



Board of Directors General Session – Monday, October 11, 2021

Board Members Present: Sarah Nelson, President; Joe Affinati, Vice President; Matt Wood, Treasurer; Sheryl Forte, Secretary; Gayle Lopez, Director; Theodore Dann, Director and Ellen Hong, Director

Finance Committee: David Light and Paige Shockley

First Service Residential: Barbara Daoust, General Manager; Trenais Bryant, Assistant Community Manager; Glennon Gray, Vice President; and Veronica Alvarez, Team Lead Accounting

The meeting was called to order by Board President Sarah Nelson at 5:00 p.m.

Adopt Agenda

A motion was made by Matt Wood and seconded by Joe Affinati to adopt the agenda. Motion was approved unanimously.

Finance Committee Chair Comments – Matt Wood

Matt Wood welcome the board and finance committee members. The review of the draft 2022 budget will highlight specific line items. The notes to the right of the draft budget line items are comments from staff and the committee. The Finance Committee will be meeting on October 19 to incorporate the board's changes. At the October 29, 2021 general session meeting the board will review the final draft and adopt the 2022 budget.

Review of the Proposed 2022 Siena Budget – Matt Wood

The board reviewed and discussed the draft 2022 budget for Siena.

- Matt Wood reviewed Section E., 4.a of the Supplemental Maintenance Assessment Declaration that pertains to Siena which states, "The cost of the performance by the Association of its duties under paragraph 3 above shall be paid for by the Owners within the Parcel through a Maintenance Assessment levied by the Board (the "Parcel Maintenance Assessment"). The Board shall determine in its sole discretion the level of appropriate maintenance for all items for which the Association is responsible under paragraph 3."
- The 2022 proposed budget reflects a \$5.00 per month or \$15.00 per quarter increase for Siena Community. The purpose is to pay back the reserve within 2 plus years for five months that payments could not be made due to the operating fund being too low.
- The dues in 2019 and 2020 were \$144.00 per quarter; in 2021 it was \$180.00, and the 2022 proposed budget reflects the quarterly dues at \$195.00.
- The Reserve Study expense of \$620.00 was discussed. It was pointed out that the master association has not previously broken out expenses and charged Siena for management and legal fees and audit services. Siena reserve assets can be included in the VCA report like other neighborhoods without being charged the \$620.00 fee. This would eliminate the need of Association Reserves in producing a separate report.

David Light, a member of the Finance Committee expressed the following concerns: (1) that this might increase the costs of the reserve study in the long run; (2) objection of VCA members for

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paying for assets that they do not use and (3) believes that according to the Supplement Declaration that Siena should be paying for costs to management their community. The board suggested that this topic be further discussed at the next Finance Committee meeting.

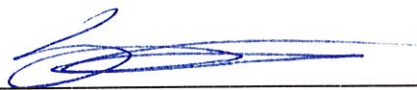
- The landscape contract is currently being negotiated and expect that it will come in very close to the 2021 cost of \$7,900.00. It was mentioned that AAA Landscape did roll the price back for this year.
- The sealcoating project is scheduled for this year and is a reserve item.
- In 2022 a major overhaul of the gate is scheduled.
- As of September 30, 2021, Siena reserve fund balance is \$190,000.00.

Review of 2022 Proposed VCA Budget – Matt Wood

The board reviewed and discussed the draft 2022 budget for VCA.

- The association is still working on the office lease issue and the landscape contract.
- The assessments for residents are based on current number of homes. As new homes are turned over the association will gain more income. The commercial assessments are being verified by the association attorney, Carpenter Hazlewood.
- An increase of funds to the reserve fund is being proposed from \$450,000.00 to \$500,000.00. The target is to fund the reserve account to 85% from the current level of 75%.
- Currently the reserve balance is \$2.9 million.
- The office lease is the biggest unknow and proposed \$48,000.00 which includes built out and storage needs if necessary. The office is a considerable expense and provides efficiencies for the operation of the association of this size.
- The electronic platform is an expense that the association is working with the communication committee on.
- Landscape is out to bid and includes the grounds labor and IPM service we currently have with AAA Landscape along with the addition of the neighborhood Valley Vista.
- The budget includes project management to oversee the erosion and capital projects that are slated for 2022. There are many large projects scheduled for next year such as the granite replenishment for some common areas bordering Moore Road and replacement of irrigation system at Desert Fairways and Innovation Parkway. The total without the drainage projects is \$794,000.00
- There is an additional expense category, drainage maintenance in the proposed reserve budget for \$50,000.00. This will give the association \$200,000.00 every four years.
- There is no dues increase being proposed for the master association.
- There was a suggestion that an additional amount of \$200,000.00 be added to the reserve contribution. In doing this concern was expressed about the unknown cost of the erosion projects the association is currently addressing.
The board will need to make the final decision on what amount should be allocated to the reserve fund.
- It was suggested that the committee review the following line items: office, meeting, and legal expenses.

Meeting adjourned at 6:30p.m.

Accepted by: 

Date: 11-3-2021