

FLORENCE GARDENS MOBILE HOME ASSOCIATION
OPEN BOARD MEETING MINUTES
JANUARY 27, 2010

1. President Harold Hall called the meeting to order at 10:00 a.m. Board members present: President Harold Hall, Vice President Mel Pittmon, Treasurer Fred Payne, Maintenance Director Bill Qualls, Building Operations Director Jim Baker, and Public Relations Director Marian Heyliger.

2. Harold led the pledge of allegiance.

3. Harold Hall asked for a **Motion** to approve the Minutes of the December 9, 2009 Open Board Meeting. Mel Pittmon made a **Motion** to approve the Minutes; and Bill Qualls seconded the **Motion**. There was no discussion. **Motion** carried.

4. Harold Hall asked for approval of the Minutes of the January 13, 2010 Open Board Meeting. Bill Qualls made a **Motion** to approve the Minutes; and Mel Pittmon seconded the **Motion**. Marian Heyliger asked for a correction on Page 2, Item 9 Late Fees. The statement, "We were unable to find any Minutes of any meeting where it was approved" was omitted from these Minutes. It was voted unanimously to accept the Minutes as Corrected. Mel Pittmon asked the membership if that was clear to everyone.

OLD BUSINESS:

5. **Treasurer's Report:** Fred Payne reported, "We have the Year End Report as of December 31, 2009. We had enough cash in our General Fund at the end of the year so we had \$58,911.00. Accounts Receivable were \$2,910.00; Total current assets amounted to \$78,773.00. Total Liabilities were \$59,131.00. We ended up for the year with a minor loss of \$24,761.00 expenses over revenue. Out of that we have \$72,909.00 which is included as an expense non-cash item, taken out on the cash flow and operating expense table, that brings it down to a minor loss of \$14,316.00 for the year". Fred added that our wage expense was \$131,114.00, but, with an employee's increase brought our budget for the year up to \$132,674.00. So, we're about \$1,560.00 over budget on our payroll at this point. In going over the way our expenses and income have been running for the last 6 months, we come out that we're going to run about \$27,695.00 short if we continue to spend as we have in the past. Fred said that it doesn't look like we're going to generate enough income to cover the expenses as we have had in the past. A lot of our expenses are fixed. Fred said that we could have saved \$800 a month by closing the pool at 8:00.

Fred would like to make a recommendation. We should have our Finance Committee start talking to some of the Management firms in the area that manage RV parks. The management firms that he has talked to couldn't believe that we are a Million dollar corporation and are still self-managed. They said that it's almost unheard of that a park of this size, with this amount of money, be self-managed. There's \$500,000 in cash that

runs on our financial statement. If we make too many mistakes, we have no insurance coverage for fiduciary mistakes.

Bonna Strange asked, "Why don't we write for a Grant. Fred Payne answered, "Who would finance it." There are only two banks that will loan money to an HOA. It takes upwards of 6 months to get it approved and run through because an HOA is a special type of a company where everything is owned by everybody. Banks say, "I can't make a loan to 1,200 people at a time", so they just don't do it.

Keith Tuller said that the debt is owed by everybody. Fred agreed. He added that at this point, we're about \$52,000.00 away from bankruptcy and that is something that we don't want to even consider.

Chuck Greco, 3817 N. Illinois, said that there is \$51,000 budgeted for gas. The bill for the entire last year was \$35,000. He suggested that the Board and Finance Committee get together, go through the Budget, and switch some money from place to place. He thinks we can solve some of the problems. Fred said that they had decided to do it in March. It was decided to do it sooner.

Fred asked the members what their feeling is about getting a management committee to manage the park. The Board would still be the Board. At the minimum it will run about \$1 per house, about \$1,200 a month.

Vince Buckham, N. Iowa, said that we need more information. We don't know how this thing is going to be structured. He is all for looking at new ideas, but we definitely need information.

Keith Tuller, 3701 Montana, said that he lived in a park in Casa Grande that had management. They still had a small Board. The Board just oversees the management. The management was responsible for having repairs and building done right, with permits, by licensed contractors. One of the big problems in this park is that we do something wrong over and over again. He knows that we can get professional management who knows how to deal with contractors for about \$30,000 a year. That is cheap compared to doing everything over and over. We can't keep doing things wrong.

Phil Winn, 3712 N. Illinois, said that 25 years ago this association decided that they would not be managed by a management company. They would be self-managed. We are one of the few homeowners associations in the state that is still self-managed. He pointed out that our facilities and assets are 100% paid for. We don't owe anybody anything, and that's been done by volunteers. He doesn't think we're in such a dire straits that we need to run out and spend 30 or 40 thousand dollars for a manager who is going to do what we have done very well over the years.

Fred Payne agreed that we did a decent job when the park was small. The park is no longer small. We're not dealing with \$100,000 a year; We're dealing with \$500,000 in cash every year. It tells you something when you say that we are one of the few of this size that is self-managed. That means that the other ones saw the light and got a management company to take over. We've made our mistakes; We put up a \$400,000 building for \$550,000. It's something that he thinks we should seriously consider. This is his last day as Treasurer. He feels that we need professional people to manage an organization of this size.

