

FLORENCE GARDENS MOBILE HOME ASSOCIATION
OPEN BOARD MEETING MINUTES
March 23, 2011

President Bob Sorcic led the *Pledge of Allegiance*.

1. Call to Order: President Bob Sorcic called the meeting to order at 10:02 a.m. Board members present: President Bob Sorcic, Vice President Chuck Greco, Secretary Bonna Strange, Treasurer Loretta Shannon, Maintenance Director Leon Riesberg, and Building Operations Director Lee Olsen. Public Relations Director Dick Merschorf was absent. There were 74 members present at the meeting.

2. Motion to adopt the Agenda: Chuck Greco made a **Motion** to approve the Agenda. Bonna Strange seconded the **Motion**. There was no discussion. The vote was unanimous and the **Motion** carried.

3. Motion to Adopt Minutes from March 9, 2011: Bob Sorcic asked for additions to the minutes. There were none. Chuck Greco made a **Motion** to approve the minutes of the March 9, 2011 Open Board meeting. Loretta Shannon seconded the **Motion**. There was no discussion. The vote was unanimous and the **Motion** carried.

OLD BUSINESS:

1. Follow up on Documents Committee's Proposed Rules & Regulations

Changes: The Board will review the Committee's recommendations and the comments that were submitted during the open workshop (March 16, 2011) by the general membership. Bob Sorcic said that the Documents Committee has some further work to be done on the Rules and Regulations, so it may be a little while longer before the Board has the final draft for review and approval.

2. Front-Entrance Enhancement Committee: Bob Sorcic thanked the committee for their organization and hard work to revitalize the front entrance. The Board will review the committee's plans and budget necessary to complete the project. Bob Sorcic said that their work done so far looks nice. Several signs are being worked on and re-painted at the prison.

Bev Oveson reported on the committee's progress. They have finalized the cost to fix up the signs. Next year's project is to work on the center island tower and a cupola with a light in it. Somebody has already donated most of the materials except for the roof. The metal roof will be made at the prison and painted the same color as the top of the walls. They want to build a short rock wall along the curbing around the walls, and put in some plants. They will dig up the old rotten railroad ties and add colored rock to the existing rock in that area. They have some decorative art for the center island, paid for by donation money. They will put up two kachinas that are being made at the prison, one

on each side. The center building windows have been covered by wood that will be replaced by metal. They want to enhance the lighting and the flood lights on the signs.

Bill Qualls said that electrical work is needed very badly. Bev Oveson said that it needs to be done before the Christmas lights are put up out there. Lee Olsen will ask the BOC to get bids from electrical contractors.

Bob Sorcic asked, considering the donations, how much is needed from the 2012 budget. Bev Oveson said that they are waiting on 2 bids for the rockwork. The BOC is researching the lighting costs. The committee would like to use the \$1,600 in donations to pay for the decorations.

Shirley Hadley and Millard Shaw would like the Board to approve \$300 from the Musical profits to go to the Front-Entrance Enhancement Fund. Bonna Strange made a **Motion** to take \$300 from the money that was made by the Musical and apply it to the Front-Entrance Enhancement Fund. Lee Olsen seconded the **Motion**. There was no discussion. The vote was unanimous and the **Motion** carried.

Bob Sorcic said that the 8' saguaro that was offered for the Front Entrance has found a new home.

3. BOC presentation of cost proposals/estimates to consider for upcoming budget requests: Lee Olsen asked Bill Qualls to give the report.

A. Solar heating for Pool #1 and Pool #2: Bill Qualls stated that pool heating is the largest expense other than wages. The only way to reduce the expense is to stop using the pool or find an alternative method of pool heating. The average cost to heat the two pools and two hot tubs is \$2,764 per month, \$33,168 per year in 2009. This cost will continue to increase. The estimates that they have received are from \$16,000 to \$24,000 per pool with a pay-back in 1 ½ to 3 years. The BOC recommends that the project be done in 3 phases. Phase 1. Install solar panels on the patio roof of the West pool, and check for bracing on the inside edge of the patio roof. Phase 2. Install a support / sun shade along the South wall of the pool area to provide a support rack for the panels for the East pool at an estimated cost of \$12,000 to \$16,000. Phase 3. Install the solar plexus on the sun shade / support assembly. We need to have money assigned to this project before we can get contractors to commit to estimates and required engineering. Where do we get the money? Do we make a one-time assessment of \$65 to \$75 per door, or do we increase the annual dues by a smaller amount for 3 to 4 years? We need to get the system in and operating to start realizing a pay-back. By going with solar pool heating we will be able to keep the actual dues at the present level or maybe even less.

