

TEPOA BOARD OF DIRECTORS MEETING.

Minutes

Tuesday, May 13, 2008

President Larry Axthelm called the meeting to order at 6:03 PM.

Board Members present: President Larry Axthelm; Vice President Mike Albom; Treasurer Sue Johnstone, telephonically; Secretary Dee Steinbrenner; Ray Baker; Dennis Bergquist, proxy to Mike Albom; Dennis Boals; Wayne Evans; Sandy Howard, telephonically; Bob Pillsbury and Tom Thompson. A quorum was present.

There was an audience of approximately 54± in attendance.

Secretary Dee Steinbrenner moved to approve the minutes of the last regular Board of Director's meeting of April 8th, 2008, as distributed. 2nd by Mike Albom. The motion carried unanimously.

Secretary Dee Steinbrenner moved to approve the minutes of the Special Board of Director's meeting of April 14th, 2008, as distributed. 2nd by Dennis Boals. The motion carried unanimously.

Secretary Dee Steinbrenner moved to approve the minutes of the Special Board of Director's meeting of April 24th, 2008, as distributed. 2nd by Mike Albom. The motion carried unanimously.

Treasurer's Report - Treasurer Sue Johnstone gave the report and moved that it be filed for the record. 2nd by Ray Baker. The motion carried unanimously.

LaVonne Drymiller, Chairperson of the Nominating Committee, gave a brief report and announced how residents can run for one of the Board positions that will become available at the end of 2008.

President's Report – President Larry Axthelm gave his report and explained the new call to members and speaker card procedures. He also outlined several of the tasks that the Board has been attending to since the new Board took office in December.

Manager's Report – General Manager Duane Krause gave his report, giving updates on the following: the Golf Course Irrigation Project on the back nine is going well; copies of the budget narrative are available at the TEPOA office for residents by request; the budget deficit is within \$3,000 of being in balance; the prison worker program was abandoned due to liability issues; the new sauna has been installed and is operable; the Memorial Day Parade and Ceremony will take place on Monday, May 26th, starting at 8am.

President Larry Axthelm presented a Certificate of Appreciation to resident Gil Martin for his many years of exemplary volunteer work at Tucson Estates.

OLD BUSINESS

There was no old business.

NEW BUSINESS

N-01a – Anticipated Expenditures – Turf II Club Cars – Manager Krause presented pricing information on the purchase of two Turf II club cars that would replace two Toro club cars currently being used at the Golf Course. The used vehicles would cost \$3,950, with \$1,000 of that cost recouped by the sale of the old carts. Manager Krause has arranged for the landscape contracting company (ELS), to provide pickup and delivery of the Turf II vehicles to TE at no cost. It was moved by Sue Johnstone and seconded by Bob Pillsbury to approve the purchase of two used Turf II club cars at a cost of \$3,950, with funds to come from the Major Repair and Replacement Reserve Account and be capitalized. The proceeds from the sale of the two old club cars will be put into the Major Repair and Replacement Reserve Account. The motion carried unanimously.

N-01b – Anticipated Expenditures – Street Patching Bid - Manager Krause presented the low bid from Sunland Corporation in the amount of \$4,593.17. It was moved by Ray Baker and seconded by Dennis Boals to accept the Sunland Asphalt proposal dated 4/25/08, for Summer 2008 street patching in the amount of \$4,593.17, with the funds to come from Street Maintenance. The motion passed unanimously.

N-02 – Approval of Fiscal Year 2009 Budget - It was moved by Sue Johnstone and seconded by Bob Pillsbury that the Board of Directors accept and adopt the Fiscal Year 2009 Budget recommended by the Finance Committee. That recommendation, effective July 1, 2008, will increase the Operations budget by \$130,630 to \$1,621,096, the Reserves by \$34,958 to \$379,820, and will increase the monthly assessment fee from \$84.00 to \$92.00. The allocation of the monthly fee will be \$72.99 for Operations and \$19.01 for the Reserves. The Reserve allocation will be Major Repair and Replacement, \$6.00; Street Repair, \$6.00; New Capital Projects, \$1.00; and Golf Course Irrigation Project, \$6.01.

