candidates by Nomination Chair:

John Mitchell

The Nominating Committee has the responsibility to recruit and nominate members to serve as Directors on the SMR HOA Board, and in addition to recruit members to serve as committee chairs. I would like to thank the members of the committee who have helped in this process this year: Marc Adams, Susan Arbuckle, Allen Hile, Tom Triplett, and Carmen Wiswell. Their help and advice in securing candidates for the Board and Committee Chairs has been invaluable.

This year, we have three vacancies on the Board due to the expiring terms for Architecture Chair, Landscape Chair, and Treasurer. I would like to introduce the candidates for the Board and give a brief summary of their qualifications.

Janet Foster: Janet was appointed in 2020 to finish the final year of the Architecture Chair position. During her time as Chair, she and the committee have addressed the concerns of many homeowners as they update, repair or enhance their properties. For thirty years prior to settling in SMR with her husband in 2018, she ran her consulting business which marketed professional services targeted to the design community including architecture, landscape architecture, land use planning, mixed-use and residential design.

Eloise Gore: Eloise was appointed in 2019 to finish the final two years of the Landscape Chair position. She and her husband moved here in 2018 from Washington, DC, where she was a lawyer working for several federal agencies. As Landscape Chair, she and the committee produced many enhancements to the SMR landscape. Plants were harvested and then transplanted to areas in need. Zone rotations were scheduled to stay on top of the ever-needed maintenance while also taking advantage of seasonal opportunities to plant and prune.

Neil Schneider: Neil will replace Bruce Moore, who was appointed last year to finish the last year of the Treasurer term, and who is moving out of SMR. A native of Iowa, Neil and his wife moved to Tucson in 2016. He is a graduate from the University of Iowa and worked for Bunge Ltd., an international corporation trading in agricultural commodities. He built price forecasting models for commodity trading.

I would also like to thank Bruce Moore for his invaluable service as Treasurer last year. He stepped into to fill the vacant Treasurer position and has provided valuable advice and service to the Board.

Lastly, Leslie and Marc Adams will have served three years as Hospitality Chairs at the end of 2020. We all know of the quality and success of their events before COVID19 hit. Colleen McAuliffe and Ron Flynn have agreed to serve as the new Hospitality Chairs for 2021. They will be appointed to this position by the Board.

Pot Luck Dinners for 2021

Regarding the Potluck Groups, Julie & Jens Andersen and Anne & Dennis Burgess have taken over, but it is on hold due to COVID19. We will inform you when it is safe to meet again.

Jim Warner introduced remaining Directors who gave their annual reports.

DIRECTOR REPORTS

Architecture Committee Report by Janet Pearce Foster

I begin the 2020 Annual Architecture Report where Larry Glasser, the immediate past chair, ended his 2019 annual report. He stated “though I won’t be Chairman next year, I’ll be on the Architecture Committee to help with a smooth transition.” True to his word, Larry remained a stalwart committee companion throughout this year, guiding, advising, inspecting and serving as sage. Additionally, I thank all Architecture Committee members for their patience during my learning curve and who have contributed to my education, most especially Bob Cole, Jim Reeves, Angie Perryman and the aforementioned Larry Glasser.

Filling the role as chairperson would not be possible without each and every committee member. In addition to those named, I would like to recognize Cheryl Adams, Martin and Carol Alkin, Chuck Blacher, AnneBeth Burgess, Linda Jones (recording secretary), Ken Nelson and Dave Peterson for their willingness to serve, the quality of their contribution and their full-on team spirit. Special thanks to Angie Perryman for designing, implementing and maintaining the Architecture database and, in particular, for her role as Resale Manager.

I also thank the SMR board members. Being long on project work but short on procedural intricacies including Roberts Rules they, too, have shown patience. My thanks go especially to

Eloise Gore and John Mitchell who have helped me with specific situations, sharing their research and expertise.

	2020	**2019**
Resale Inspections	18	21
Project applications		
- Approved	27	36
- Denied or revised	3	N/A

Committee projects included busy work such as updating forms, streamlining processes and updating the Architectural Design Reference. Of greater import and as mentioned above, is the establishment of an Architectural Database designed and maintained by Angie Perryman. This is a record kept for each house/lot including project applications (whether approved or denied), registered non-compliant structures, notices of violation, grandfathered status and sales. Angie has digitized paper files that date back to original construction. This is a valuable reference as we go forward and I thank Angie again for her constant application and total competency in keeping the record of all SMR homes.