Chuck Greco said that the BOC needs to submit a budget request so it can go through the proper channels to get approved. Bill Qualls said that the contractor, whose bid they have chosen, spent 3 weeks here prior to making his bid and will not come back out here unless the funding is approved.

Bob Sorcic asked if it is possible to break the phases down to spread it over several years so we can avoid a special assessment. He suggested that the BOC and Finance Committee talk about the total package, and then a way to spread it out over several years. When we get some performance data off the first solar panels, we can anticipate what the cost savings will be for the next phases.

Chuck Greco quoted the BOC's report of estimated \$16,000 to \$24,000 per pool. We can't fund both pools in one year without a vote of the membership.

Bonna Strange asked about the proposed timing on the 3 phases. Bill Qualls said that the plan is to get Phase 1 solar panels up and operating in the first year. The East pool solar heating requires the building of a sub-strata or support for the solar panels. There was a favorable show of hands, among the members present, to proceed with the solar heating project.

B. Maintenance Building: Lee Olsen reported the BOC's plan for a 24' x 36' free-standing Maintenance Building to be built adjacent to the shower building. The total cost is \$22,851.00. This proposal will be given to the Finance Committee for a 2012 Budget Request. Bob Sorcic wants to make sure that the design is included in the cost.

C. Board Room sound-deadening walls: Lee Olsen said that a bid of \$1,467.00 was received. Bob Sorcic explained the necessity for the sound-deadening wall between the Board Room and the Conference Room. Bill Qualls asked if it is a high-density drywall. Lee said that they are 4' x 8' sheets of wall paneling. Chuck Greco said that we may have money in Capital Improvements to get it done this year.

NEW BUSINESS:

1. Reserve Study - The 2011 FGMHA Budget has \$5,285 set aside for the study: Chuck Greco said that the last Reserve Study was done in 2006. We need a new Reserve Study to be done professionally. The Reserve Study tells us the life expectancy of our major equipment and recommends that we have 80% of the total value in our Reserve Fund. Chuck said that the contract can be sent to our attorney for his review. Bob Sorcic said that the results of the Reserve Study should be made available to the members on our website. Chuck Greco made a **Motion** that the Board authorize the expenditure for the Reserve Study. Loretta Shannon seconded the **Motion**. There was discussion on the need for a professional Reserve Study. Bonna Strange asked that the **Motion** be amended to include the cost amount. Chuck Greco amended his **Motion** that the Board authorize the President to sign the contract to accomplish an independent Reserve Study by "Great Boards, LLC" as proposed and recommended by the Finance Committee, subject to a Contract document review/recommendation(s) by the FGMHA attorney, and the expenditure of \$5,285 for the Reserve Study. Loretta Shannon, who seconded the **Motion**, agreed to the amendment. There was no further discussion. The vote was unanimous and the **Motion** carried.

2. Letter from All American Publishing requesting a \$265 donation ad for Florence High School Athletics: It was brought up that this request may be a scam. The office will check for previous sponsorship. FGMHA budget does not support this type of expense. Loretta Shannon said that even if the Board had donated last year, they don't need to donate again this year. Loretta Shannon made a **Motion** that the Board not approve the donation of \$265.00 to Florence High School Athletics, All American Publishing. Lee Olsen seconded the **Motion**. There was no further discussion. The vote was unanimous and the **Motion** carried.