It was also moved that the Board of Directors direct the General Manager to notify all property owners by mail, on or about May 15, 2008, to meet the 30-day advance notice requirement of the July 1, 2008, Maintenance Fee increase.

It was further moved that with the passage of this budget, effective immediately, the Board of Directors will lift the moratorium on all spending for New Capital Projects that was put in place at the February 12, 2008, Board meeting.

Bob Pillsbury offered the following amendments:

Amendment #1:

It was moved by Bob Pillsbury and seconded by Wayne Evans that the recommended increase of \$21K in line item 'Repairs and Maintenance, General' be reduced by \$8K, based on the impact of the Fast Track provision approved tonight. These funds would be placed in the New Capital Projects account in the Reserve Fund. The motion failed by a vote of 5-6 (Ayes: Baker, Boals, Evans, Johnstone, Pillsbury; Noes: Albom, Bergquist, Howard, Steinbrenner, Thompson, Axthelm).

Amendment #2:

It was moved by Bob Pillsbury and seconded by Dennis Boals that the recommended increase of \$27K for the line item ‘Salaries & Wages’ be reduced by \$5K as requested to reinstate pay for Starters and Rangers. These funds would be placed into the New Capital Projects account in the Reserve Fund. The remaining funds would be used only for paying starters. The motion carried by a vote of 7-4 (Ayes: Baker, Boals, Evans, Howard, Johnstone, Pillsbury, Steinbrenner; Noes: Albom, Bergquist, Thompson, Axthelm).

Bob Bethel, representing the Golf Course Standing Committee, indicated to the Board that this would be doable and the Golf Course Committee could work with the volunteers. He suggested the funding be for starters during the months of January, February and March, 2009.

Amendment #3:

It was moved by Bob Pillsbury and seconded by Dennis Boals that \$10K from the net revenue generated from our WiFi project be put into a new Reserve Account (WiFi Repair/Upgrade) at the end of the Fiscal Year, which could be drawn upon for future repairs and upgrades. The motion failed by a vote of 5-6 (Ayes: Baker, Boals, Evans, Johnstone, Pillsbury; Noes: Albom, Bergquist, Howard, Steinbrenner, Thompson, Axthelm).

Bob Bethel spoke to the WiFi issue as it relates to tracking income and expenses.

Wayne Evans offered the following amendment:

Amendment #4:

It was moved by Wayne Evans and seconded by Dennis Boals to increase the Maintenance Fee by the fully allowable amount of \$8.40, or an additional \$0.40 per month. This amount would generate an additional \$8K and would be placed in the New Capital Projects account in the Reserve Fund. The motion carried by a vote of 7-4 (Ayes: Albom, Bergquist, Boals, Evans, Howard, Johnstone, Pillsbury; Noes: Baker, Steinbrenner, Thompson, Axthelm).

The original motion to approve the FY09 Budget including approved Amendments 2 & 4 noted above, carried by a vote of 10-1 (Ayes: Albom, Baker, Bergquist, Boals, Evans, Howard, Pillsbury, Steinbrenner, Thompson, Axthelm; Noes: Johnstone).

N-03 – Fast Track Funding for Major Repair and Replacements - It was moved by Sue Johnstone and seconded by Dennis Boals to adopt the Resolution “Controls for Purchases and Contracted Work” and rescinding and replacing Resolution No. 0321.

Dee Steinbrenner asked that Item 1. Operating Funds, Paragraph C, indicate a dollar amount of \$3501. Sue Johnstone accepted the change.

The motion carried unanimously.

N-04 – Retire and replace Resolution 0323 -Anticipated Expenditures - It was moved by Sue Johnstone and seconded by Dee Steinbrenner to adopt the Resolution “Request for Funding Form and Anticipated Expenditures”, and rescinding and replacing Resolution No. 0323, Anticipated Expenditures. The motion carried unanimously.