In conclusion, I would also like to acknowledge the residents who have interacted with the committee during the past year. Your cooperation and patience with the process and procedures outlined in the Architectural Design Reference (ADR) contributes to the appreciation and underscores the solid value of the homes in our SMR community.

Budget and Finance Report by Bruce Moore

2020 Accomplishments

1. First, I'd like to thank the Budget and Finance Committee members who assisted me this year. Thanks to Mary Yaconiello, Dick Grisham, John Rourke, Carole Malan, Neil Schneider and Bob Cole. Their years of past experience have provided very helpful guidance to me as a newcomer this year. Special thanks to Mary Yaconiello for her active engagement in friendly reminders for late payers, and to Neil Schneider, for agreeing to step into the Treasurer role next year.
2. Reserve Fund – The last Reserve Fund study in 2019 indicated that we should increase our reserve fund balance, and we have increased our regular annual contributions to the reserve to do that. We are projecting an increase in our funded ratio to about 70% by the end of 2021. We plan to do a new reserve study in 2021 to reflect our new approach to road sealing and replacement, which we expect to reduce long term costs, as well as somewhat higher costs and more frequent replacement needs for recreation facilities.
3. Operating Expenses – Through September, the latest data available as this report is being written, our operating expenses are running about 10% below budget, and we expect to

remain below budget for the year.

4. Financial Management – In 2019 we switched our financial accounting to Cadden Community Management. Homeowners are now able to receive assessment bills through email, and over 70 have signed up for that. Cadden also offers the ability to pay assessments via automatic bank transfer, and we will remind homeowners of that when we send the next bill. Also, we will remind everyone that they can pay the entire annual assessment in January, instead of two semi-annual payments. Many homeowners who travel in the summer find that more convenient.
5. 2021 Budget – Assessments for 2021 continue at \$1,450 for the year. We expect that continuing at this level will allow us to cover operating expenses and continue to increase our reserve funding level.
6. Audit Report – Our CC&R's require that we undertake a yearly audit. The audit for 2019 was completed in May 2020 by Scott Meyer, CPA. He issued an unqualified opinion for SMR which is the best opinion an organization can receive.

Landscape Report by Eloise Gore

For SMR Landscape, 2020 has been varied and challenging. Rains in the winter and early spring brought lots of weeds, then the summer brought record heat and the infamous “nonsoon,” and now in the fall, the above average temperatures and drought conditions continue, threatening even the hardiest of desert plants. The Committee, along with our longtime contractor, Darrin Seidel and his Infinity Earthworks team, have dealt with each challenge. We are very fortunate that landscape contractors are considered “essential” workers, as they truly are, and that Darrin and the team have been able to remain healthy and on the job despite the pandemic raging around us.

Over the past several years, we have moved away from plants that need regular watering to focus on more drought tolerant flora. We are continuing with this focus as we purchase more plants and shrubs for the current planting season. With respect to weeds, when they erupt, Darrin can divide his team to dispatch some to remove or kill weeds while keeping the other teammembers focused on maintenance work in a particular landscape zone. We do also use pre-emergent to limit the growth of weeds, but timing the application is tricky, requiring reliable predictions of rainfall.

We have eight landscape zones, which are described and depicted in the Landscape section of the SMR website (<http://www.smrhoa.com/Darrins%20Cool%20Weather%20Tips%20for%20Fall%202020.pdf>). Each zone has a devoted representative. In addition, we have been very fortunate this year to have an extra Committee member who has helped cover three different zones when the regular representative is away from SMR. We rotate maintenance through the zones while simultaneously handling emergencies as

they arise, as well as addressing weeding and planting seasonally. With roughly 38 acres of developed Common Areas, the landscaping needs are vast and seemingly endless. Regular maintenance includes trimming trees, cutting back shrubs, removing dead or sickly plants and other clean up. We also regularly check and repair the irrigation systems in each zone and address leaks promptly. We also deal with erosion on the slopes and along the spillways. We enhance the Common Areas with new plantings and rock replacement. There is no off-season and no downtime. Darrin's regular contract covers 240 manhours a month. When needed, he and the team put in extra hours off-contract. We can use other contractors, but I have discovered that getting good, reliable and affordable contractors to supplement Infinity Earthworks is more difficult than one would imagine.

In 2020, we have made significant improvements in the West Pool landscaping, replacing thirsty shrubs with drought tolerant desert plants. In the East Pool, we put new plants in the pots, but unfortunately, they were destroyed by packrats. Recently we cleaned out all the nests, trimmed up the bottoms of the shrubs, and hired a pest control company. We have begun re-planting in the pots and hope this time the enhancements will last. We have also improved the woody area along Sendero Chico, beside Via Colorada. We christened it Chico Woods, complete with a little dirt path. The clean-up work is continuing there, and we plan to get a bench to facilitate enjoying the natural shade.

