

Cliff Rose Homeowners Association
Board of Directors
Meeting Minutes
January 20, 2011

Present: James Pickering, Charles Vismeg, Francis Joanes, Marilyn Hurst, Norm Scherer, Joyce Arnold, Judy Shamitz and Linda Wolf. **Committees:** Rusty Parker, John Newhall and Paddie Braden. **Call to Order:** The meeting was called to order at 1:37 pm by Vice-President, Joyce Arnold.

Review of Minutes: The minutes for the November 18th meeting were reviewed by the members of the Board. Norm Scherer moved and Judy Shamitz seconded that we accept the November minutes as corrected. **Motion passed.**

Treasurer's Report: Francis Joanes presented the November and December, 2010 reports for review by the Board.

Total Funds as of October 31, 2010 **\$39,490.07**

Income - November 2010

| | |
|--------------------------|-----------------|
| Annual Dues | \$ 70.00 |
| RV Lot Fees | 35.00 |
| Transfer Fees | 0.00 |
| Interest received | 45.22 |
| Vacant Lot Weed Trimming | 00.00 |
| Total Income | \$150.22 |

Expenses - November, 2010

| | |
|---------------------------|-------------------|
| Common Area Maintenance | \$754.95 |
| Vacant Lots Weed Trimming | 1,355.00 |
| Utilities | 7.26 |
| Postage/Supplies | 193.79 |
| Newsletter | 103.73 |
| Website Maintenance | 30.00 |
| Total Expenses | \$2,444.73 |

Total funds as of November 30, 2010

| | |
|------------------------|--------------------|
| Shares savings | \$ 500.23 |
| Money Market | 82.16 |
| CD (maturity 5/21/11) | 10,062.70 |
| CD (maturity 7/02/11) | 20,456.77 |
| CD (maturity 11/13/10) | 0.00 |
| Regular checking | 6,093.70 |
| Total funds | \$37,195.56 |

Total Funds as of November 30, 2010 **\$37,195.56**

Income – December 2010

| | |
|--------------------------|--------------|
| Annual Dues | \$ 14,630.00 |
| Transfer Fees | 100.00 |
| Interest received | 35.99 |
| Vacant Lot Weed Trimming | 800.00 |

Total Income **\$15,565.99**

Expenses – December, 2010

| | |
|--|----------|
| Common Area Maintenance | \$620.00 |
| Vacant Lots Weed Trimming | 1,325.00 |
| Utilities | 7.26 |
| Postage/Supplies | 737.20 |
| Honorarium – Maintenance/Secretary/Treasurer | 1,350.00 |

Total Expenses **\$4,039.46**

Total funds as of December 30, 2010

| | |
|-----------------------|-----------|
| Shares savings | \$ 500.27 |
| Money Market | 82.16 |
| CD (maturity 5/21/11) | 10,072.97 |
| CD (maturity 7/02/11) | 20,481.84 |
| Regular checking | 17,584.85 |

