

**Casitas del Oro Norte Improvement Association
Board of Directors Meeting Minutes
Wednesday, 2021 December 15, on Zoom
Approved 2022 March 16**

- I. Call to Order, Attendance, Confirmation of Quorum:** The meeting was convened at 5:08 PM. Present-- Becky Hennig, Judy Fuson, Oscar Miranda, Bill Purcell, Dino Cameron, Bruce Shore. Regrets received from Bill Addison. Quorum (5 Directors) reached.
- II. Guests:** The following owners attended--Matthew and Virginia Ritchie (Lot 30), Nicole Brulé-Fisher (Lot 36), Amanda Clark (Lot 11), Mike Marantis (Lot 9), Christine Trolinger (Lot 51), Don Bellomo (Lot 67), Steve Bottorff (Lot 33), John Dyer (Lot 35); also tenant/resident Dave Mayberry (Lot 58).
- III. BOD Approval of Minutes of Previous Meeting(s):**
 Moved by Bruce/Judy, revised minutes for 2021 April 21; approved 6-0.
 Moved by Bruce/Oscar, draft #1 minutes for 2021 July 28; approved 6-0.
 Moved by Bruce/Becky, draft #1 minutes for 2021 September 15; approved 6-0. These minutes contained the Board resolution to limit rental to 8. Several owners and one tenant/resident (granted voice by the Board) raised concern about the limitation (within the 45 day limit since the community was informed on November 30). The Board will discuss the concerns at the January meeting and welcomes an open discussion at the annual meeting.
 Moved by Bruce/Judy, draft #1 minutes for 2021 September 21 (special meeting); approved 6-0.
 Moved by Bruce/BillP, draft #2 minutes for 2021 October 20; approved 6-0.
 Moved by Bruce/Oscar, draft #3 minutes for 2021 November 17; approved 6-0.
- IV. Elections, Board Appointments:**
 Moved by Becky/Bruce to appoint Steve Bottorff (Lot 33) to the 2021-2024 vacant Board position; approved 6-0.
 Moved by BillP/Oscar to appoint John Dyer (Lot 35) to the 2019-2022 vacant Board position; approved 7-0.
 The Board warmly welcomes Steve and John to the Board.
 Nicole Brulé-Fisher (Lot 36) indicated a willingness to serve in the future.
- V. Lot Sale/Rental Requests; BOD Approval**
 No new requests. Associa did not supply CDON with complete information about sales.
 Lot #73 has been repurchased again by OpenDoor (OSN is the escrow title company). OpenDoor buys and resells properties; they previously owned the same Lot twice before. The escrow title company has been notified that the property cannot be rented at this time and that short-term rentals are forbidden.
- VI. Reimbursement Requests:**
 Moved by BillP/Oscar to reimburse Dino for a total of \$668.35 in repair supplies expenses paid out-of-pocket (including the \$19.91 approved in November); approved 7-0.
- VII. Reports from Officers - status only, detailed items requiring further action (e.g., questions, comments, suggestions, objections, discussion, review/approval, etc.) will be listed in Agenda Part-B)**

1. Treasurer (Becky): HoA dues for 2021 are now fully paid. Bills not previously paid by Associa (including our attorney) account for higher monthly catch-up expenses. With thanks to CDON returning funds to WashFedBank our new bookkeeper now has access to comprehensive banking statements and we again have accurate monthly financial reports as of November.

2. Vice-President (Judy): Nothing new to report.

3. Secretary (Bruce): Nothing new to report.

4. President (Dino): Monsoon clean-up cost an additional \$10,000.

VIII. Reports from Committees - status only, detailed items requiring further action (e.g., questions, comments, suggestions, objections, discussion, review/approval, etc.) will be listed in Agenda Part-B)

1. *ARC (Architectural Review Committee) (Judy)*: Owners are cooperating well with notices of needed repairs.

2. *Recreation Area Project (Dino and Bill P)*: Addressed in item IX.

3. *Capital Assets (Dino)*: Monsoon-damage repairs have consumed nearly the total funds intended to beadequately deposited into the Capital Assets Reserves, that are already inadequate. Further addressed in item IX.

4. *Community Liaison and Communications*: Still needs a volunteer.

5. *Social Activities*: Still needs a volunteer.

6. *Subcommittees and Working Groups*: Addressed in item IX.

IX. Policy/Procedure/Action Items (Agenda PART B):

1. *Review/Approve pending ARC requests*: No new requests received.

2. *Ratify pending invoice (previously tentatively approved by email)*:

a. Adobe Asphalt Road Irrigation Repair \$2,583.53.

