

**CONTINENTAL RANCH COMMUNITY ASSOCIATION  
BOARD OF DIRECTORS' MEETING – 7:00 P.M.  
WEDNESDAY, 28 JANUARY 2009**

The Board of Directors of the Continental Ranch Community Association met on Wednesday, 28 January 2009. Directors present: Mr. John Lambert, President; Mr. Chuck Stead, 2<sup>nd</sup> Vice President; Ms. Connie DeLarge, Secretary; Mr. George Erhardt, Treasurer; Ms. Marilyn Steimpson, Director; and Mr. Colin Cordell, Director. Excused absence: Mr. Dan Lust, 1<sup>st</sup> Vice President. Also present: Ms. Sarah Lebsack, Community Manager; Ms. Jennifer Swarts, Assistant Manager and approximately 28 residents.

**I. CALL TO ORDER:**

Mr. John Lambert, President, called the Board of Directors' regular meeting to order at 7:01 p.m.

**II. ROLL CALL:**

Roll call indicated six Board members present. (A quorum of four is required for the conduct of business.)

**III. APPROVAL OF AGENDA:**

Items were added to the agenda: VIII. Consent Agenda, add Item #15. Finance Committee recommendation; #16. Covenants Committee research of CC&Rs; #17. and #18. Commercial Sign Ad Hoc Committee recommendations. IX. Reports, add M. Commercial Sign Ad Hoc Committee recommendation. X. Unfinished Business, add Item F. Cell Towers. **MOTION made/seconded (Cordell/Stead) to approve the agenda as amended. Unanimously approved.**

**IV. INVITED GUESTS: (None.)**

**V. HOMEOWNER FORUM (for items not on the agenda):**

Ms. Maggie Candland, Parcel 7, Desert Vista, spoke to the issue of a newly-painted lime green house with red trim and pink roof, undesirable to many area residents, evidenced by a signed petition. Mr. Don Jimenez, Parcel 7, Desert Vista, spoke to the same issue. Both indicated a lowering of property values, disagreement with ARCs approval, a violation of the Design Guidelines, timeliness of violation notices, etc. They also strongly urged holding ARC meetings very early in the morning, evenings, or on weekends, in order for working homeowners an opportunity to attend and voice concerns. Mr. Lambert responded that these issues would be returned to ARC, and that consideration was already being given to rescheduling the committee's meeting date/time.

Ms. Crystal Hammond, Desert Sage, spoke to the seemingly unreasonable length of time to get things changed, trash bins left out, excessive items left in yards, etc. It was recommended that residents assist by telephoning violations promptly to the office staff.

Continental Ranch Boy Scout Troop #259—represented by six members—presented a fund-raising proposal of posting American flags throughout the community on special holidays. Cost would be a tax-deductible donation of approximately \$40.00 per year, per property, and the troop would post and remove flags according to a holiday schedule. Their hope is to eventually have Continental Ranch streets all lined with flags in a united show of patriotic support.

**VI. MINUTES' APPROVAL:**

**A. MOTION made/seconded (DeLarge/Steimpson) to approve minutes of the 11 December 2008 Executive Session as presented. Unanimously approved.**

**B. Two corrections noted for the 16 December 2008 Regular meeting minutes: Item IV; XIII.C; VIII, D. Para 4, 5 and 6; VIII K., IX.B.; X.B. and D; change "General" Managers to "Community" Managers; Item V, correct spelling from "Bud" to "Budd." MOTION made/seconded (Cordell/DeLarge) to approve minutes of the 16 December 2008 Board meeting as corrected. Unanimously approved.**

**VII. APPEALS/REQUESTS/WAIVERS: (None.)**

**VIII. APPROVAL OF CONSENT AGENDA:**

**MOTION made/seconded (Cordell/DeLarge) to approve the Consent Agenda as amended. Unanimously approved.** Consent Agenda consisted of: Committee appointments—Peg Bracken to Covenants, Frank Postillion to Landscape, Jennie Oliver and Harlan Quinn to Finance, Janet Snyder to Commercial Sign Ad Hoc, and approval of Dave Carroll as chair of Commercial Sign Ad Hoc; Request from Sunflower Community Association to utilize the Windmill Pool for aerobic classes on a temporary basis; Landscape Committee recommendation to accept repairs for Parcel 4 backflow at a cost not to exceed \$375.00 plus tax; Facilities Committee recommendation to purchase two 34" square card tables at a cost not to exceed \$75.00.

