

CASITA COLONY RECREATION ASSOCIATION

REGULAR MEETING of the BOARD OF DIRECTORS

March 12, 2024

CALL TO ORDER (6:00 PM)

A Regular Meeting of the Board of Directors was called to order on Mar 12, 2024, at 6:00 PM, by Karen Fleming.

ROLL CALL

Directors in attendance: Karen Fleming, Ralph Whitney, Wayne Debus, Lynn Helferich, John Baughn
Alternate Directors in Attendance: Gus Meyers, Raina Sainz

SPECIAL THANK YOU (6:02 PM)

Kenneth and Pam O’Keeffe were recognized and appreciated for their donation of an excellent projector to the Community. This projector is enhancing the quality of board meetings by allowing projection of information on a wide screen, and also making possible new social events such as VM III Movie Night.

Thank You, Ken and Pam!

MINUTES (6:03 PM)

- Minutes of the Feb 26, 2024, Special Board Meeting were approved by the Board via affirmative voice vote.
- Minutes of the Feb 10, 2024, Annual Shareholder Meeting were approved by the Board via affirmative voice vote.

TREASURER REPORT (6:05 PM)

Treasurer DeBus presented the financial Report.

- **Expense Areas** – overages in five areas: pool draining & cleaning, pool equip repair, gas and water bills, \$450 one-time fee for software to manage reserve fund
- **Annual Dues** – all properties except two have paid the 2024 annual dues, and those owners have been contacted.
- **Bank Account Balances**
 - o **Reserve Fund - \$50,800**
 - o **Money Market - \$55,700**
 - o **Checking - \$4,000**

PROJECTS PRESENTATION (with discussion and Board actions) (6:10 PM) [audio-6m38s](#)

- Vice President Whitney began by recognizing the project team consisting of Larry Mithelman and Gus Meyers (and himself, “working for them”), and then briefly showed the scope and priorities of projects identified at the 2024 Annual Members Meeting on Feb 10, 2024.
- He then focused on the top three in priority among Homeowners. Of those three, two had already been discussed and approved by the Board at prior meetings, pending receipt of acceptable bids. Whitney stated that the team received two bids for each of the three top projects, by licensed, reputable contractors, so he is confident in going forward with a motion to implement. The contractors are known to the VM III community, having worked in our area.
- Contractor chosen because of lowest bids and earliest start-time was Robert Scheffel - total bid amount was \$7,645, which includes a 10% contingency. Start-time is within a few weeks.

- Robert Scheffel bids were the following (exclusive of 10% contingency):
 - Cabana Bathroom Windows - \$1,500.00
 - Pool & Spa Electrical Supply Box with Cutoff - \$3,300.00
 - Ramada Kitchen Sink, Hot Water, and Waste Disposal - \$2,150.00
- Each of the bids was presented in detail. **audio-12m00s**
- Financing of the projects will follow analysis by the Treasurer of the impact of the expenditures.
- **audio-23m00s to 24m30s**
- **BOARD ACTION:** The Board voted, separately and unanimously, to move forward with each of the three projects with Scheffel bids, provided that Treasurer DeBus approves our funding to do them.

OCCUPANCY PRESENTATION (with discussion and Board action) (6:26 PM) **audio-25m20s**

Vice President Whitney presented the issues surrounding occupancy, both in the language of our Association ruling documents, and in the beliefs and values of our Homeowners.

A short and strongly focused discussion was held among Board and Homeowners attending, concerning cases and practices and history.