The Committee is also responsible for enforcing the Landscape rules regarding homeowner responsibilities. These rules are available on the website (<http://www.smrhoa.com/LandscapeRulesRegarding%20Homeowner%20Responsibilities%20FinalRevisionMay142020.pdf>) and are separately given to every new resident. In general, the zone representatives review the front yards in their zone and notify homeowners if there are issues with their yard. I am very pleased to report that in 2020, almost every homeowner addressed the problems after the first request. We have had very few situations in which repeated requests were needed. We definitely appreciate everyone's cooperation.

From time to time, unusual and unexpected issues arise, and in 2020, we had two. First, we had the bee swarms in a couple of Common Areas; one on Sendero Chico and the other on Loma Del Bribon. Fortunately, we contacted a very capable company that specializes in bees, and they came promptly and removed thousands of bees in a matter of minutes. We learned that it is important to cover the holes in the water meter covers to prevent bees from taking up residence. The second surprise was the dead deer in a Common Area along Vereda Rosada. The cause of death is still unknown, but it was quite a challenge to find someone who could come quickly to remove the deceased doe.

Another issue this year, new to me, has been the threat of wildfires. This was vividly illustrated by the Big Horn fire that raged in the Catalinas for seven weeks in the early summer. The flames every night, ever closer, were the omnipresent reminder of the potential danger. Fortunately, SMR was safe, but it prompted us to learn about fire mitigation that the community and

individual homeowners can practice. We now have a special section on the SMR website devoted to wildfires: <http://www.smrhoa.com/Firewise.html>

With substantial assistance from Darrin, we have posted Landscape Tips as the seasons change. We began with the hot weather tips and now have the cooler weather tips (<http://www.smrhoa.com/Darrins%20Cool%20Weather%20Tips%20for%20Fall%202020.pdf>). We post them on the Bulletin Boards and on the webpage as well as summarizing them in the newsletter. I anticipate having one or two more in the series of Tips as the weather gets colder and then warms up in the spring.

The most important message to send in this Annual Report is a huge and sincere Thank You to the truly exceptional members of the Landscape Committee. Every one of them takes their zone very seriously, focusing on getting the maintenance done and addressing resident requests. We are currently in the fun part of the job, selecting new plants and watching the zones literally bloom with new growth. Here they are, the best Committee I have ever known:

Marc Adams (Zone 1), Elaine Mathas (Zone 2 and Secretary), Sue Cole (Zone 3 and historian), Janet Gething (Zone 4), Greg Adams (Zone 5 and CFO), Wendy Malone (Zone 6 with 18 years on the Committee), Sandy Glasser (Zone 7), and Sue Triplett (Zone 8). In addition, Colleen McAuliffe has been covering Zone 4 over the summer and is now also monitoring Zone 8 and assisting with Zone 7. Onward to 2021!

Recreation Report by Jay Flaherty

2020 has been a year of dealing with State and County Covid restrictions and safeguards for all SMR facilities. Beginning in April we were faced with pool, spa and racquet court closures, people restrictions and compliance with multiple State and County guidelines. At this point, we continue to restrict attendance at the pool and court to no more than 10 residents and overnight guests. The clubhouse remains closed. We will continue to monitor and respond to State and County Covid guidelines.

Pools and Spas

The pools and spas are receiving heavy use this year. EKonomy servicing increased to five days per week to help ensure the safety and cleanliness of the water during the pandemic. The solar heating system installed in early 2019 at the East pool continues to save anywhere from 25-30 percent in gas usage and expense. For the most part, equipment has held up well in spite of the age of some of the components. A new gas heater was installed at the East pool recently and the West spa pump was replaced this past Summer. Equipment failures are dealt with quickly, however, pool and spa equipment and replacement parts are experiencing supply chain issues.

The East pool is due to have a replastering. This project will close the East pool for up to five weeks. It will be delayed as long as possible so residents can continue to use the pool as part of their exercise and recreation routines during the pandemic.

The West pool is usually closed December through February. This year we will keep the West pool open and heated during these months to accommodate restrictions.

The addition of solar panels for the East pool has resulted in a 25% decrease in heating costs. This savings will result in payoff of the investment in 3 - 4 years.