Committee meeting minutes/reports received: Finance, Pool, Covenants, Landscape, ARC (two meetings), Facilities, Parcel Reps Ad Hoc. (No meetings were held for Activities, Strategic Planning). Resignations noted with thanks for service: Jeff Penwell from Covenants, Jan Goodall from ARC, Lori Penwell from Parcel Reps Ad Hoc, Alyssa Rhein from Finance.

**IX. REPORTS:**

**A. PRESIDENT'S REPORT:**

**1. WINDMILL PARK REMODEL:**

A renovation suggestion for the Windmill office indicates a minimum cost of \$20,000, and will be postponed for consideration at an unspecified later date.

**2. RESOLUTION REGARDING FENCES AND GATES:**

**MOTION made/seconded (Stead/DeLarge) to rescind the current fence policy**

**adopted in 1995 as written.** Discussion: information is in the current Design Guidelines. **Approved; one negative vote (Cordell).**

3. RESOLUTION REGARDING DECORATIONS:

**MOTION made/seconded (Steimpson/Cordell) to rescind the resolution regarding decorations that was adopted in 2002.** Discussion: information is in the current Design Guidelines. **Unanimously approved.**

**B. TREASURER'S REPORT:**

Mr. Erhardt presented the financial report for the month ending 31 December 2008: End of month assets were \$1,860,293.56; November 2008 assets were \$1,960,837.84; October 2008 assets were \$1,736,652.28. Total CRCA income YTD on 31 December 2008: \$602,034.40 vs. \$628,348.28 budgeted; November 2008 income YTD: \$592,445.27 vs. \$608,921.64 budgeted; Total CRCA expenses YTD on 31 December 2008: \$181,691.85 vs. \$201,284.60 budgeted; November 2008 expenses YTD: \$81,855.32 vs. \$100,647.30 budgeted; Expense categories over budget as of 31 December 2008: Programs, \$6,243.24 YTD vs. \$1,833.32 budgeted; Facilities, \$17,405.38 YTD vs. \$7,916.62 budgeted.

**C. FINANCE COMMITTEE REPORT:**

Mr. Jim Susa, Chair, discussed the current and committee-proposed internal review systems regarding payment authorization, check writing, accounts reconciliation etc., as an internal control tool and not because of any noted problems. Mr. Lambert asked if this control would include a comparison to budgeted items; the Community Manager to provide same. Mr. Erhardt indicated he had been reviewing past audit reports and indicated scheduling a special Board meeting to review audit recommendations.

**MOTION made/seconded (Stead/DeLarge) to accept the recommendation to the Board to adopt a resolution stating that the management company is to notify the Treasurer by email, for the purposes of a paper trail, that when the monthly operating account statement is received, the Treasurer is to go to the office within twenty-four (24) hours to open and review the bank statement and the cancelled checks for any irregularities. Should the treasurer be unable to come to the office to open and view the statement within twenty-four (24) hours, the President and the Finance Chair will be notified and if directed in writing, management will open the statement so as to not delay the fiduciary responsibilities of the management company. Unanimously approved.**

**D. MANAGER'S REPORT:**

Ms. Lebsack reported that a new employee, Jovan Fulliam, is assisting with the filing backlog/sorting process. Tasking is scheduled for completion in February. Housing and filing storage are critical issues to be addressed. Holiday decorations and special event items have been stored in plastic storage tubs. Homeowner concerns regarding home paint color was directed to ARC. Internal control concerns regarding the 2007-2008 audit by Mitchell and Roediger are being addressed; the contract is not signed; direction

needed. A new owner for the batting cages has been found. Liability insurance coverage required for all vendors. Sunflower Community Association to utilize the pool for aerobic classes, Monday-Wednesday-Friday on a temporary basis. Commercial Liability Umbrella Policy comes up for renewal in March. A letter received from Reserve Data Analysis, Inc. spoke to the current economic situation and cautioned about effects of poor planning and under-funded reserves. The Arizona Corporation Commission form which maintains the current good standing of CRCA in Arizona, has been signed. Design Guidelines are to be reviewed prior to the February meeting. The paint palette is not complete as yet. Homeowners will be provided copies when approved.