Resident feedback – need owner autonomy, now have differences among streets
 VMIII current occupancy requirements
 Federal, State, Local laws on occupancy, especially HUD HOPA Restrictions
 Can we relax our occupancy rules to accommodate resident feedback

VMIII current occupancy rules:

- 55+ community,
- No occupant under 18 years,
- No rentals,
- Only occupied by owner and members of household

CHANGE TO CCRA OCCUPANCY RULES

Proposed VMIII approach to HUD HOPA compliance and relaxed residency rules:

- CCRA remains 55+ via its community documents (current)
- Board must track units for HUD compliance reporting (new)
- Verify all occupants (with ID) prior to purchase (current)
- Survey community occupancy every two years (new)
- If verified 55+ occupant leaves unit for temporary absence,
 - Modified rule specifies relaxed occupancy in unit
- If verified 55+ occupant leaves unit (other than for temporary absence):
 - Application for Change of Occupancy form required (with ID)
 - Board approval required to ensure VMIII rules and HUD HOPA 80/20 rule

To implement Board’s approval of the above, specific language changes to CCRA Rules & Regulations, Section 7: Change in Occupancy, were shown and discussed.

6:40pm **audio-40m24s**

BOARD ACTION 1: The Board approved by unanimous voice vote, a motion to adopt the proposed changes to **CCRA Rules & Regulations, Section 7: Change in Occupancy.**

Note: details of the numbered Board Actions are included in document “actions-2024-03-12 Regular Board Meeting”.

During discussion on types of meetings and ballots needed to approve the several proposals at play, it was explained that coordinated rules changes will be needed:

- To CCRA Declarations, which require approval by Shareholders at a Member Meeting.
- To CCRA Rules & Regulations, which require approval by Directors at a Board Meeting.
- With some changes being approved before others – there is a precedence to be observed.

To implement Shareholder’s approval of occupancy relaxation, specific language changes to CCRA Declarations, Section 6(j) were shown and discussed. These would allow household residents or invited guests to occupy the unit during the temporary absence of the 55+ resident.

7:25pm [audio-125m38s](#)

BOARD ACTION 2: The Board approved, by unanimous voice vote, a motion to put to a Shareholder vote the adoption of proposed changes to CCRA Declarations, Section 6(j), to allow household members or invited guests to occupy a unit during the temporary absence of the 55+ resident.

In addition, language in the CCRA Rules & Regulations, Section 6: Legal Forms of Ownership, were discussed, argued to be superfluous, and recommended to be removed from the document.

Board noted that removal of this language must wait until after Shareholder approval of Declarations changes to occupancy rule, by which owner or household resident or invited guests of owner can occupy unit during temporary absence of 55+ resident.

7:30pm [audio-130m00s](#)

BOARD ACTION 3: The Board approved, by unanimous voice vote, a motion to defer a Board vote on the elimination of CCRA Rules & Regulations, Section 6: Legal Forms of Ownership, until after Shareholder vote is complete on **Board Action 2**.

Vice President Whitney summarized the VMIII Community new occupancy requirements as:

- **Continue to be a 55+ Community**
- **Temporary absences are explicitly permitted**
- **No under 18 occupants**
- **No rentals**
- **Only occupied by owner, or members of the owner’s household, or authorized guests of owner**

9-MONTH RESIDENCY REQUIREMENT FOR DIRECTORS (with discussion and Board action) (7:33 PM)

Board and Homeowners discussed change to Bylaws needed to remove the 9-month residency for directors, and Director Helferich discussed pros and cons of the current 9-month requirement. Then the Board approved putting this topic to a Shareholder vote at special shareholder meeting in near future.

[audio-135m40s](#)

BOARD ACTION 4: The Board approved, by unanimous voice vote, a motion to put to a Shareholder vote the proposed change to **CCRA ByLaws Article III Section 1**, to eliminate the 9-month director residency requirement.

[audio-139m30s](#) to [audio-147m00s](#)

NEED FOR INFORMATIONAL MEETING (7:39 PM)

Homeowners requested an informational meeting to clarify the several changes being requested. This would be a Special Board Meeting, according to Secretary Baughn, who clarified the difference between

- a Board Meeting required to approve language changes to Rules & Regulations . This could be Special Board Meeting or Regular Board Meeting, and
- a Shareholder Meeting required to approve language changes to the Declarations or the Bylaws. This could be an Annual Shareholder Meeting, or a Special Shareholder Meeting to be called with 30-day prior notice to vote on specific changes. No open-ended ideas or discussion is allowed in a Special Shareholder Meeting, therefore the language changes must be documented and finalized and included in the announcement of the Special Shareholder Meeting, at least 30 days before the date of the meeting.