Moved by Oscar/BillP; approved 7-0.

3. *Review/Approve pending contract offerings*:

Four submissions were received for pre-emergent weed control in December/January and June, ranging from Budget Pest Control and Conquistador at \$5,500, WeedCo at \$7,410, and Weed Busters at \$3,572--including 6-month guarantee, monthly spot control, weed elimination and prevention, they have been in business 38 years, and have varied equipment that well suits CDON's situation. They were also the only bidder to do a walk-around with Dino. Moved by BillP/Becky to accept the Weed Busters contract offer; approved 7-0.

4. *Review 2021 Annual Operational Budget plans*: Dino reported that we are on budget except for the large monsoon clean-up expense, however, being on-budget means we do not have carry-forward funds adequate to support the needed Capital Asset Reserves. More-than a negative \$11,000 balance is likely to be carried forward from operating funds.

5. *Review Next Year's Annual Operational Budget plans for all 12 months*: Dino presented a draft 2022 budget in which operating costs nearly totally consume the annual revenue. That would totally fail to fund the Capital Assets Reserves. The draft also does not contain funding for possible professional management, but there is a line for this possibility. Dino noted that Gustavo is currently paid \$800 every 15-day work period, which equals twice each month, and the 2022 draft budget sets this to \$2400 each month. Oscar asked about the ROC status; Dino stated that Gustavo is insured but not licensed or ROC-listed. BillP noted that even \$2400/month might be

inadequate for CDON needs. To be continued to obtain subsequent BOD approval to keep Gustavo as our groundskeeper and shift excess groundskeeping funds (~\$800/month) over to cover a potential property management firm.

6. *Capital Reserve Assets*: Dino reviewed the calculation of the projected shortfall of \$40,149 on the Reserves contributions alone. Added to a potential operating shortfall, of nearly \$12,000, current HOA dues are inadequate, and the 5% dues increase discretion allocated to the Board does not even keep up with inflation this year. The Board is examining different scenarios for bridging the gap (see following item 7.).
7. *Draft communication to Owners regarding the need to increase amount of HOA dues beginning in 2022*: Dino shared an initial draft summarizing several scenarios the Board has explored. He stated that an increase of about 43% or \$44.43/month is needed to meet our obligations. Steve noted that the scenarios with incremental small amounts would not meet our fiscal obligations. Bruce suggested that the Board could list the different proposals in two columns--those that do not work and those (fewer) that do. The draft document will be sent to all Board members for suggestions and will be discussed again in January.
8. *Amendments/changes to governing docs*:

a. GR&Rs Article I Section 12.6 final wording and placement:

Mike Marantis (Lot 9) asked if the Board should table this until all the feedback was received. Bruce replied that this motion only designated the location for this rule in our governing documents and does not preclude further Board action in the resolution.

Moved by Bruce/Oscar to add the following new section to the GR&Rs; approved 5-0

12.6. Limitation on the Number of Rentals

No more than eight (8) Lots and Dwelling Units may be leased or rented at any given time. Owners leasing their Units in numbers greater than this limit as of the passage of this Section 12.6 may continue to offer the rental in accord with other regulations; however, upon the sale of the Lot and Dwelling Unit, that right to rent becomes subject to the community's 8 Unit rental limitation.

b. GR&Rs Article I Section 21 (revision):

Moved by Bruce/Steve to restate this article as follows; approved 5-0:

21. Payments from Owners to CDON

Make all payments to "Casitas Del Oro Norte."

CDON is self-managed (no property manager in use). Owners may use any one of the following ways to make payments:

- (a) Deposit a check in the locked box located next to the mailbox at 8590 N Via Tioga, near the pathway leading to the recreation area. The Lot number or townhouse street address must appear in the "memo" field in order to be properly credited.
- (b) Present a check, certified check, cash, money order, draft, or other form of payment acceptable for immediate deposit at Washington Federal Bank, in person to a teller, at the branch located at 8001 N Oracle Rd, Oro Valley, AZ 85704, just south of CDON. Insist that the deposit be annotated with the applicable Lot number and obtain a receipt as proof of deposit; personal

payments made at the bank counter do not have any other means of crediting the deposit to the Lot number in question.

- (c) Mail a check payable to Casitas Del Oro Norte to Washington Federal Bank, 8001 N Oracle Rd, Oro Valley, AZ 85704. Write CDON and your Lot Number or Street Address clearly in the “Memo” space on the front of the check, and on the back write “For deposit to the credit of CDON HOA.”
- (d) Set up an automated (direct debit or ACH) payment at Washington Federal Bank by phoning them at 520-575-6868 or visiting the branch in person.