Mr. Lambert reiterated his previous suggestion to secure local insurance bids and then schedule an Executive Session to study and review in detail.

Mr. Susa indicated that \$600,000 was required in our reserve funding; and we currently have \$975,000.

**MOTION made/seconded (Stead/DeLarge) to appoint three Board members to meet with the Auditor, Mr. Mark Mitchell, as soon as possible, to discuss the past two audits, and review the expectations of the contract for the 2007-2008 financial audit. Recommended: Messrs. George Erhardt, Chuck Stead and Dan Lust. If Mr. Lust is unable to serve, Mr. Colin Cordell is alternate.** Discussion: The contract has not been signed and due to the April deadline for the completed audit, it is necessary to determine continuing with Mark Mitchell or seek two additional proposals and make a recommendation to contract with another auditor. The same Board members will also meet with the Finance Committee Chair to discuss the meeting results and concerns the Board may have in regards to the audits performed during the past two years. Recommendations to the community manager will be needed immediately following these meetings. **Unanimously approved.**

**E. POOL COMMITTEE:**

**MOTION made/seconded (Cordell/Stead) to approve the proposal from Meadows Plastering, Tucson, in an amount not to exceed \$32,698.42 including tax to re-plaster the Community Center pool. Unanimously approved.**

**MOTION made/seconded (Stead/DeLarge) to approve the purchase of a 16" clock at a cost not to exceed \$100.00 for installation on the Community Center wall.**

Discussion: Look for a more durable, outdoor clock for future consideration.

**Unanimously approved.**

**F. LANDSCAPE COMMITTEE:**

**MOTION made/seconded (Stead/DeLarge) to accept the proposal from Groundskeeper for the removal of thirteen bushes blocking the visibility of oncoming traffic at Coachline and Colony Park at a cost not to exceed \$100.00 plus**

**tax.** Discussion: Work still not done to satisfaction; roots not removed; bushes growing back. **Unanimously denied.** **MOTION made/seconded (Stead/Cordell) to send this item back to the Landscape Committee. Once the roots have been satisfactorily removed, \$100.00 payment will be authorized. Unanimously approved.**

(Note: See item XI C, below.)

**G. COVENANTS COMMITTEE:**

**MOTION made/seconded (Stead/Cordell) to approve the January recommendation for fines. Unanimously approved.**

**MOTION made/seconded (Stead/Cordell) to accept a lien on property #3149 as recommended by the Covenants Committee.** Discussion: Account history had been provided to the Board for consideration. **Unanimously approved.**

**MOTION made/seconded (Stead/DeLarge) to approve the homeowner's request to park an RV on the property (Parcel 50) for a period of one (1) year.** Discussion: Send to legal first? Sets a precedent? CC&Rs already cover. Others in same area have been granted permission. To be parked next to house; not hooked up; unobtrusive. **Affirmative votes, four; negative votes, two (Lambert/Erhardt).**

**MOTION made/seconded (DeLarge/Stead) to allow Covenants Committee to take on the responsibility of researching and hiring an outside source to review and rewrite the current CC&Rs. AMENDMENT: remove "and hiring." Motion with amendment unanimously approved.**

**H. ARCHITECTURAL REVIEW COMMITTEE:** (See Open Forum and Consent Agenda).

**I. ACTIVITIES/PUBLICITY COMMITTEE:** (No quorum).

**J. STRATEGIC PLANNING COMMITTEE:** (No meeting held).

**K. FACILITIES COMMITTEE:** (See Consent Agenda).

**L. PARCEL REPRESENTATIVES AD HOC COMMITTEE:** (See Consent Agenda).

**M. COMMERCIAL DESIGN AD HOC COMMITTEE:** (See Consent Agenda). Committee also recommends rescinding the existing CRCA Standard Tenant/Commercial Sign Criteria; that all signs meet requirements under Title 16 of the Town of Marana Land Development Code; and that any business having obtained a valid sign permit from the Town of Marana be required only to submit a copy of that permit. It was noted that

there may be recourse for businesses that were required to conform to existing sign criteria in the past, and that existing sign criteria had not been uniformly enforced after the sign criteria had been adopted. When all documentation has been received and reviewed, and a legal opinion obtained, Mr. David Carroll, Chair of this committee will be invited to join in the Board's study session. Meanwhile, action is postponed.

