

# TONTO HILLS IMPROVEMENT ASSOCIATION

## MINUTES of the MEETING of the BOARD OF DIRECTORS

Wednesday, January 21, 2009  
6:30 PM at Christ the Lord Lutheran Church

The meeting was called to order at 6:33pm by President Rick Nelson.

**BOARD MEMBERS PRESENT:** Lou Frederick, Cheryl Kaufman, Carol Landauer, Rick Nelson, Rick Pearson, Bob Swan and Bill Victor, Joel Cohn

**ABSENT:** Denny maple

**GUESTS PRESENT:** Mary Pearson, Billy Hayes, Richard Pagel, Keith Peirce, Kirk Landauer

**1. OPENING COMMENTS:** Mr. Nelson presented a proxy from Mr. Maple naming Mr. Nelson as his assignee for all THIA Board votes and decisions. Mr. Nelson volunteered to be responsible this meeting's minutes.

**2. OPEN FORUM:** Mr. Hayes asked when Maricopa County was scheduled to hold the hearing on the DWID. Mr. Nelson replied that the county scheduled the hearing for January 28<sup>th</sup> 2009. Mr. Nelson asked the Board's approval to post a notice of the county hearing on the Front Entrance Bulletin Board and the THIA web page. Mr. Hayes asked the location of the street sign needing replacement. Mr. Pearson said the broken sign was at the corner of Old Mine Road and Blue Wash Road. Mr. Hayes volunteered to repair the sign.

**3. SECRETARY'S REPORT:** Mr. Victor motioned to approve the December minutes pending proposed changes in wording. Mr. Frederick seconded. Motion unanimously approved. Ms. Kaufman motioned to approve the minutes for the October 2<sup>nd</sup> special board meeting. Mr. Victor seconded. Motion unanimously approved.

**4. TREASURER'S REPORT:** Mr. Pearson reported that there are three remaining outstanding liens that have been filed on delinquent property owners. He reported that two of these are members owning multiple lots. Mr. Pearson stated that development of our financial procedures is still ongoing and will be presented to the BoD for approval when completed. Mr. Pearson submitted the monthly Treasurer's Report, noting that the THIA checking balance is \$3,087.07, the money market account is \$68,198.70, and the total is \$71,283.77. Mr. Victor motioned to approve the Treasurer's Report. Mr. Swan seconded. Motion unanimously approved.

### **5. COMMUNICATIONS AND REPORTS:**

*Desert Mountain Property* - Mr. Nelson reported that Mr. Everett contacted him on behalf of the six TH property owners adjacent to Desert Mountain parcel APN 219-13-005-H. Mr. Everett requested that he relay to Desert Mountain Properties Inc. their request to transfer ownership to

an entity such as the Forest Service or Fish and Game to ensure it remains undeveloped. Mr. Nelson reported that he did so and copied Mr. Everett on the email.

*Architectural Control Committee* - Mr. Frederick reported the ACC approved one auxiliary building.

*Environmental Representative* - Ms. Kaufman reported that no new information is available regarding chip sealing of Old Mine Road scheduled and the soil cement test has not yet been conducted.

*COS Annexation Committee* - Ms. Kaufman reported the committee had received no response from Mr. Hadder of the City of Scottsdale after repeated attempts to contact him and determine the status of the city's position on annexation. Ms. Kaufman researched the potential costs for legal representation during annexation negotiations. Her contacts estimated legal representation during pre-annexation negotiations would typically start at \$30K to \$50K. This would be based on 300 to 500 hours of work at \$100/hour. This would not include the cost of legal services to review any final agreement. Mr. Nelson reported on a conversation with city councilman Littlefield. The councilman had no knowledge of any activity ongoing by city staff with regard to annexation.

## **6. OLD BUSINESS:**

*2009 Ballot & Election Preparation* – Members of the Board discussed the composition of the ballot. The Board will review and approve the content of the official ballot in February. Mr. Nelson outlined the general content of the election mailing would include; the official ballot for Board of Directors and ACC, candidates resumes, a proposition to amend the D of Rs, the draft minutes of the 2008 annual meeting. Also, the mailing would include a summary of known information on the annexation studies done by the Annexation Committee and a short set of survey questions on annexation to determine what should be done next. The Annexation Committee will draft this material for Board approval at the February meeting.

*Response from Attorney on Proxy Votes* – The association attorney, Carpenter – Hazelwood PLC, reviewed the new state statutes passed in September 2008. They advised the association that improvement associations are not included in the latest restriction on proxy votes. Since our D of Rs allows proxy votes, they must be permitted.

## **7. NEW BUSINESS:**

*Member Survey Subjects and Questions* – Members of the Board discussed two possible survey topics to be included in the ballot material. The first concerned a survey question on annexation. The second concerned the inadequacy of the D of Rs and possible revision and the merits of becoming an HOA. Mr. Nelson stated that revised state statutes concerning communities never include improvement associations and thus making it difficult for improvement associations to know what laws and rules to follow. Mr. Nelson suggested the merits of becoming an HOA be studied. Ms. Landauer and Ms. Kaufman pointed out the drawbacks and administrative work required of HOAs. The Board consensus was not to pursue this further at this time.

**8. ADJOURNMENT:** Ms. Landauer motioned to adjourn. Mr. Cohn seconded. Meeting adjourned at 8:55 PM.