9. *Review/Approve new agenda format and streamlined BoD meeting processes:* By consensus tabled until the next meeting.

X. BOD Closed Meeting for Confidential Matters: No applicable business.

XI. Summary of Action Items:

Dino: (a) Add review of Rental Limit (8 units) to the January Board agenda (Part B), (b) ask Phil Brown to obtain the deed from Associa, (c) send the Board the draft communication regarding the need for a substantial HOA dues increase and place it on the January agenda, (c) communicate positive decision to Weed Busters (and negative decisions to the others) and obtain 5 Directors signatures on the actual contract, (d) verify willingness to serve again and initiate the nominations for Board elections (3 positions).

Becky: Authorize Belinda to reimburse Dino \$668.35, (e) carry meetings and agendas proposals to the January meeting agenda.

Bruce: (a) Draft minutes, (b) circulate approved minutes to all members, (c) update GR&Rs to include 2 changes made at this meeting.

All Directors: Review and prepare to discuss the communication to owners about dues.

XII. Next Meeting: Wednesday, January 19, 2022.

XIII. Adjournment: 7:20 PM

Appendix CDON BoD Members, updated to 2021 December 15

Directors and Officers	Term	Began	Phone Number	Lot #
Judy Fuson (Vice-President, Assistant Secretary)	2019-2022	2018	520-247-0754	10
Oscar Miranda	2019-2022	2020	520-906-7834	42
John Dyer	2019-2022	2021	520-575-5611	35
Bruce Shore (Secretary)	2020-2023	2012	520-468-5507	47
Bill Addison	2020-2023	2021	520-349-2687	18
Bill Purcell	2020-2023	2021	503-348-0877	17
Dean “Dino” Cameron (President)	2021-2024	2007	520-219-5071	45
Rebecca “Becky” Hennig (Treasurer)	2021-2024	2015	520-419-7305	4
Steve Bottorff	2021-2024	2021	216-382-1777	33
Committee Chairs (need not be Directors)				
ARC Chair (Judy Fuson)	2020-2022	2020	520-247-0754	10

**Casitas del Oro Norte Improvement Association
Board of Directors Special Meeting (Notes in the Partial Absence of Quorum)
Tuesday, 2022 January 4, on Zoom
Approved 2022 March 16**

- I. Call to Order, Attendance, Confirmation of Quorum:** The meeting was convened at 5:26 PM. Present--Oscar Miranda, Steve Bottorff, Dino Cameron, John Dyer (part of the meeting), Bruce Shore. Regrets received from Bill Addison, Bill Purcell, Becky Hennig, Judy Fuson. Quorum (5 Directors) not present after 6 PM.
- II. Guests:** None.
- III. Budget Discussion:**
1. The Board discussed the budget proposal and full consensus among members present was reached on several adjustments that Dino incorporated as the conversation progressed. The expected 2022 operating deficit was adjusted to \$3,258, assuming a 5% dues increase starting at Q2; the reserves-deposit requirement remained as anticipated at \$41,497; total anticipated shortfall \$44,475.
 2. Moved by Oscar/Steve to approve this 2022 budget as revised. Tabled until the next meeting due to the lack of quorum.
 3. There was consensus on the next steps to discuss at the next meeting:
 - (a) Remove the updated budget from the table and act on the motion to approve.
 - (b) Move a 5% 2022 quarterly dues increase from \$310 to \$325.50 starting at Q2.
 - (c) Specify a plan and timetable to overcome the budget shortfall.
 - (d) Move deletion of CC&Rs Article V § 3(a) and (b) and discuss timing and coordination with the plan to resolve the budget shortfall.**
 - (e) Plan the content and timing of communications to Owners.
- IV. Summary of Action Items:**
Dino: Circulate revised proposed 2022 budget document and Zoom link.
- V. Adjournment:** 6:45 PM

**Appendix 1
CDON BoD Members, updated to 2021 December 15**

Directors and Officers	Term	Began	Phone Number	Lot #
Judy Fuson* (Vice-President, Assistant Secretary)	2019-2022	2018	520-247-0754	10
Oscar Miranda	2019-2022	2020	520-906-7834	42
John Dyer	2019-2022	2021	520-575-5611	35
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Committee Chairs (need not be Directors)				
ARC Chair (Judy Fuson*)	2020-2022	2020	520-247-0754	10

*For personal reasons resigned in December 2021; effective date to be confirmed.