**X. UNFINISHED BUSINESS:**

**A. WEB SITE:**

Action postponed until the next meeting.

**B. NEW ASSOCIATION ATTORNEY:**

**MOTION made/seconded (Cordell/Stead) to accept the services of Mr. Clint G. Goodman and Mr. James A. Whitehill, of Jackson White, PC, Mesa, Arizona as attorneys for CRCA. Unanimously approved.**

The Community Manager was directed to put together a list of immediate topics of concern to be discussed with the attorney. Circulate a copy to each Board member for additional items to be added.

**C. WASTE MANAGEMENT:**

Items of concern are still in negotiation. Mr. Susa has been in contact with WM and consideration is being given to a number of valid issues. Discussions will continue later this week. No action at this time.

**D. ACTION IN LIEU—DECEMBER 2008 FINE RECOMMENDATIONS:**

Secretary, Ms. Connie DeLarge read an Action in Lieu dated 6 January 2009 and signed by all Board of Directors, approving the Covenants Committee recommendations for fines from the month of December 2008.

**E. FILING SYSTEM FOR OFFICE:**

Mr. Lambert indicated additional study was needed regarding purchasing a filing system to provide maximum functional use in minimal space. He asked that a Montel representative be invited to visit and make a recommendation for consideration.

**F. CELL TOWER:**

**MOTION made/seconded (Steimpson/Cordell) to write a letter to the Town of Marana opposing the building of a cell tower at Twin Peaks and Coachline, and signed by the Board of Directors of CRCA.** Discussion: Height of the proposed tower has been reduced by 10 feet, so that the structure itself would reach 55' and the top of the palm prongs would be at approximately 61' in height. There is concern that there has not been a community stand presented from CRCA at official meetings within the Town of Marana. It is important for the Board and residents to be represented at the upcoming council meeting in February. This will be the last option to appeal, and having something

in writing assures it will be noted in the council agenda. It is estimated that home values in the direct vicinity of the proposed tower will be lowered 20-25% due to this construction. **Affirmative votes, five; negative vote, one (Lambert).** Community Manager directed to prepare letter for signature.

**XI. NEW BUSINESS:**

**A. PUBLIC ADDRESS SYSTEM:**

A four-microphone system is adequate for the needs of the Association at regular, special and annual meetings. More information and study of options are needed. Action postponed until the February Board meeting.

**B. VILLAGE MANAGEMENT SYSTEM:**

There is a recommendation by Stratford Management to replace the current Voyager software with VMS. Additional information and further study is required prior to Board action. Postpone to the February Board meeting.

**C. LANDSCAPE COMMITTEE/GROUNDSKEEPER SPECIAL MEETING:**

A meeting date needs to be scheduled soon. Community Manager to arrange and advise.

**XII. FUTURE MEETING SCHEDULE:**

Board Study Session — 18 February 2009  
February Board Meeting — 25 February 2009

**XIII. ADJOURNMENT:**

With no further business, the meeting was adjourned at 8:54 p.m.

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Connie DeLarge, Secretary

Attachments for permanent file:

Resident Sign-in Sheet

Meeting Agenda

Committee Minutes: Finance, Pool, Covenants, Landscape, ARC (2), Facilities, Parcel Reps Ad Hoc

President's Report

Treasurer's Report

Manager's Report

Covenants Fines: December 2008 and January 2009

Attorney Information

Correspondence

Any other documentation deemed appropriate for permanent filing and reference

(Minutes by Edna M. Coburn; reviewed by the Board of Directors prior to publication in draft format)