Total funds **\$48,722.09**

CRHOA 2009 & 2010 Actual Performance, Budgets and Proposed Budget 2011

| | 2009 Actual | Approved 2009 Budget | Over (under) Budget | Approved 2010 Budget | 2010 Actual | Over/ Under Budget | Proposed 2011 Budget |
|---------------------------|-----------------|----------------------------|---------------------------|----------------------------|----------------|--------------------------|----------------------------|
| | Totals | Budget | Budget | Budget | Totals | Budget | Budget |
| INCOME | | | | | | | |
| Annual Dues | \$29,582 | \$28,000 | \$1,582 | \$28,000 | \$22,665 | \$(5,335) | \$28,000 |
| RV Lot fees | 6,382 | 4,500 | 1882 | 4,500 | 2,070 | (2,430) | 2,500 |
| Transfer fees | 1,400 | 1,000 | 400 | 1,000 | 1,600 | 600 | 700 |
| Interest | 675 | 700 | (25) | 600 | 552 | (48) | 500 |
| Vacant Lot Weed Trim | | | | | 2,470 | 2,470 | |
| Returned Check Fee | | | | | 98 | 98 | |
| Total Income | 38,039 | 34,200 | 3,839 | 34,100 | 29,454 | (4,646) | 31,700 |
| EXPENSES | | | | | | | |
| Common Area Maintenance | 9,123 | 21,000 | (11,877) | 8,000 | 13,526 | 5,526 | 15,000 |
| Vacant Lots - weed trim | 330 | 0 | 330 | 0 | 4,245 | 4,245 | 0 |
| Sec/Treasurer | 2,400 | 2,400 | 0 | 2,400 | 2,400 | 0 | 2,400 |
| Maintenance Coordinator | 1,500 | | | 3,000 | 3,000 | 0 | 3,000 |
| Accounting/Legal Services | 195 | 2,000 | (1,805) | 500 | 98 | (403) | 500 |
| Insurance | 2,755 | 2,000 | 755 | 3,800 | 2,665 | (1,135) | 3,200 |
| Taxes IRS/State | 258 | 400 | (142) | 400 | 1,955 | 1,555 | 300 |
| Communications | 1,523 | 1,800 | (277) | 1,800 | 1,029 | (771) | 2,000 |
| CRHOA Meetings | 1,559 | 2,000 | (441) | 2,000 | 1,494 | (506) | 1,800 |
| Copies/supplies/postage | 1,152 | 1,000 | 152 | 2,800 | 2,789 | (11) | 2,000 |
| Depreciation Expenses | 836 | | 836 | | | 0 | |
| Utilities | 93 | 120 | (27) | 100 | 80 | (20) | 100 |
| Miscellaneous | 359 | 390 | (31) | 400 | 186 | (214) | 400 |
| Total Expenditures | \$22,083 | \$33,110 | (\$11,027) | \$25,200 | 33,466 | 8,266 | 30,700 |
| Net Income (-Loss) | \$15,956 | \$1,090 | \$14,866 | \$8,900 | (4,012) | | |

Francis noted that as of 1/19/11 Cliff Rose has received \$22,400 in yearly dues. 320 homeowners have paid their dues so far. He led discussion on the 2010 Report of YTD expenses. It was noted that Common Area expenses were \$5,526 over budget. Most of that was due to storm damage. Jim Pickering moved that we accept the Treasurer's Report. Marilyn Hurst seconded the motion. **Motion passed.**

Francis reported that 36 RV lots are occupied and 5 are vacant.

Francis reported that after much thought he has decided to resign from the Board of Directors, effective, March 1, 2011. He thanked everyone and said he has enjoyed working for Cliff Rose. He will continue as Treasurer until the end of February.

Secretary's Report: Escrows: We have two open escrows. They are at: 1840 Boardwalk Ave., and 1965 Boardwalk Ave. Five escrows have closed since our October, 2010 meeting. The homes are at 1535 Mediterranean (Linda & Bill Zombeck), 1309 Raindagger (Kim & Jeanne Zimmerman), 1730 Baltic Ave. (Sandra Layman) 1302 Raindagger, (Robert & Donna Bauman) and 1307 Raindagger Ave. (Robert and Helen Bowen). Dues: I've been posting the 2011 dues and sending the report to Francis. Resignation: Francis sent a letter of resignation as of the end of February. He noted that he will have everything ready for the person who will take his place.

COMMITTEE REPORTS:

Architectural Control Committee: Rusty reported that a roof was approved for 1939 Atlantic. He noted that Pasadena Corp. Construction will be constructing a house at 1932 Atlantic. He noted that the blue prints have not yet been approved because of 1) drainage needs and 2) the setback is in reality only feet from the street and 3) there is not room for parking for 2 cars. The committee approved a cement patio in back of 993 St. James. A sunshade was approved for 1700 Baltic Ave. Committee approved a new roof for 1551 Marvin Gardens Lane. Committee approved a tentative plan to enclose patio at 1535 Mediterranean Court. Potential buyer would like a conceptual approval prior to purchase of home. Final plans will be submitted after close of escrow. Rusty noted that the ACC Committee consists of himself, Dick Kennett, Rich Strick, Rudi Wolf and Ed Braden. So far, there has not been any activity in January.