**Please see Appendix 2 on the next page.

Appendix 2 Ending the 5% Limit

Simply deleting CC&Rs Article V §3(a) and (b) was a straightforward approach that by default placed CDON under state limitations. However, Oscar's initial suggestion at the January 4th meeting to amend it might be better because §4 cross-references §3 and specifies how to conduct a vote on an exceptional increase. Even if exceeding the state limit of 20% for BoD-decided increases would be an unlikely event (we hope), the mechanism to do so should not be lost. Here then is a possible motion. The proposed changes are **in red font**.

Moved by XXXX and seconded by XXXX that the Board of Directors approve and recommend to Casitas Del Oro Norte Improvement Association Owners that Article 5, Sections 3(a) and 3(b) of its Declarations of Covenants, Conditions, and Restrictions (CC&Rs) be amended as follows.

Present Text

Section 3. Maximum Annual Assessments.

(a) The maximum Annual Assessment may not be increased more than **five (5%) per cent** above the maximum assessment for the previous year without a majority vote of the Membership.

(b) The maximum Annual Assessment may be increased above **five (5%) percent** by the majority of Members who vote in person, by written and signed ballot, or by any other legal means, at a meeting duly called for this purpose.

Proposed Text

Section 3. Maximum Annual Assessments.

(a) The maximum Annual Assessment may not be increased more than **the limit set by Arizona State law** above the maximum assessment for the previous year without a majority vote of the Membership.

(b) The maximum Annual Assessment may be increased above **the limit set by Arizona State law** by the majority of Members who vote in person, by written and signed ballot, or by any other legal means, at a meeting duly called for this purpose.

For Information (key phrases **in red font**):

Section 4. Special Assessments for Capital Improvements. **In addition to the Annual Assessments authorized above**, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, providing that any such assessment shall have the assent of the majority of the votes of Members who vote in person, by written and signed ballot, or by any other legal means, at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under **Sections 3 and 4**. also refers back to §3.

BMS

**Casitas del Oro Norte Improvement Association
Board of Directors Special Meeting Minutes
Wednesday, 2022 January 5, on Zoom
Approved 2022 March 16**

- I. Call to Order, Attendance, Confirmation of Quorum:** The meeting was convened at 5:36 PM. Present-- Oscar Miranda, Steve Bottorff, Dino Cameron, John Dyer, Bill Purcell, Bruce Shore. Absent: Bill Addison, Becky Hennig, Judy Fuson. Quorum.
- II. Budget Discussion, continued:**
1. Consideration resumed of the draft budget emanating from the 2022 January 4 meeting, approval of which had been moved by Oscar/Steve. Dino reviewed the details, minor corrections were made. Approved 6-0 (attached as Appendix 2).
 2. Moved by Steve, seconded by Oscar, to raise quarterly fees by 5% to 325.50 starting with Q2 (due April 1). Approved 6-0.
 3. Moved by BillP/Oscar to approve a recommendation to CDON Owners seeking their support to increase fees by (an additional) 20% (\$65.10/quarter) for a new quarterly total of \$390.60/quarter (\$130.20/month) for any Owner who prefers to pay monthly, starting with Q3 (July 1). Approved 6-0.
The Board agreed to conduct this vote by written ballot (50% approval needed). The ballot will indicate that the Board recommends approval of this proposal.
 4. Moved by Oscar/John to amend Article V, Section 3 of the CC&Rs as follows:

Present Text

Section 3. Maximum Annual Assessments.

(a) The maximum Annual Assessment may not be increased more than five (5%) per cent above the maximum assessment for the previous year without a majority vote of the Membership.

(b) The maximum Annual Assessment may be increased above five (5%) percent by the majority of Members who vote in person, by written and signed ballot, or by any other legal means, at a meeting duly called for this purpose.

Proposed Text

Section 3. Maximum Annual Assessments.

(a) The maximum Annual Assessment may not be increased more than the limit set by Arizona State law above the maximum assessment for the previous year without a majority vote of the Membership.

(b) The maximum Annual Assessment may be increased above the limit set by Arizona State law by the majority of Members who vote in person, by written and signed ballot, or by any other legal means, at a meeting duly called for this purpose.

This vote will be conducted by written and signed ballot after the vote for the 20% dues increase (60% approval needed). The ballot will indicate that the Board recommends approval of this proposal. Approved 6-0.

5. The Board reviewed the draft communication prepared with input from John, Steve, and Dino, and made some edits. Moved by John/Steve to approve this revised draft (attached as Appendix 3) to be circulated with or before the announcement of the 2022 February 13 Annual Meeting. Approved 6-0.

