

**7400 GAINNEY CLUB DRIVE
CONDOMINIUM ASSOCIATION**

**ANNUAL MEETING
MARCH 3, 2022**

Minutes

I. Call to Order

Attendees:

Jill Townsend - President
Judy LeMarr - Vice President
James Nagaoka - Treasurer
Dave McKelvy -Secretary
Matt Hasher - Candidate

Introductions

Determination of Quorum

II. Board Candidate Nominations

Significant board turnover during the past year. Two Board seat openings up for election. Call for nominations went out in February. Lindy Johnson and Matt Hasher are candidates for the Board.

III. Opening Remarks - Jill Townsend

Activities over the past year:

Cul de Sac #1 landscaping completed January 2021
Deck resurfacing completed in April 2021 for 18 of 24 upstairs decks
New pool chairs purchased
In November, there was a value-added tree trimming

In December, owners were surveyed in three areas:

1) regarding installing artificial turf: 46 responses were received. 31 owners said yes to artificial, resodding, or switching to desert landscaping

2) feedback requested on heating the pools, 46 responses were received

56% only use north pool

54% said ok to heating one pool

17% said they don't use either pool.

3) the board asked for feedback on the date and time for future meetings:

73% responding wanted a week-day meeting

98% favor zoom access

In January, PRV study completed by SW Plumbing.

Letters went out to owners from Heather.

The Board met with two contractors in January to

kickoff flat roof recoat project. More discussion later.

Minutes from last year's annual meeting were approved.

IV. Financial Review - James Nagaoka

2021 Year End Financial Report

Operating Budget—

Total Operating Budget: \$ 221,057

Total Operating Expense: \$ 216,562

Budget Surplus: \$ 4,495

This Surplus was due to savings from three factors-

- 1) Various non-fixed cost items: \$ 134
- 2) Reduction to fixed cost
Landscape Maintenance: \$ 3,660
- 3) Reduction to fixed cost
Building Maintenance: \$ 701

Of the 19 non-fixed cost items:
 7 were over budget by: \$ 7,029
 12 were under budget by: \$ 7,279
 Under budget by: \$ 250

Reserve Cash--

Start balance: \$ 62,496

Assessment income: \$ 56,883

Total Reserve: \$119,379

Reserve Expenses: \$ 66,974

\$ 21,439.....landscape & underground pipe replacement for cul de sac 1

\$ 40,992.....re-surface the 2nd story patio decks

\$ 4,543.....replace 16 loungers for the pool areas

Year End Reserve: \$ 52,405

2022 Operating Budget & Reserve

The monthly HOA assessment was raised from \$321 to \$326 for 2022. This \$5 increase represents a 1.6% increase in the monthly fee, and will generate \$4,320 for the year. There is no increase to the Reserve allocation amount for 2022, the entire \$5 increase is allocated to meet anticipated Operating Expenses.

The budget was increased for seven line items compared to 2021. (Water, gas, insurance, pool maintenance, termite program, landscape allocation, building allocation).

Total Increase:	\$7,814
Offset by Cable TV decrease;	\$(3,689)
Net Increase:	\$4,125

Total Operating Budget for 2022 \$225,298
Total Reserve Income for 2022: \$56,852

V. State of the Ranch - Jim Funk

GRCA budget was on target and maintenance budget was under budget because of labor challenges. It is better now and we are able to get the laborers that we need.

The labor market beginning in 2022 is improved because we went to a \$15/hour wage, along with bonus medical insurance, sick leave and vacation approval.

Also, landscape manager resigned and instead of replacing him, Heather is training and maintaining growth within the department.

The Estate Club is completed with the exception of some punch list items. It was to cost \$5.2 million but the decision was made to upgrade doors, windows, ceiling, floors from builder grade to nicer products . Therefore the final cost was \$5.615 million. These upgrades did not increase loan and paid with improvements with capital fund. This was possible because home values went up so capital enhancement fee revenue of 1/2% went from \$3,000 to \$4,000 and the average home sale went from \$600K to \$800K.

VI. New and Unfinished Business

A. Flat Roof Recoat - Flat roof recoat project was kicked off in January with bids requested from two vendors: Sunvek and Red Mountain Roofing. The Board selected Sunvec as the contractor. The project will begin approximately mid March. Letters will go out to owners.

Sunvek bid price: \$ 78,501

Reserves budget: \$ 56,592

Budget shortfall: \$ 21,909

B. Capital Improvement Assessment - James Nagaoka

The BOD considered several options to address this shortfall (a bank loan, a Capital Improvement Assessment (CIA), a two phased project to spread the cost over 12 months, or to postpone the project).

The BOD vote was unanimous to both proceed with the project and to fund the shortfall with a Capital Improvement Assessment. The Board unanimously approved a Capital Improvement Assessment of \$ 364 per unit (half to be paid in April and half in May, or \$ 182 per month). Based on 72 units, this will raise \$ 26,208. The CC&R's authorize the Board to take this action under Paragraph 6.04. The \$364 per unit assessment was calculated based the following Common Expenses for 2022:

Total Operating Cash Required: \$ 224,848

Budgeted Reserves Required: \$ 56,852

Common Expense Total: \$ 281,700

The \$ 26,208 CIA equates to 9.3% of this Total Common Expense.

C. Community Enhancement Fee proposal - Judy LeMarr

The Board proposes creating a separate 7400 community enhancement fee which will be absorbed into the purchase price of a unit. Of the 18 satellites, six already have approved their own fee. This is a common practice in the real estate industry as a way to increase future reserves. The money would go into the reserves of 7400. If this had been in place, 7400 would have received \$14,000 since January 1, 2021.

Home values are rising and in the 7400 community, the average time a home is on the market is 8 1/2 days. Fees would not affect sales. The fee suggestion is \$1,000 per sale with a potential for yearly 25% increases as needed without a community vote. This is the same structure utilized by 8989.

A ballot will go out soon for the vote for 7400 community enhancement fee proposal and the community needs 67% of the homeowners to approve to make changes to the CC&Rs. A summary of the need will be sent to all homeowners so they

understand it is to their benefit.

VII. Election Results

Matt Hasher and Lindy Johnson were elected to the Board.

III. Meeting Adjourned