

MOUNTAIN TRAILS COMMUNITY ASSOCIATION HOA

% Kinney Management Services
6303 S Rural Road
Tempe, AZ 85283

OPEN SESSION MINUTES OCTOBER 23, 2024

CALL TO ORDER: 7:05PM

ATTENDANCE: Robert Anderson, Kevin Busdeker, Valerie Flower and our newly appointed Member at Large, Karon Thomas for the HOA (Kristen Mattes is traveling and not in attendance); Jayna Van Den Einde for Kinney Management Services and 5 homeowners joining the meeting. Jayna asked that Karon introduce herself to the community. She is an original homeowner in Mountain Trails, moving from California to Arizona. Karon has been a member of HOA's and a District Manager for JoAnn's Fabric's. She is anxious to contribute to the Board and the community.

MINUTES:

The September Meeting Minutes were reviewed. Jayna asked if there were any changes or revisions. There were not. Val motioned to approve the minutes; Kevin seconded and all say "I".

FINANCIALS:

The September 2024 financials were reviewed. Total income was off by \$7,700 due to timing of payments and a very few that are in arrears. There was \$2,700 collected by Sentinel Services for delinquent assessments which brought the YTD collection numbers over \$15K. Total Income was still off by \$6,200, but we will have some good news to share with you in the October meeting in respect to collections. The \$7,000 was set aside for Reserves and that fund is a very healthy \$294K. On the expense side, we had additional pest services approved for gopher activity and those expenses are reflected on the financial statement. NaturZone communicated that the additional treatments have produced positive results and they will continue until the pests are eliminated. Timing produced variances in the budgeted quarterly playground maintenance and gate maintenance. These are budgeted expenses but in alternate periods. It should be noted that the YTD numbers in these line items are still on track to the budget. There were batteries and Tomar repairs for the gates that were approved and expensed in September, in addition to some handyman costs to scrape and paint the rust off the doors at the pool restrooms. Gate remotes were purchased due to increased demand. The utilities were on track to budget with the exception of Water. However, this category is still in line YTD with the budget. Agave is waiting to install the new Weather Matic valves until after the fall rye overseed has had a chance to germinate and grow. They anticipate the conversion will be completed before the end of the year. All other categories on track to budget. Jayna asked if there were any questions or comments regarding the financials. There were none.

OLD BUSINESS:

Leisure Creations had provided a proposal for pool furniture. Jayna asked for a revision from the Board for those items that need to be replaced as the proposal discussed in September was a comprehensive list of all pool furniture items. Once that is received from the Board, a revised proposal will be prepared. Val communicated that the Board is aware of items that have been damaged (umbrellas, tables) and asked for the bid for replacements for those items and/or additions to the existing inventory. The Board will decide whether to review that prior to end of 2024 or wait until next year's pool season.

HOA Playground provided a proposal for sand sifting and tilling to reverse the compaction. That was approved in September's meeting. There was not a requirement to add additional sand as was done in 2023. The tilling and sifting most likely will become an annual expense.

Agave completed the overseed of all interior community common spaces. The Board decided in prior meeting to let the grass on the east side entrance to go dormant again this year.

Jayna asked if there were any questions about the topics in Old Business. Val suggested that they post the pictures on Facebook of the playground area and all the rocks they sifted out of the sand. That way it could be communicated to the homeowners to watch their children more closely in an effort to reduce this kind of activity.

NEW BUSINESS:

Jayna provided a copy of the 2025 Budget Draft. Items to note for purposes of the budget: The Monthly Assessment was increased from \$170 to \$185. Per the CC&R's, the assessment cannot exceed more than a 10% increase year over year. For 2025, the budgeted increase is 8%. No increases to the Monthly Assessment or Management Fees have been adopted for the past 3 years. All contract services are projecting increases, as are utilities and insurance, by 15 – 17%. To maintain the set aside for Reserves and increasing costs, it was necessary to balance that with these increases. The base cost of the landscaping contract is not changing, but all of their other associated costs did increase. Agave also added the quarterly maintenance costs for the natural area. Where it had been cleaned up once per year that past couple of years, we asked for quarterly maintenance. By scheduling the clean up quarterly, it is the hope that the expense would not be as significant and the area kept more consistently for those who do enjoy that space. For many of the line-item expenses, the 2024 YTD numbers were considered, and the numbers annualized for 2025 budget.