III. Summary of Action Items:

Dino: Circulate revised 2022 budget and communication as approved.

IV. Adjournment: 6:56 PM

**Appendix 1
CDON BoD Members, updated to 2021 December 15**

Directors and Officers	Term	Began	Phone Number	Lot #
Judy Fuson* (Vice-President, Assistant Secretary)	2019-2022	2018	520-247-0754	10
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Steve Bottorff	2021-2024	2021	216-382-1777	33
Committee Chairs (need not be Directors)				
ARC Chair (Judy Fuson*)	2020-2022	2020	520-247-0754	10

*For personal reasons resigned in December 2021; effective date to be confirmed.

**Appendix 2
CDON Approved Budget for 2022**

DRAFT 2022 CDON HOA Annual Operational Income/Expenses (Non-Discretionary) Budget (Plan/Actual)-v.1f															
Actuals Are Updated and BoD Reviews Monthly beginning Jan 31, 2022															
Cat	Acct#	Description	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
REVENUE	40000	Assoc Dues	\$31,620	\$620		\$20,646	\$651		\$20,181	\$651		\$20,181	\$651		\$95,201
	40100	Late Fees/Fines													\$0
	40200	Interest Inc -All Accts	\$35	\$35	\$250	\$35	\$35	\$250	\$35	\$35	250	\$35	\$35	\$250	\$1,280
	40300	Misc/Spec Assess/Trans Fees						\$250							\$500
	Total	Monthly Revenues	\$31,655	\$655	\$250	\$20,681	\$936	\$250	\$20,216	\$686	\$250	\$20,216	\$936	\$250	\$96,981
NON-DISCRETIONARY EXPENSES	50100	Prof Prop Mgt & Bank Svcs		\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$8,250
	50200	Acctg/Bookkeeping Fees	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
	50300	Admin/Legal/PBLaw	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
	50400	Postage/Deliv/Off-MailSupp	\$50												\$50
	50500	Print/Repro/Scans/Storage	\$50												\$50
	50600	Tot Prof/Admn Svcs	\$300	\$950	\$950	\$950	\$950	\$950	\$950	\$950	\$950	\$950	\$950	\$950	\$10,750
	50700	HomeownerExp Reimbursement													\$500
	60100	Maint/Repair/Handyman	450			\$450			\$450			450			\$2,250
	60150	Gen R/M Supp/Fees	\$350			\$350			\$350			\$350			\$1,750
	60400	Electrical Repair/Handyman		\$250				\$250				\$250			\$750
	60500	Equip Rental Fees			\$100				\$100					\$100	\$300
	61000	Taxes: Fed/St-Income/Co-Proptry					\$72	\$24	\$954			\$8			\$1,058
	62000	Insurance	\$230	\$230	\$230	\$230	\$230	\$230	\$230			\$918	\$886	\$1,722	\$5,136
	63200	Groundskeeping & Weedspray	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$4,900	\$22,500
	63250	Landscaping Supp/Chem					\$250					\$250		\$550	\$1,050
	63275	Repair Storm-Damaged Grounds		\$400							\$400				\$800
	63300	Irrigation Repair				250			\$200		\$250				\$700
	63400	Emergency Tree Service		\$4,000						\$4,600					\$8,600
	64000	Wall Repairs/Paint			\$150				\$150				150		\$450
	65100	Backflow											\$210		\$210
	65200	Pool/Spa Contract	\$385	\$385	\$385	\$385	\$385	\$425	\$425	\$425	\$425	\$425	\$385	\$385	\$4,820
	65300	Pool-Janitorial	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
	65400	Permits/Lic Pool/Spa							\$270						\$270
	65510	Pool/Spa Equip/Repairs		\$175			\$200		\$275		\$275			\$275	\$1,200
	65550	Pool/Spa Chem/Sup		\$50				\$50			\$35		\$100	\$20	\$255
	67000	Minor Road Repair												\$3,821	\$3,821
	68000	Social Events											\$350	\$350	\$700
	69000	Court Maint Minor Expense			\$150				\$150				\$150		\$450
	70100	Electricity (TEPC)	\$435	\$435	\$435	\$435	\$435	\$435	\$435	\$435	\$435	\$435	\$435	\$435	\$5,220
	70200	SW Gas	\$850	\$55	\$55	\$55	\$95	\$200	\$175	\$100	\$95	\$95	\$95	\$95	\$1,945
	70300	Trash Serv	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225	\$1,225	\$14,700
	70400	Water/Sewer	\$580	\$435	\$565	\$565	\$565	\$850	\$875	\$850	\$790	\$750	\$650	\$600	\$8,075
	70450	OV Drain Water		65			\$65			\$65				\$65	\$300
	71000	Contingency/Emergency													\$500
	Total Monthly Operational Expenses		\$6,505	\$10,355	\$5,945	\$6,667	\$6,100	\$6,339	\$8,914	\$10,350	\$6,560	\$7,806	\$7,351	\$17,368	\$100,260
	Current Monthly Net Operations ¹		\$25,150	-\$9,700	-\$5,895	\$14,914	-\$5,164	-\$6,089	\$11,302	-\$9,664	-\$8,310	\$12,410	-\$6,415	-\$17,118	
	Cumulative Net Operations Bal ²		\$25,150	\$15,450	\$9,795	\$23,769	\$18,605	\$12,516	\$23,818	\$14,154	\$7,844	\$20,254	\$13,839	-\$3,279	
	Annual Non-Discretionary Expenses Required for all Useful Life of Capital Assets Reserves														Tot Dep
	Capital Road Assets														\$0
	Capital Infrastructure Assets														\$0
	Capital Asset Amenities														\$0
	Total Annual Non-Discretionary Contributions Required for all Useful Life of Capital Assets Reserves														\$0
DRAFT 2022 CDON HOA Annual Non-Discretionary Expenses (Plan/Actual)-v.1d Actuals Updated beginning Jan 31, 2022															
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	TOTAL ALL NON-DISCRETIONARY COSTS		\$6,505	\$10,355	\$5,945	\$6,667	\$6,100	\$6,339	\$8,914	\$10,350	\$6,560	\$7,806	\$7,351	\$17,368	\$100,260
DRAFT CDON HOA Annual Discretionary Expense Budget (Plan/Actual)-v.1d Pending Financial Challenge															
Non-specific, undefined discretionary cost				Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
D016 No discretionary items defined															\$0
TOTAL DISCRETIONARY (Optional) EXPENSES															\$0