[audio-148m030s](#)

NEW PROPERTY MAINTENANCE PROCESS (7:50PM)

Director Helferich discussed that Arizona statutes now require new considerations for any HOA assessing of fines and penalties, and these need to be folded into the Property Maintenance Process. So for the present, the Property Maintenance process will be implemented by our VM III traditional informational email blasts and exhortations, until new processes are vetted and implemented.

During the discussion, it was suggested that the Neighborhood Watch Committee might be able to assume responsibility for identifying violations of Property Maintenance rules, since they are street-oriented and cover the community. Brief follow-up discussion on the idea showed split support among the Homeowners present.

[audio-153m00s](#)

COMMITTEE REPORTS (brief due to time) (7:55PM)

- Volunteers for the Welcome Committee have been identified (Curla and Jackie Moran).
- Palm Tree Trimming will be managed as in past by E Rehling
- Director Helferich discussed that review of Arizona statutes has required new considerations, and that Property Maintenance would be implemented by informational email blasts, until new steps are vetted and implemented.

[audio-154m30s](#)

BOARD ACTION 5

SCOTTSDALE PARKING RULE (with discussion and Board action) (8:00PM)

Director Helferich discussed that needed confirmation of VM3 rules on streets, via a Shareholder vote on our Declarations, or else these powers will be removed from VM3 as of a specific date of >>>>> VM3 must vote to retain by date >>>>> or lose them

Board Action: voted unanimously to put this question on the Shareholder Special Meeting ballot.

[audio-159m00s](#)

BOARD ACTION 6

REMOVE HOME MOD SECTION FROM RULES & REGULATIONS (with discussion and Board action) (8:00 PM)

Secretary Baughn explained that the current language in this VM3 rule contravened the city's governing Historic Guidelines in many ways, to the extent that it is misleading and incorrect as a rule. Resolution was to remove the Home Mod section from the rules.

Board Action: voted unanimously to remove the section

[audio-202m00s](#)

BOARD ACTION 7

REMOVE CCRA-RELATED EXPENSE SECTION FROM RULES & REGULATIONS (with discussion and Board action) (8:00 PM)

Secretary Baughn explained that the table of CCRA-related expenses is informational and superfluous, and should be contained in a title-related document, not in the rules.

Board Action: voted unanimously to remove the section

[audio-203m00s](#)

BOARD ACTION 8

REMOVE "VOTING SHAREHOLDER" DESIGNATION FROM BYLAWS (Board action) (8:00PM)

Director Helferich discussed that "voting shareholder" designation is no longer needed (and has not in fact been used), and should be removed from the BYLAWS Article III, Section 1.

Discussion by Homeowners showed that we have never followed the dictate of this bylaw by tracking a "voting shareholder" in the case of multiple owners of the share.

Baughn: there is state statute that handles this situation, and we can defer to that statute by removing our own override.

Board Action: did not vote to put this on the Shareholder Special Meeting ballot.

[audio-203m40s](#) to [audio-209m40s](#)

DATES SET FOR SPECIAL INFORMATIONAL (Board) AND VOTING SHAREHOLDER MEETINGS (8:10PM)

President Fleming discussed the calendar, and suggested that the Special Shareholder Meeting to vote on the five rule changes should be Thursday, May 9, 2024. The announcement of the agenda and date for this meeting would have to be made 30 days prior to May 9.

Board Action: the motion was made to schedule the respective meetings for these two dates, and approved unanimously by the Board. To assure that Homeowners had an informational meeting prior to the announcement, Fleming suggested Thursday, April 4, 2024, as date of the Information Meeting. The informational meeting will be a Special Board Meeting, to assure openness and documentation minutes for our effort.

audio-209m50s

Motion was made to adjourn, and approved unanimously.

ADJOURNMENT (8:10 PM)

John Baughn
Secretary
Casita Colony Recreation Association