Marian Heyliger said that she thinks Fred has a good point and that the next Board should probably look into it. For now, we should cut out all expenditures except those 6

expenditures that we need to pay. Not to buy this and buy that. Hold off on it for a while and see how we come along.

Bonna Strange, 3719 Michigan, said that she thinks that it's always a good idea to review other things, whether you end up doing it or not. Over the last several years, one of the things that we need to work on is, as Fred said, a lot of the problem is mistakes that were made that have affected us financially. Whoever is on the new Board needs to continue the improvements that this Board has made, and, as members, we need to be a little more vocal and more vigilant. We need to work on cutting out the mistakes.

Stan Hergott, 3828 N. Illinois, talked about the need for volunteers. He said that the problem is that we went with people who weren't even licensed contractors and didn't know what they were doing.

Fred Payne said that he wants to absolve the Board of any of these comments that he's made, because he didn't clear it with the Board. He is just telling us the way he feels. He wants to be on Record that he suggested it.

Emma Payne, said that at home, when we find ourselves running short financially, we find ways of cutting back or supplementing. Why don't we do that here? She suggested that we get a group of people together, not to dictate, but to gather suggestions for ways that we might cut down on our expenses and add to the treasury. Then, the suggestions can be voted on by the members.

Mel Pittmon said that he disagrees with the analogy that we are in dyer straights with the Budget. He hopes that the new Board will meet with the Finance Committee and look at all of the line items to see where the adjustments can be made. He thinks that the Budget that was accepted made provisions for increasing reserve items. He wants to go on record to say that he disagrees with the projection of doom and gloom.

NEW BUSINESS:

6. Ceiling repair in Craft Room: Bill Qualls said that during the rain and the bad weather, there was a leak in the ceiling in the Crafts Room. The roofing contractor found some cracks in the asphalt coating around the drainpipe, so they were sealed to stop the leak. However, we did loose about a 4 or 5-foot square of ceiling, which is in the process of being repaired. At the same time, we have no way of gaining access to the roof without hauling a ladder up over the tile and then getting another ladder to drop down on the inside because the parapet wall is about 5 ½ feet deep. Bill requested that they give us a bid on installing a ladder over the edge of the parapet so we have access to the roof. When they got up there, they found that a lot of the top coating is peeling off, and we need to address that problem. When he gets the bids, he will present them at the meeting.

The History Committee has purchased a solar light, for the flagpole, which will be installed this week.

Also, in the Crafts Room, Bill said that there are some cracks in the ceiling that look like there may be a problem with the construction of the ceiling. After investigation, everything seems to be tight and there's no lumber that is sagging. We have bids coming in for repairs that consist of taking down all the back corner, about 8-10 feet out, and re-doing all the insulation, dry wall, and texturing. We've been diligent about checking it out to make sure that there's not a settling problem in there. After it's opened up we'll be able to see more.

Harold Hall asked if the BOC has been involved in this. Bill Qualls said that Ron Byers and the BOC have been involved.

Bill Qualls said that the RV lot gate is broken down with a bad motherboard. We have to manually open and close, so please don't get upset with us. We're going as fast as we can get the contractors to move. If there's any problem, you can give him a call and he'll keep his key with him, which he knows works. The repairs in the fence have been completed and it looks nice. We've moved some sand to fill in the trench there so you can drive across the wash. We're looking at making some changes there so we don't lose it every year. We didn't do much for now because we're supposed to get more rain and he hates to do things twice.

Various activity groups need to turn in paperwork, for the amount of chairs and tables that they will need put out and the layout that they want, ahead of time. Don't wait until the day of the event. If you want to check out tables and chairs, please complete the paperwork 2 days ahead of time and we'll do our best to have things ready for you.

Bill Qualls added that regarding the cool deck around the pool, it's been too wet to do anything. We have the contractor all lined up and as soon as it dries out enough so he can take care of it, he'll get that done.

Larry Kollert asked, "Is there some reason that RV lot is not locked? 3 times that he's been back there and the gate is standing wide open. Bill Qualls said that the reason for that is that somebody goes in and leaves it unlocked. There was an argument about people leaving the gate open. Harold Hall said he doesn't know how they can stop people from leaving the gate open. We're not going to sit there and patrol the thing. Harold asked Larry if he closed the gate when he left. He said he didn't because he doesn't know if anyone is in there that can't get out. Marian Heyliger suggested that something be put in the next Garden Talk to remind people to be sure to close the gate. Harold said that there is a sign on the gate stating that it is out of order and to use the passkey to get in.

7. Jim Baker reported that he is happy with the results of the Annex roof after the 4th rain that we had. There were no leaks, so that repair is 100% complete, and very satisfactory.

Jim Baker said that someone used the duplicator machine in the room behind the stage. There are only 3 or 4 people that are authorized to use that machine. Somebody made a bunch of copies and left it wide open, uncovered, sitting out in the middle of the floor, and didn't shut it off. He found it that way Saturday morning. If you need to use it, please check with the office. They will get somebody to come and do the copies for you. If you only need 100 copies or less, they can do them in the office rather than using the duplicator.