Appendix 3

CDON Approved Board First Communication to Owners about Budget and Fees

Hello Neighbors,

Our CDON HOA is in financial trouble because we kept our HOA dues fees too low for too many years. Along with looking at an operating budget for FY 2022 your board is struggling with a problem that has pretty much been ignored for CDON's first 34 years. Just like every association, all HOA homeowners are financially and equally responsible for the cost to pay its annual non-discretionary expenses required to maintain the projected useful life of capital reserve property/equipment. Capital assets are things like roads, pool/spa, our recreational activities area, etc., and are extremely expensive to maintain/repair/replace. For example when the roads need to be resurfaced or replaced the estimated cost is \$300,000 to \$500,000. We must ensure annual adequate contributions are made into capital asset reserve funds over a period of time to deal with those extremely expensive repair costs. The only other options are either to make no repairs or to issue a huge one-time special assessment which is unfair to everyone.

We need to correct this situation immediately. If it becomes common knowledge it will certainly reduce our property values. The board recommends that we raise our monthly dues by \$21.70 (20% increase) beginning Quarter-3 in 2022 to meet our budget expenses including adequate contributions to build up the capital reserve accounts (see attached details). Twenty-percent is the maximum allowable increase under AZ State Law that cannot be applied by an HOA Board without a vote by its HOA owners. Future increases will most likely be required to complete our goals to fully fund our capital asset reserves.

Thank you in anticipation of your time and understanding concerning this financial challenge. We need your approval to do this and will discuss it at the annual meeting before issuing a ballot. Please contact any board member with your comments or questions.

**Casitas del Oro Norte Improvement Association
Board of Directors Special Meeting Minutes
Monday, 2022 February 7, on Zoom
Approved 2022 March 16**