Maintenance: Maintenance Contract for the Year 2011 - Charles noted that the CRHOA Maintenance Team put considerable effort the past three months seeking local Grounds Maintenance Landscape Companies to bid for the contract.

Ten candidates were selected from the potential pool of candidates currently conducting business, and doing grounds work activities that matched Cliff Rose needs. Each candidate bidder was furnished with a three page Request for Proposal (RFQ) on CRHOA letterhead and a set of the eleven page Maintenance Requirements Specification (MRS), including the map of the Subdivision. The indicated return deadline was set for no later than 12/31/2010.

The final response was six bids or proposal returns out of 10 RFQ's mailed out. The Maintenance Team's expectation was met by the number, six responses, enough of a sample to select from.

An evaluation was conducted at the regularly held Team Meetings and, they came to an agreement on the preferred candidate(s). Copies of the evaluation and the end result proposal were presented to the Board of Directors.

Summary & Evaluation

The list that follows is compiled from the submitted Proposals (bids) by the above noted six Contractors. The following common criteria for bidding were followed by each company:

Summary

| <u>Contractor</u> | <u>Year total \$</u> | <u>Man-hour Rate \$</u> | <u>Hours Total 2011</u> |
|--------------------------|---|--------------------------------|--------------------------------|
| TROPICARE | 6,088.50 | 27.00 | 225.50 |
| | Reduced annual cost by 18% while increased total hours; Includes weed spray chemicals | | |
| VICENTE | 9,450.00 | 35.00 | 270.00 |
| | Material cost is separate line item | | |
| YOUR OWN RETREAT | 6,750.00 | varied; 25.00-40.00 | 195.00 |
| | Doesn't include material and chemicals | | |
| NORTH COUNTRY | 4,595.00 | 23.50 | 153.00 |
| | Includes Dump fees, Weed spray chemicals, Mosquito repellents | | |
| LANDCRAFT | 6,800.00 | unspecified | unspecified |
| | Includes all services, materials + Tax at \$680.00/month | | |
| K-LER | 5,265.00 | 27.00 | 195.00 |
| | Doesn't include materials and chemicals (not stated but verbally agreed) | | |

Evaluation

TROPICARE: Impression: Very professional presentation
No personal meeting took place with their rep; New management directly under Owner; Questionable performance under previous General Manager was acknowledged; Includes detailed Company info, Licensure & Insurance; Owns no heavy earth mover machinery; Five major accounts as References; Monthly detailed cost listing; Defines detailed work phases; Has local private accounts; Moderate cost quote for 2011; Medium in labor force pay.

VICENTE: Impression: Very professional at meeting and presentation; Academic degreed leadership with impressive experience; Negotiated with two of their leadership prior to bidding; Clearly defined quote preparation; Very impressive website presentation by and of the Company; Have local private accounts, know the area; Local, Prescott based Company, near the airport; Owns heavy earth machinery; Listing numerous professional services & Resources; Highest cost quote for 2011; Highest in labor force pay-rate.

YOUR OWN RETREAT: Doesn't impress as professional, but eager to do good job; Negotiated with Owner in preparation for bidding; They provided service to CR last year

at two specific projects; No Company information is available; One nearby landscaping account posted positive feedback on job performance; Owns no earth machinery; Medium for cost quote for 2011; Varied (low-to-high depending on the season) in labor force pay rate.

NORTH COUNTRY: Impression: Professional in website appearance; Online profile is landscaping, but have local maintenance accounts; Negotiated with two Reps and walkthrough tour provided; Showed great job last year at a flood damaged property; Owns earth moving machinery; Proposal was submitted in one page handwritten form.

