

Pavilions Annual Meeting

03-15-22

A quorum was present. The minutes were approved.

David spoke about the financials. Ended with a deficit of \$1,494 as compared to \$24K the previous year. The primary reason for the deficit was overspending on plants, trees and shrubs and pool/building repair and maintenance. Balance for CIT loans for roofs is \$175K and reserve balance is \$24,600. Our loan is \$42,500 lower than it was on Jan 1st. Reserve fund is \$21K higher than it was Jan 1st so both are moving in the right direction. 2021 water usage was lower than in previous years.

Mark gave an update on landscaping. Had a report done that went over trees and soil. The soil is high in salt content and low in nutrients and densely packed. Some of the irrigation drip system needs to be addressed. Consider artificial turf rather than replace grass with grass. When replacing grass with grass, 3-5 inches of soil would need to be replaced. The sprinkler system would need changes. Heard watering restrictions will occur statewide. There wont be a reduction in water usage if replacing grass with grass. Now if using artificial grass, can eliminate the irrigation system, use less water and reduction in maintenance. A map was provided that showed areas that have grass and would remain as grass. Other areas were shown where to remove grass and install the artificial turf. A section of the report estimates that landscaping really affects property values. A plan to show the artificial turf areas to get on city's water rebate program. Deadline for application is March 31st. Homeowner asked about removal of trees and if they would be replaced. Sisel? Tree bad for structures. If it will affect structure, it should come out. If inconvenient to sidewalks, then removed. There are situations where if a tree is removed, it might not be a good idea to replace with another tree so it's a yes and no answer to that question. Gravel an option over artificial turf? The map is a work in progress so nothing is set. The rebate plan does have some rules to look at as well. If grass is removed but a tree remains, a deep well system will be used. Look at cost effectiveness of artificial turf, gravel and doing sod for lawns. Best way to look at this landscape plan is to correct the irrigation system. Look at new plants as tree theory said about 60% of the plants are on their last leg. The gravel is still in play but towards the bottom of the list with the landscape plan. Prefer to do in a proper sequence to be cost effective. Homeowner asked about plants along the walkway.

Update on the pool washroom area. The pool itself needed some work: tiles, painting, etc. They have selected a vendor to work on the pool and hot tub.

Jim gave the state of the ranch. The entire ranch was under budget by \$100K. They went back to all communities and refunded a percentage. This was due to : midsummer with Covid and labor shortages, it was difficult to get the temp help. Usually get 9-12 but were only able to get maybe 5 workers. Tom Wright left in May due to health reasons. Scott and Jim interviewed people. Rather than hire someone new, the 3 current folks became certified. Soon after, James was hired away. Jamie Lee, Heather and Arnoldo had crews working overtime on the weekends. Moving forward, the minimum wage is raised to \$15 an hour. Jamie Lee and Heather really stepped up. Bonus program increased for retaining employees. Still needed someone who had a higher skill in maintenance so went to Cameron Vaughn and he comes in to do training. Funk is pleased with how its all going.

The Estate Club was supposed to open in November but didn't get the permit until mid January. Waited until February so more things could be done to make the Club even better. During the construction, in May of 2021, it should have been 70% complete but it was more like 50%. Loan repayments started in June of 2021. Process of improving things like flooring, front entry, quality of furniture, etc so it wasn't so vanilla. Also had to solve some Health Department issues. The building total cost is \$6.2 million with furniture, fixtures and equipment. Borrowed \$5.3 million. Tons of positive comments regarding the club. Club automation will help with getting registered for classes. Tons of positive comments regarding the club. Suggested to the Board about revisiting the enhancement fee. Move from ½ % to ¾ % (of every sale). Almost 80% said to move forward. With the other part of the vote about the financial part, It did not pass by 3%. The alternate was to charge \$15 a month to cover the project financially. It has worked well as far as generating funds so far for improvement projects. If there is a positive vibe to revisit the vote, it will go back for a vote and if passed, remove the monthly \$15 fee. The cap is roughly \$6329 which basically relates to \$1.2 million sale price. Managed correctly, the enhancement fee along with some of the capital that comes into the GRCA, can make the loan repayments. The operating fee is only \$47 a month.

The floor was open to questions. How are sales? Already at 35 sales. Average sale prices over last 10 years have increased. Exterior paint needs to happen next year. Money is in place for regular maintenance but not money to change the colors. Hard to put a price out on plans but things have been put off for a long time that it will take a bit of money to make these improvements. Enforcing leaving bins out, \$50 to get one back. Hard to enforce overnight parking. If there is a concern, please call Security and some have been given permission.

Election results: Allen, Rick Vogel and David? Mark? (he said and me and I don't know who that was)

With no further questions, the meeting was adjourned.

Thank you

Debbie