- I. Call to Order, Attendance, Confirmation of Quorum:** The meeting was convened at 5:16 PM. Present--Oscar Miranda, Dino Cameron, John Dyer, Bill Purcell, Bruce Shore. Absent: Steve Bottorff, Bill Addison, Becky Hennig. Quorum present.
- II. Guests:** None.
- III. Elections:** Three positions are open (terms ending for Oscar, John, and Judy--who resigned for personal reasons at the end of December). John is willing to stand again, Oscar considering it. We need one additional new person.
- IV. Planning for Open Discussion of Budget Situation and Dues at Annual Meeting:**
1. Annual meeting quorum is 20% (15 Lots) but the only vote is to approve the minutes of previous year meetings. On the budget and dues, it will be an open forum and multiple Board members will take turns responding to comments and questions.
 2. The key current issue is the unfunded reserves, not inflation.
 3. Reserves are not cookie jars that can be reassigned. Neither are they optional.
 4. The overall budget shortfall (just under \$43,000 at this time) cannot be resolved in one year. Two or 3 years, possibly 4, might be needed to get Owner support to complete. Each extra year of delay adds to the cost. Start with 20% then review.
 5. The next ballot should not have an end date: Collect votes until the goal is achieved. Be sure there are people at the Annual Meeting to speak in favor of the initiatives.
- V. Property Management:** Any property-management proposal we consider should also explicitly include architectural oversight. Our accountant does propoerty management and will make a proposal. Other companies to be approached include AME and Mission.
- VI. Annual Meeting Format:** Live meeting. Bruce gave his regrets--can only attend online; Bill and Dino said they would ensure a link and recording. It was also noted that that change of date and format from Zoom on February 13th was not endorsed by the BoD..
- VII. Adjournment:** 6:20 PM

CDON BoD Members, updated to 2022 February 7

Directors and Officers	Term	Began	Phone Number	Lot #
<i>Vacant Position</i>	2019-2022			
Oscar Miranda	2019-2022	2020	520-906-7834	42
John Dyer	2019-2022	2021	520-575-5611	35
Bruce Shore (Secretary)	2020-2023	2012	520-468-5507	47
Bill Addison	2020-2023	2021	520-349-2687	18
Bill Purcell	2020-2023	2021	503-348-0877	17
Dean "Dino" Cameron (President)	2021-2024	2007	520-219-5071	45
Rebecca "Becky" Hennig (Treasurer)	2021-2024	2015	520-419-7305	4
Steve Bottorff	2021-2024	2021	216-382-1777	33
Committee Chairs (need not be Directors)				
ARC Chair, Social (both open)				

**Casitas del Oro Norte Improvement Association
Board of Directors Meeting Minutes
Wednesday, 2022 February 23, on Zoom
Approved 2022 March 16**

- I. Call to Order, Attendance, Quorum:** The meeting convened at 6:05 PM. Present--Oscar Miranda, Tyler Ritchie, Amanda Clark, Steve Bottorff, Bruce Shore. Quorum (5) present. Regrets--Becky Hennig, Bill Purcell, Bill Addison, John Dyer.
- II. Guests:** Owners present--Jennie Ritchie (Lot 30), Mike St. John (Lot 24), Don Bellomo (Lot 67), Marcia Rosenbaum (Lot 54), Tom Ryan (Lot 59), Lily Blitzer (Lot 50).
- III. BOD Approval of Minutes of Previous Meetings:**
Tabled by consent to the next regular BoD meeting (March 16th).
- IV. Elections, Board Appointments:**
Dino Cameron, after a decade of exceptionally dedicated and knowledgeable service as Board President, stepped aside from the Board on February 22nd. He wishes to continue to serve the community in overseeing specific projects. The Board unanimously expressed heartfelt thanks to Dino for his many contributions, and looked forward to his continuing contributions as a member of the community.
Moved by Bruce/Steve to routinely invite Dino to Board meetings with respect to specific project oversight and general knowledge in a nonvoting role. Approved 5-0.
At the Annual Meeting held on February 13th, Oscar Miranda (Lot 42) and John Dyer (Lot 35) were renewed by acclamation for 2022-2025. Tyler Ritchie (Lot 30) was acclaimed to the 2022-2025 Board position (earlier vacated by Judy Fuson). Amanda Clark (Lot 11) was also acclaimed for 2 years in the Director position to be vacated by Dino (2021-2024) prior to this regular BoD meeting.
Election of Officers for 2022-2023: Moved by Bruce/Steve that Oscar Miranda be President; approved 4-0. Moved by Oscar/Bruce that Steve Bottorff be Vice-President. Moved by Oscar/Steve that Bruce serve as Secretary; approved 4-0. Moved by Bruce/Amanda that Tyler be Treasurer, with thanks to Becky for her years of dedicated service in this role; approved 4-0. Elections of Assistant Secretary and Assistant Treasurer and the appointments of Committee Chairs were tabled by consent to the next meeting; in the interim, Oscar will ask Becky if she would agree to serve as Assistant Treasurer. Board members introduced themselves. The Board warmly welcomes Tyler and Amanda to its ranks.
Election of Architectural Committee (ARC) for 2022-2023: Moved by Bruce/Steve to appoint Amanda, Steve, Oscar, and Mike St. John as members; approved 5-0. Social and Community Liaison and Communications committees will be addressed at the March meeting.
- V. Lot Sale/Rental Requests; BOD Approval:** No new requests.
- VI. Reimbursement Requests:** None.
- VII. Reports from Officers - status only, detailed items requiring further action (e.g., questions, comments, suggestions, objections, discussion, review/approval, etc.) will be listed in Agenda Part-B):** None
 1. Treasurer: No report.
 2. Vice-President: No report.