LANDCRAFT: Impression: Professional. Specific Company policy states that that all maintenance activities are created, supervised and reviewed by Landscape Manager; Maintenance service described in great detail; Owns earth moving machinery; Very local company, in Prescott Industrial Park.

K-LER: Impression: Very professional in their presentation; personally participating in negotiation prior to bid; Owns no earth machinery; Specific Company policy of dedication and focus to assure quality work, consistent with their stable workforce.

Proposal:

Maintenance strongly suggests selecting between two candidates to be eligible for the award in the following order: 1) VICENTE LANDSCAPING; 2) TROPICARE LANDSCAPE SERVICES.

Reason:

It is timely to go with a new Contractor, at least for the current calendar year. A top rated Prescott local Landscape Company is a desirable choice for high expectation as after consecutive years of poor quality and less than reliable performance by leadership personnel. Cost and benefit analysis is hard to come by right now, but will evaluate this before the next contract cycle. Maintenance strongly suggests the choice to be VICENTE LANDSCAPING for the year 2011 as Grounds Maintenance Contractor in Cliff Rose Subdivision.

The now "realigned, new and improved" TROPICARE LANDSCAPE SERVICES is the second choice for the contractual agreement in 2011.

YOUR OWN RETREAT, INC. possesses valuable assistance as backup in special projects as tree removal, drainage swale improvements, as examples.

K-LER LAND WORKS MAINTENANCE is a smaller business with vigorous and determined leadership under Matt Koehler, Owner, Koehler Enterprises, Inc. Maintenance provided guided tour walkthrough and sit-down talk. The Board has an option here also.

NORTH COUNTRY LANDSCAPING AND MAINTENANCE and LANDCRAFT ENGINEERING & DESIGN are on the bottom as 5th and 6th in no specific order. Maintenance does not promote these two companies for 2011 contract, but that does not exclude the possibility of either to become the 2011 contract winner by choice as prerogative of the Board of Directors.

Discussion ensued re: which company to award the contact to. Charles noted that Tropicare is now under new management and is being run in a more business-like manner. There was concern re: the gap between the Vicente Landscaping and Tropicare costs. Linda Wolf moved that we accept the Tropicare bid of \$6,088 for 2011. The contract will run from 1/1/11 to 12/31/11. Judy Shamitz seconded the motion. **Motion passed.**

Communication: The February issue of the Quail Trail is currently being put together and will be mailed around the first of February.

Social Committee: Marilyn Hurst reported that she welcomed the new renters on Pacific.

Legislative. Paddie reported on the Rosser Street repaving project. She noted that the meeting held by Ollsen Engineering had more comments on the Eagle Ridge calming than on what is planned for Rosser Street. Many of the attendees at the meeting were not Cliff Rose residents. There is no date yet on the next meeting on the subject. She noted that Public Works would like to see "Speed Signs" installed on Rosser Street. They are very effective in slowing traffic. The signs show the speed of the driver. Paddie reported that the City is doing a study on traffic patterns on the corner of Bloominghills and Prescott Parkway.

New Business: Election of Officers of the Cliff Rose Homeowners Board of Directors – Discussion ensued re: who would be President, Treasurer, and Secretary.

Discussion ensued re: who to nominate and elect as officers:

President: Linda Wolf nominated Jim Pickering to be President. Marilyn seconded the motion. **Motion passed.**

Treasurer: Jim Pickering nominated Joyce Arnold to be Treasurer. Judy Shamitz seconded the motion. Motion passed.

Secretary: Judy Shamitz nominated Linda Wolf to be Secretary. Norm Scherer seconded the motion. Motion passed.

The above officers are authorized to be signatory's for our Arizona Credit Union account.

Jim Pickering nominated Norm Scherer to be the Vice-President and Chair of the Architectural Control Committee Linda Wolf seconded the motion. **Motion passed.**

The next regularly scheduled meeting will be held on **Thursday, February 24th at 1:30 pm** at Jim Pickering's home at 1924 Boardwalk Ave.

Respectfully submitted,

Linda Wolf, Secretary Cliff Rose HOA Secretary