N-05 – Request from A&B Committee to allow manufactured retractable awnings in side setback - It was moved by Dee Steinbrenner and seconded by Mike Albom to adopt the Resolution “Allowing Commercially Manufactured Retractable Awnings in the Side Yard setbacks”. The motion carried with a 6-5 vote (Ayes: Albom, Bergquist, Evans, Howard, Steinbrenner, Axthelm; Noes: Baker, Boals, Johnstone, Pillsbury, Thompson).

N-06 – Trash collection proposals – Manager Krause presented information regarding bids received from the three trash collection companies. It was moved by Dennis Boals and seconded by Bob Pillsbury that the Board of Directors direct the General Manager to work with the principals of Desert Dwellers Disposal to put together a final proposal for a two-year extension of the current garbage disposal service contract for the homeowners in Tucson Estates which shall include recycling, and details as they relate to gasoline surcharges. The motion carried unanimously.

N-07 – Solar install for Kool Pool – The installation of a solar heating system was previously passed by the Board at the 2-12-08 meeting, contingent upon approval of the FY ‘09 Budget and lifting of the moratorium on New Capital spending. With passage of the Budget in item N-02, this project will now proceed.

N-08 – Request from resident to combine a split lot - It was moved by Dee Steinbrenner and seconded by Mike Albom to approve the request filed by owners of 5665 W. Lazy S Street split lot, to approve a new residential unit, include an allowance to place a new home structure, as submitted to the A&B Committee, and to confirm the charging of one Maintenance Fee. The motion carried unanimously.

N-09 - Public Relations exterior bulletin board policy - It was moved by Sandy Howard and seconded by Bob Pillsbury to approve the Tucson Estates Poster/Bulletin Board guidelines established by the Public Relations Committee. The motion carried unanimously.

N-10 – Golf Course Committee request to run the Ricki Rarick tournament - It was moved by Mike Albom and seconded by Sue Johnstone that the Ricki Rarick Golf Tournament be sanctioned as a responsibility of the Golf Course Committee. The motion carried unanimously.

N-11 – Video surveillance at office, driving range and pools - It was moved by Wayne Evans and seconded by Ray Baker to authorize the General Manager to purchase one camera system, with software, PC and monitor for \$1,026, plus tax and shipping, and \$230 for an additional camera for a total expenditure of \$1256 from WiLife and to be used for the Office Building.

Sue Johnstone made a friendly amendment that these funds would be taken from the New Capital Projects account and be capitalized. The friendly amendment was accepted by Wayne Evans and Ray Baker. The motion carried unanimously.

N-12 - Golf Course Committee request to remove section of #7/6 cart path - It was moved by Mike Albom and seconded by Ray Baker to direct the General Manager to consult and obtain a bid from ELS to remove the asphalt for onsite burial on the back 9 of the golf course, or to contract with Penhall Company for a fee of \$1200, with funds to come out of Major Repair and Replacement. The motion failed with a 9-2 vote (Ayes: Albom, Bergquist; Noes: Baker, Boals, Evans, Howard, Johnstone, Pillsbury, Steinbrenner, Thompson, Axthelm).

N-14 - Strategic Plan Brochure - It was moved by Wayne Evans and seconded by Dee Steinbrenner to authorize the General Manager to produce a Strategic Plan Brochure to be made available to the residents and incorporated into the Welcome Package. The motion carried unanimously.

OTHER BUSINESS

Mike Albom suggested that a raffle be held for the opening of the back nine holes at the Golf Course, with the prize being able to be the first golfer to tee off on the renovated portion of the course. This item will be put on the agenda for the next board meeting.

CALL TO MEMBERS - President Axthelm made the call to members to speak on any issue they chose.

Tait Jim Ostrem – use of a partial portion of the 14 acres for a dog walk

Duane Bauch – being able to use part of the 14 acres for dog exercise.

Mike Albom moved to adjourn. 2nd by Ray Baker. The motion carried unanimously. The meeting adjourned at 8:55 PM.

Respectfully submitted,

Deborah Levitan, TEPOA Administrative Assistant for
Dee Steinbrenner, Secretary, 2008 Board of Directors

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It was moved by Dee Steinbrenner and seconded by Wayne Evans to approve the minutes of May 13, 2008 Board of Directors Meeting as presented.

The motion carried unanimously.