8. Ice Cream Social: Harold Hall said that the Ice Cream Social was a huge success and he thanked the people who worked on it. Mel Pittmon said that Alva Robinson and her group did a marvelous job on the Ice Cream Social. They took in \$3,530.00. This was a little different contract than the dance contract. This was split at 80%/20%. So, the performers netted \$2,816.00, of which there was a \$714.00 balance; \$106.00 was spent for ice cream, netting \$608.00.

Mel Pittmon reported that there were 2 dances scheduled for the month of December. The Desert Vista Band was contracted for \$400.00, 46 people showed up, and they sold some additional 50/50 raffle tickets. They ended up with a net of \$94.99 owing from covering expenses, so we lost 6 or 7 dollars there. For the New Year's Eve Dance, the band was contracted for \$1,000.00. We had 61 people in attendance. There was a net loss of \$704.07. Then, on January 14th, Ron McBride and group was contracted for \$500.00. There were 102 people in attendance, and there was a net profit of \$224.00. Basically, the entertainments for those activities are coming fairly close, which brings me up to the next issue. According to the O & O Manual on Position 2, Section 2.8, I, as the Activities person, have a limit of \$1,000 to contract. I'm told that the replacement dance committee would like to contract for the McBride people who wish to contract for \$1,200.00. That would be \$200 over what is authorized. When this was adopted, we did not have the dollars in the proper place, and I would like to ask the Board to see if we can increase the authorization up to \$1,500.00 with Board approval. Mel Pittmon made a **Motion** that the Board would be able to authorize up to \$1,500.00 for that activity. The **Motion** was seconded by Jim Baker. There was a discussion. Mel said that we shouldn't contract for any dances in November, but the dance committee thinks they can sell 300 tickets for the New Year's Eve Dance with the McBride Group. It was decided that this would be a cap for the dances and the music. The vote was unanimously passed. **Motion** carried.

Mel Pittmon thanked the volunteers and reported that the Wine Tasting was a huge success. As scheduled for 3 hours, it only took 1 hour and 25 minutes to exhaust the supplies of wine from around the state.

Member Comments:

Joan Hayes, 3927 Santa Cruz Dr., said that at the last meeting, I thought I respectfully mentioned that my daughter and her husband would like to move into Florence Gardens. She is 50 and he is 52. I was politely told No. She brought in the federal regulations on the whole Housing Older Persons Act. It was signed in effect by President Clinton in 1995, which supersedes your CC&R's. I've given a copy to the Board. When my daughter moves in, after reading these, if you still have a problem, I would recommend that you call HUD and make a formal complaint. However, you are out of compliance. She talked about how to write a grant. She said that she would like to volunteer, without pay, to be an on-call manager. She would like to pass this on and she thinks some copies should be made for the members to read.

Mel Pittmon asked Joan if there is any age stipulation in this document. On Page 6, it's an 80%/20% law. That means that 80% of the owner/residents have to be 55 or older. The remaining 20% can be under 55 with no children. The way it stands now, some grandparents raising children, or some adults could come in with their children. This is the exception that HUD is willing to give per the H.O.P.A. act.

Harold Hall asked if the Board could take this under study. The new Board will eventually have to deal with this. Jim Baker suggested that it be put on the Agenda for the next meeting. Joan Hayes wanted to make it clear that her daughter will be moving in. She said that she would be willing to maintain a survey of who is residing as the 80% and who is residing as the 20%. She said, "Sorry, but it's already a law".

Alva Robinson thanked Bill and Jim for helping her last Wednesday night. Jim Baker got a key from Mel Pittmon to get into the sound system. When it got warm, Bill Qualls went to get his key to turn the air conditioner on. Somebody let her use a cell phone to call for help. She said that she doesn't understand that when a contract has been made and OK'd, problems still come up. 80/20 split is the way a lot of the entertainers are coming in. She and her husband sold tickets to a lot of people who had never been to an Ice Cream Social before. This was the second biggest Ice Cream Social that we have ever had. She said that she has a great crew and couldn't do it without them. She said that if she finds a good entertainer for next year, she'll see what she can do. Alva also reminded members of the speaker on Mexican border issues that night.

Bev Oveson, 3927 Coconino, talked about the annual Valentine's Dinner, and when and how to buy tickets. Also, she stated that when people go to Caliente they have to pay a \$10 fee if they want to play cards, etc. She thought the Board had decided that we would charge a fee also. Is that enforced? Harold asked Chuck Greco to address the question. Chuck said that when the girls were exercising and 5 of them would pay, but the rest of them wouldn't, the Board decided to do away with it. Bev wanted to say something in defense of Bill Qualls, "I don't think a lot of people know what this man does. When there was a problem out at RV storage, instead of calling Dwaine Oveson to take care of it, Bill did it. Dwaine went out there and helped him. I don't think we realize how much Bill Qualls does on his own".

Harold Hall asked for a **Motion** to adjourn. Bill Qualls made a **Motion** to adjourn the meeting. The **Motion** was seconded by Jim Baker. The meeting was adjourned at 10:00 a.m.

Respectfully submitted by June Lewis