3. HOA Management Companies: Bob Sorcic said that the Finance Committee will moderate an open workshop beginning at 1 pm this afternoon in the Clubhouse auditorium with representatives from Homeowners Association Management Company and Class Management Company. There is no proposal currently being considered nor requested by the Board; this is informational only. Bob Sorcic explained that Fred Payne of the Finance Committee will moderate the open workshop. Loretta Shannon stressed that this workshop is informational only. The letter distributed by Fred Payne and the Finance Committee is not sanctioned by the Board of Directors. Bonna Strange said that the Finance Committee should have submitted copies of the letter to the office for all of the Board members. There was further discussion about the limited number of members who got a copy of the letter.

4. Salt water for pools: Bob Sorcic said that in 2009 it was decided not to use salt water treatment because of equipment problems. Bob read his internet research on the subject. He believes that our UV treatment for the pool water is very effective if people shower off prior to getting into the pools. There was no further discussion.

5. Discuss Board Member training and certification of completion through on-line course or attending seminar classes. Bob Sorcic proposes that we have training once a year for the new Board members and any members who want to become familiar with the functions of the organization and how we all relate together as a community. Bob said that he will post information about training and the CAI website on the bulletin board.

DIRECTOR COMMENTS:

Vice President: Chuck Greco reported on the Activity Committee's meeting of the Activity Chairpersons. Forms were filled out to better schedule the activities for next year. He asked all the committee chairpersons to submit a list of all the names of their committee members.

Secretary: Bonna Strange thanked members who participated in the workshop for the proposed Rules and Regulations changes. She thanked the Documents Committee for sticking with it and continuing to work on the ongoing project. A summary of the comments that were made at the Workshop is posted on the bulletin boards. Bonna said that she will be leaving for the summer to return in October.

Treasurer: Loretta Shannon referred to the Cash Balances Statement dated February 28, 2011. The General Fund Balance is \$313,569. The outstanding General Assessments are \$39,821 which is about 11% that has not been collected. The Total Income is \$98,709. There was a Total Expense of \$88,493. Therefore, our Income exceeded the Expenses by \$10,216. With 17% of the year elapsed, Income is at 21% of the Budget and Expenses are at 19% of the Budget. Under Capital Improvements \$3,127 was spent including \$72 for the security camera mounts and \$3,055 for a slab saw for the Lapidary Room. Also, Marilyn has set up a new fund in the Budget for the Front Gate

Enhancement Project. Loretta said that she attended the Finance Committee meeting last month where they talked about the Reserve Study and presentation to the Board. The Board made a transfer of the Reserve Fund from the Bank of the West in Coolidge to the Federal Credit Union here in Florence to get .25% interest instead of .15% interest. They are looking for better interest rates on other accounts.

Public Relations Director: Dick Merschorf was absent. Bob Sorcic said that, in Dick's absence, he had to submit a letter to a member about excessive RV parking.

Architecture and Building Director: Lee Olsen reported that the Architectural Committee currently has four small residential projects in process. A permit was issued for a new metal roof. Lee mentioned to members that if they want a new roof, they must have a permit from the Town also. There is an active new home permit on Indiana with installation to begin in June. The BOC will follow up with the budgetary numbers for the 3 projects mentioned earlier.

Maintenance Director: Leon Riesberg mentioned the improvements to the pool area showers. The RV Committee is doing a wonderful job. Maintenance will turn off the water out at the main gate because there's nothing there to water. They've gotten a lot of things taken care of in the pool area.

MEMBER COMMENTS

There were no Member Comments.

Bob Sorcic asked members to submit their request for an Agenda item by the Wednesday before the Open Board meeting. On the request, state your name, address, phone number and your position on the topic and what action you are requesting the Board to take.

Lee Olsen noted a request to use a small area in the Annex from Bill Johnston of the Computer Club. He will forward it to the Activities Committee.

Chuck Greco made a **Motion** to adjourn the Open Board meeting. Bonna Strange seconded the **Motion**. The vote was unanimous and the **Motion** carried. Bob Sorcic put the meeting in recess at 11:14 a.m. The Board meeting will continue in closed session.

Respectfully submitted by
June Lewis, Recording Secretary