3. Secretary (Bruce): Email exchange with Mike St. John (Lot 24) who is willing to help count votes on the fee increase. Email and phone conversations with Tom Ryan (Lot 59) who proposed open discussions and joint Board and owner-at-large working groups to review and offer feedback on major proposals such as exceptional dues increases in terms of dollars and percentages (annually, quarterly, and annually) and roads. A Special Board meeting will address the fee increase as a priority.

4. President (from last month, Dino): The annual meeting went very well. He thanked Board members and owners for their important contributions to the dialog about reserve funding and dues in particular. \$1400 was spent repairing a water-line leak under the road.

VIII. Reports from Committees - status only:

1. *ARC (Architectural Review Committee)*: No report.
2. *Recreation Area Project (Dino and Bill P)*: A small sum (1 or 2 thousand) remains in the budget set aside.
3. *Capital Assets*: Addressed in item IX.
4. *Community Liaison and Communications*: Needs volunteers.
5. *Social Activities*: Needs volunteers.
6. *Subcommittees and Working Groups*: Addressed in item IX.

IX. Policy/Procedure/Action Items:

1. *ARC*: No new requests.
2. *Ratify invoices tentatively approved by email*: No new requests.
3. *Review/Approve pending contract offerings*: Three proposals for professional management contracts have been received. A fourth is pending. These will be addressed in a Special Meeting soon or at following Board meetings.
4. *2022 Budget and Fees*: Based on feedback received from the open discussion at the Annual Meeting, about 36 owners so far have indicated support for a 20% dues increase starting in Q4. Clear communication and a new ballot will be prepared, with an opportunity for additional community input. How to further meet the shortfall, along with an open reassessment of the extent of that shortfall (best and worst scenarios, phasing in, options for monthly payment), will be conducted in a transparent manner.
5. *Rental limitations*: The Board undertook to consider some exceptions and share these ideas with the community.
6. *Review/Approve new agenda format and streamlined BoD meeting processes*: By consensus tabled until the next meeting.

X. Open Forum: Marcia Rosenbaum (Lot 54) asked the BoD to recirculate the revised quarterly fee amount (\$325.50) for Q2 and Q3, and to consider the option of monthly rather than quarterly payments.

XI. BOD Closed Meeting for Confidential Matters: No applicable business.

XII. Summary of Action Items:

Oscar: (a) Ask Becky if she will serve as Assistant Treasurer, (b) convene special meeting on dues increase, (c) obtain 5 Directors signatures on the actual Weed-Nusters contract (if not already done), (d) Develop meeting agendas with Bruce (Secretary), (e) prepare (with Tyler) a notice to owners about 5% fee increase for Q2 and Q3 with dates.

Bruce: (a) Draft minutes, (b) Gather past minutes needing approval, (c) update proposal for exceptions to rental limits and circulate to Board then community for input, (d) Draft an announcement to owners about the new Board and Officers.

All Directors: Review and prepare to discuss the management proposals.

XIII. Next Meeting: Wednesday, March 16, 2022, 6 PM on Zoom (**please note new time**)

XIV. Adjournment: 7:10 PM with special thanks expressed again to Dino.

Appendix
CDON BoD Members, updated to 2022 February 23

Directors and Officers	Term	Began	Phone Number	Lot #
Bill Addison	2020-2023	2021	520-349-2687	18
Bill Purcell	2020-2023	2021	503-348-0877	17
Bruce Shore (Secretary)	2020-2023	2012	520-468-5507	47
Steve Bottorff (Vice-President)	2021-2024	2021	216-382-1777	33
Amanda Clark	2021-2024	2022	203-518-0013	11
Rebecca “Becky” Hennig	2021-2024	2015	520-419-7305	4
John Dyer	2022-2025	2021	520-575-5611	35
Oscar Miranda (President)	2022-2025	2020	520-906-7834	42
Tyler Ritchie (Treasurer)	2022-2023	2022	520-971-4868	30
Invited Nonvoting Participant				
Dean “Dino” Cameron	2022-2023	2022	520-219-5071	45
Committee Chairs (need not be Directors)				
ARC etc. (to be completed March 16th)				