Tennis/Pickle Ball Court

The work that Paul Greenberg did rebuilding the court has provided SMR with the premier racquet sports facility in the area. The popularity of pickle ball has increased court usage. To continue to keep the court in top playing condition the surface was redone and new windscreens were installed. The court surface should continue to be monitored for wear and probably resurfaced every 3-4 years. The lights were cleaned and replaced this past Summer and many residents are taking advantage of extending playing time into the evening.

Book Nook

The Book Nook reopened with specific rules for use. Jill Ballesteros and her team are working to keep the library safe for all users. Please follow the posted guidelines.

Clubhouse

The clubhouse has been closed to all use since April.

Trash Patrol

The trash and bathroom patrol is now scheduling for 2021. If you are interested in volunteering for this prestigious team please contact Kathie Flaherty through facilities_reservations@smrhoa.com.

Roads by John Mitchell

In 2020, the Roads committee completed the repaving of the older roads and embarked on using a new preservative to extend their life. The original roads in SMR were constructed about 30 years ago. The useable life of a road in Arizona is in the range of 30 years, and so the replacement of all of the original roads was necessary.

In January, the Roads Committee signed a contract with Ace Asphalt for the repaving of Pico del Monte, the western section of Paseo Penoso-West, and Via Colorada above Loma del Bribon. The project also included about 90 ft. of curbing on the south corners of the Penoso – Colorada and Monte – Colorada intersections that were badly cracked. A 2000 ft² section of the degraded Carrillo and Bronzino intersection was included.

The repaving of Colorada, Penoso, Pico del Monte, and the Bronzino-Carrillo intersection was finally completed in May. New stop bars were repainted on the five repaved intersections. The project took longer than anticipated due to work personnel problems associated with Covid-19.

In February a bid was signed with Bert Fricks to clean up the catch basins at the bottom of Colorado and Carrillo. This work was completed in May.

As discussed in detail in the April 9, 2020 Board Report, the Roads committee has evaluated the use of HA5 as a road preservative and is recommending its use on SMR roads. HA5 is a proprietary high density mineral bond that replaces conventional seal coating and improves the durability and life of a road. The product was developed specifically for roads in the southwest and has been used in Utah, Nevada, and Arizona for over 15 years. It protects the surface and preserves the asphalt binder in the underlying material by reducing cracking of the surface, hindering the water penetration that can degrade the pavement, and protecting the surface against the ultraviolet rays that cause oxidation.

The Roads committee reviewed testimonials provided by Holbrook, obtained independent assessments from other HOAs, inspected roads treated with HA5 in the vicinity of SMR, and discussed the product with other SAC roads chairs. Over ten HOAs in the immediate Tucson area have used HA5 on their streets in the last eight years. We were convinced it will preserve SMR roads better than our current approach of using asphalt-based seal coating. We estimate that roads will last 10 to 20 years longer using HA5 as the preservative.

Over their lifetime, the use of HA5 reduces the annual cost of the SMR roads by \$ 8,000. The roads are financed by Reserve funds and the reduction in the Reserve funding for a 30 year period is estimated to be \$ 240,000. Even if the life of SMR roads is extended by only 7 years the cost of using HA5 will still be less than that of conventional seal coat.

The Roads committee solicited a bid from Holbrook Asphalt, the only supplier of the product, to apply HA5 to Camino de Carrillo, Placita de Carrillo, Upper Colorada, Paseo Penoso, Pico del Monte, Sendero Chico, and Placita del Tio. These streets comprise about one-third of the street surface area in SMR.

In early June HA5 was applied to these streets. The Roads Committee will assess the performance of the HA5 coating on these roads to see how well it holds up over summer and winter. If we are satisfied that this coating performs better than the other traditional coatings we have used, we plan to treat the remaining SMR roads with the product. Holbrook Asphalt recommends applying HA5 on a seven year cycle. If we follow their proposed schedule, we expect to extend the life of our roads significantly, with a positive effect on our Reserve expenditures.

The concrete bars (wheel stops) in the parking area on Bribon by the west pool were removed. They were hazardous, especially at night and walkers tripped over them and cars damaged their undercarriage by driving too far over them. The concrete wheel stops in front of the mailboxes were replaced with rubber ones that have reflective patches embedded in them.

The Roads committee plans to undertake three projects in 2021:

1. The application of HA5 to Trocha Alegre, Arroyo Vacio, Plaza de Toros, Loma del Bribon, and Camino Ferreo.

2. The application of slurry seal to the section of Bribon from the clubhouse to the dumpster (trash chute). This is the same material that is used the sidewalk on the side of lower Colorado.
3. The repaving of Via Bronzino.