Jayna asked if the Board or members had any questions about the budget. Diana voiced a concern about the homeowners who are in arrears and what raising the assessment will do to add to that. Robert reminded the members that Sentinel Services is contracted to aid with the delinquency collections. He mentioned that when he joined the Board, delinquencies were over \$15K and with October's reporting, the balance will be around \$1,500 which is fantastic for an HOA of this size. Robert also mentioned that any legal expenses are charged to and paid by the homeowners. Jayna did point out that while the homeowners are billed for the expenses, the HOA does pay the initial invoice. The homeowner then is responsible to satisfy that payment, and if they do not, when the home sells, the HOA will be made whole first prior to any other monies transferring at close of escrow. Brandon commented that he wasn't looking forward to getting to a \$200 Monthly

Assessment, but knows that may occur somewhere in the future. He also said he understands that expenses are continuing to increase.

Jayna told the members that the purpose of the budget is to have a comprehensive accounting of the expected financial obligations of the HOA and to ensure the HOA has the Operating monies to be able to cover those expenses. Robert reminded everyone that the Reserve Study completed stated that to be able to provide in the future for capital improvements, the HOA needed to increase their set aside to \$7,000, which was accomplished in 2024 without increasing the Monthly Assessment. Jayna also wanted to remind everyone that we have hopes that the installation of the Weather Matic irrigation system will reduce the expenses for water and for irrigation repairs. However, the budget was developed with the City of Phoenix's proposed increases. We may be able to see substantial savings in water in 2025. Robert chimed in that the new system will allow a shut off if a leak is detected and during monsoon, the valves can be shut off with a phone. In addition, the HOA is saving \$6,300 a year for 3 years for the air cards as Agave is covering that expense for the first 3 years.

Lori asked if there is a breakdown of the expenses and what contributes to the numbers. Jayna used an example to explain (bank charges). Lori also asked about going paperless. Jayna stated that some homeowners chose to get their statements electronically, others via first class mail. She said there are other documents that are required by law to be sent by mail (annual notice, ballots, violations, etc.). Jayna let Lori know that if she has specific questions to be sure to reach out and ask. Jayna asked if anyone else had any questions. Robert wanted to ensure that the members understand the preventative maintenance that is done to preserve value in addition to the contracted expenses. Val made a motion to approve the 2025 Budget; Robert seconded the motion and all say "I". Jayna will finalize the budget and post it to the website.

Jayna asked if there were any other topics to be discussed in New Business. Val asked about the emergency shut off signage that needed to be replaced at the pool. Val said she would look and let Jayna know if the installation was completed.

Jayna also mentioned that she would deliver the booklets from Carpenter Hazelwood that were requested by the Board during their training in September.

HOMEOWNERS SESSION: (2 MINUTES PER OWNER)

Jayna opened the homeowner's session by asking if anyone had any questions, concerns or comments they wanted to share. Diana reported that the west side pool didn't have any lights. Robert asked that the timers be reset due to the fall season. Jayna will also ask that the bubblers and fountain be turned off November 1st.

Lori commented on the trash and pet waste in the natural area. She asked who is responsible for maintaining that area. Robert mentioned that the community cleanup should be coming up soon. As there is not currently an established Block Watch, they would need to organize with volunteers. Val mentioned that Agave does a clean-up when they service the area. But the HOA does not have an established porter so it is the responsibility of the homeowners. For volunteers and times, posting to Facebook may be the best way to reach out. Lori mentioned there is a bush/tree by their home that needs to be cut back or removed. Robert requested that a picture be sent to determine how best to address it, whether an arborist needs to be consulted for clearance and to ensure the root system is taken care of without causing structural integrity issues to the wall. Lori said she would send photos to Jayna.

Lori also asked about a community Garage Sale. Jayna said if she is provided a flyer for the Board to review and approve, to post at the mailbox kiosks and on Facebook. Jayna can also ask Signature Gates to hold the gates open for the hours of the Garage Sale.

Jayna asked if any of the homeowners have any wish list items. Val asked for an expanded list of exterior paint schemes for the homes in the HOA.

Diana asked about installing a trash can near the entrance to the natural area off Harwell. Robert reminded everyone that this had been discussed prior and the Board had decided not to pursue it. Lori asked that it be revisited. Jayna stated that if a homeowner sees someone not picking up after their pet, notify Jayna so that she can send out the violation. The concern is who is going to maintain the container? As of now, MEH empties the trash at the pools, cleans the bathrooms and takes the trash away in their personal vehicle. It is unknown if they would travel to other areas in the community to service trash containers without charging additional expense. Terri communicated that the people who are not picking up after their pets now will continue to not pick up after them, so installing the trash can won't affect whether they are a responsible pet owner or not. The question was then asked by the Board who would volunteer to do maintain this and what would happen when they don't want to do it anymore or moved from the community? Jayna appreciated the conversation and the Board will revisit the matter.

Robert stated that we were over the time limit, so Jayna thanked everyone for attending. Jayna reminded everyone the November meeting will be held on the 20th and the December meeting on the 18th. She asked Robert to adjourn the meeting.

ADJOURNMENT: 8:11PM