



The Ocotillo Community Association

C/o Premier Community Management, Inc.
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OPEN SESSION MINUTES

September 28, 2010

The Meeting was convened in the Conference Room at the First Federal Credit Union and called to order at 5:21 PM by President - Mike Palermo, Other Board attendees included: Vice President – Wally Brown, Treasurer – Julie Dameron and Secretary - Donna DeVoe. Director – Susana Lewis was excused from the meeting.

Quorum was duly noted and recorded. Also in attendance from Premier Community Management, Inc. (PCM) was General Manager - Pat Wontor, Assistant Manager – Dana Stevens and Compliance Manager – Joycelyn Lopez.

I. Pledge of Allegiance:

II. Approval of Minutes:

Donna motioned to approve the August 24, 2010 Open Session minutes as presented, motion seconded, the motion carried unanimously.

III. Treasurer's Report:

Julie presented the financial summary report for August 2010.

As of August 31, 2010 the operating account balance was \$516,758.45 which includes the money market savings account balance of \$125,082.55. Total liabilities & equity was \$1,436,082.55 and total reserves were \$902,040.62. Variances from budget were noted.

Month to date (MTD) income is 3.8% over budget, and year to date (YTD) income is 0.5% over budget (\$8,271.00). Month to date (MTD) expenses are 14.0% under budget, and YTD 12.4% under budget (\$193,891.22).

Reserves are currently 93.3% funded for the Master Association per the 2008 Reserve Study.

IV. Potential Project List Discussion:

Installation of electrical at various entrances: Discussion on possibly adding lighting at the Spyglass Bay and other entrances.

Upgrade light pole bases in park: Discussion on building concrete light pole bases at Sunset Shores and the pole bases located around the tennis courts at Lakeside. The bottoms of the poles are rusting and the concrete bases would lift the poles up so the irrigation will not continue to rust them.

Additional park equipment: Overview of the exercise equipment options. The board decided not to move forward with installing exercise equipment at this time. The board decided to add more waste containers and benches throughout the community.

Signage: Discussion on possibly adding more Ocotillo signage throughout the community at entrances where there is none. Smaller reclaimed water, wildlife, etc. signs are on order to replace existing ones that are weathering.

V. **Review 2011 Budget Draft:**

Julie gave an overview of the 2011 budget draft. Budget prepared with no assessment increase proposed for 2011.

Income:

Income will increase slightly from \$2,677,872 in 2010 to \$2,690,042 in 2011.

Expenses:

Landscaping

The landscape maintenance contract with AAA increases 2% in October. The Landscaping category total for 2011 (\$932,664) is about an \$8,000 increase over 2010 (\$924,088).

Facility Maintenance

Line Item for Vehicle Gas was decreased to \$15,000 based on 2010 actual expenditures. Office/Yard/Storage Lease line item increased \$2400 based on increase in Compadre yard lease. Minor adjustments made to several line items based on reflection of actual 2010 expenses. No net increase in the category's bottom line. Total Facility Maintenance category decreased to \$631,084 in 2011 from \$633,493 in 2010.

Property Services

All categories remained the same, so budget remains at \$43,200.

Water

Budget remains the same as 2010 at \$64,536.

Electric

Total electric budgeted items decreased \$1,500 to \$166,500 for 2011.

Phones

Budget remains the same from 2010 at \$13,380.

Management/Administration

Line item for Management, Administration and Financial remains the same as there is no increase from Premier Community Management for the 2011 contract. Slight increase in the Director's and Officers Insurance line item as an increase is anticipated. Total Management and Administration category increased about \$4,000 to \$446,389

Total Expenses in the proposed budget are \$2,297,753 (compared to \$2,289,026 in 2010)

Reserve Contribution remains the same at \$365,000 for 2011.

At the proposed budget level, Contingency Funds available will be \$27,289.

Special Use Areas:

Corona Del Mar I and II

No increase proposed and no changes in the budget amounts.

Greenbriar

Proposed 5% increase for 2011 to \$19.50 per month. This is a 90 cent increase from \$18.60 in 2010 to increase reserve funding.

Estates

No increase proposed and no changes in total budget.

Spyglass Bay

Proposed 10% increase for 2011 to \$6.00 per month. This is a 50 cent increase from \$5.50 in 2010 to replenish reserve funds.

Vistas

No increase proposed and no changes in budget totals.

Cottonwood Springs

Proposed 6% increase for 2011 to \$17.50 per month. This is a \$1.00 increase from \$16.50 in 2010 to increase reserve funding.

Peninsula

No increase proposed and no changes in budget total. After board discussion regarding level of reserve funding, they requested the budget be amended to include a 5% increase in monthly assessment.

VI. Manager's Report:

Pat reviewed the management report for the month of September 2010.

After the latest storm and resulting damage, Pat discussed with LeAnne at The Mahoney Group the trees lost to see if any would be covered under the current policy. We do not have coverage for tree and shrub loss as a result of wind or storm damage. There is a tree and shrub policy available for \$954 per year that would allow up to \$100,000 maximum, \$1,000 per tree, with a \$2,500 deductible, for consideration if the board is interested in adding that type of coverage.

Scalping started on Monday, September 13th and is proceeding on schedule. Winter annuals will be planted starting Monday, September 27th. Since removing the summer annuals, AAA has been converting the irrigation to bubblers in all the beds.

Three sample colors have been painted on the entrance gates to The Estates for determining the color to repaint the gates. The Spyglass Bay entrance renovation project is mostly complete, and there have been positive comments about the new look.

The November meeting date will be Tuesday, November 9th. Donna has set the Winter Fest for Sunday, December 5th.

VII. Violation Report:

Dana reviewed the violation report for the month of August 2010.

Satellite Dish Enforcement Discussion: During Joycelyn's tours she has noticed more satellite dishes out of compliance for not being painted, thus violation letters are going out. Joycelyn is receiving inquiries from homeowners regarding the painting requirement. After discussion, the board agrees that management should proceed with compliance in accordance with the satellite dish installation requirements as outlined in The Ocotillo Design Guidelines.

VIII. Adjournment

Wally motioned to adjourn the meeting at 5:47 PM, motion seconded, the motion carried unanimously.

Respectfully Submitted,
Nichole Kuhstoss