With the completion of the Bronzino project, all of the original SMR roads will have been repaved. We anticipate that none of the SMR roads will need repaving until 2050 at the earliest.

The Roads Committee consists of Todd Hansen, Jim Kercheval, Mont Murry, Dennis Nowik, Tom Triplett, and Carmen Wiswell. They have willingly contributed their time and expertise in the important task of maintaining SMR roads. Chris Steele conducted the literature search on HA5 that provided information on its value. Lastly, road repaving is a very disruptive process, and the projects could not have been accomplished without the cooperation of the SMR residents.

Jim Warner reminds members that committee reports were included in the mailer.

Volunteer Acknowledgment by Jim Warner

Membership Comments, Questions, Discussion: Jim Warner called for comments and questions.

Open the meeting up for member comments with a few rules of order:

- Comments, questions, and discussion are limited to HOA members.
- There is a five minutes time limit imposed for each issue. If speakers who support one line of thinking on a particular issue use the entire five minute period, I will ask if there are any members who wish to present a differing view.
- We all must maintain civility; interruption and cross talk will not be allowed. In addition, members cannot question one another – all questions and comments will be addressed to me and I will proceed from there.

Call for Comments or Questions.

Two residents, Greg Adams and Marc Adams lauded Eloise and the Landscaping Committee on jobs well done on the SMR grounds and requested the board to consider increasing the resources to that Committee to accomplish their job.

Another resident, Paul Bennett, said that he was interested in our roads. He works for the county in road construction and was working on the Kolb project. He was interested in the sealants that we used on our roads and that he had noticed some alligator cracking on the street that he lived. I asked him to send me his email and that I would provide him with a report and a schedule of what we had done to the roads.

Presentation of Elections Results by Barbara Carbajal:

148 Ballots were received and three Directors were elected to serve on the SMR 2021 Homeowners Association Board. They are Janet Pearce Foster, Eloise Gore and Neil Schneider. Additionally, the amount of \$9,451 will be moved to the Reserve Fund. I thank all the residents for participating and voting.

Meeting adjourned at 8:01pm.

Respectfully submitted:

Secretary - **Barbara Carbajal**

Date

President - **Jim Warner**

Date

**2020 COMMITTEE CHAIR REPORTS AND OTHER BUSINESS
AS WRITTEN AND SENT TO ALL SMR RESIDENTS IN
ANNUAL MAILER**

DATABASE - Herb Burton

ELECTRONIC ARCHIVE - John Mitchell

HOSPITALITY - Leslie and Marc Adams

NEIGHBORHOOD WATCH - Bob Shaff

PUBLICATIONS - Alan Frankle

VOLUNTEER LIAISON - Allen Hile

Sunrise Mountain Ridge HOA Budget Comparison Prepared by Bruce Moore – SMR HOA Treasurer

	Budgets Comparison 2020 & 2021	
	2020	2021
	Projected Income	
Operating Expense Dues	\$253,500	\$253,500
Misc. Income	1,400	1,250
Newsletter Advertising	500	1,200
	Total Operating Income	
	\$255,400	\$255,950
Waste Recycle Dues	29,710	30,601
Reserve Fund Dues	133,000	133,000
Investment Income	4,800	200
	Total Income	
	\$422,910	\$419,751
	Operating Expenses	
Administration	\$10,700	\$10,725
Finance	14,535	13,675
Recreation	65,000	69,800
Landscape	127,324	133,410
Roads	24,000	10,000
Risk Management	7,200	7,700
Hospitality	4,000	4,000
Income Taxes	2,600	2,550
	Total Operating Expenses	
	\$255,359	\$251,860
Waste Recycle	29,710	30,601
Reserve Fund	190,000	118,400
	Total Expenses	
	\$475,069	\$400,861
	Net Increase in Cash	
	\$ (52,159)	\$ 18,890
	Homeowners Dues per Lot	
	2020	2021
Operating and Reserve Assessment	\$1,348	\$1,345
Waste/Recycle	102	105
Total per Property	\$1,450	\$1,450
Semi-annual Assessment	\$725	\$725
	Reserve Fund Comparison	
	<u>2020</u>	<u>2021</u>
Balance January 1	\$433,743	\$381,543
Reserve Dues plus Interest	137,800	133,200
Transfer from Operations	0	0
Reserve Expense Budget	\$ (190,000)	\$ (118,400)
Projected Reserve Fund Balance	\$381,543	\$396,343
	If Reserves were 100% Funded, Balance Would Be:	
	\$ 628,848	\$ 557,828
Reserve Funded Percent	60.7%	71.1%