

ABEVA BOARD OF DIRECTORS MEETING

Arizona Biltmore Estates Village Association Office
2525 E. Arizona Biltmore Circle D-145 Phoenix, AZ 85016
September 20, 2021

Board Members Present: Steve Helm, Judith Shafkind, Keith Mishkin, Wes Balmer, John Lynch

Board Members via ZOOM: Will Hawking, Bill McKay, and Garnet Harding,

Board Members Absent: Mark Monserez

Management Present: Carol Jones

Guest Present: Scott Carpenter Esq.

Homeowners Present: Camille Ercolano (Square), Rebecca Heath (Greens 3-6)

Homeowners via ZOOM – Terry & Chris Gallu (Meridian), Kathleen Mould (Meridian), Kathleen Baldree (Meridian & Greens 3-6), Simmie Frieberg (Colony Biltmore), Mike & Lisa Davis (BED)

- I. **Call to Order** – Board President Steve Helm called the Board of Directors meeting to order at 5:30 pm

- II. **Homeowner Forum** – Homeowner Comments Attached

- III. **Approval of Minutes** –
 - **Wes Balmer motioned to approve the August 4, 2021, Open Session meeting minutes. Bill McKay seconded the motion. All in favor. Motion carried**
 - **Judith Shafkind motion to approve the August 16, 2021, Open Session meeting minutes. Keith Mishkin seconded the motion. All in favor. Motion carried.**
 - **Wes Balmer motioned to approve the August 31, 2021, Open Session meeting minutes. Keith Mishkin seconded the motion. All in favor. Motion carried.**

- IV. **Financials** – Judith Shafkind made a motion to approve the August 2021 financials. Wes Balmer made the second. All in favor, the motion carried.

- V. **Old Business**
 - **Oleanders along 24th Street** – discussed in Executive Session
 - **New Website** – No information available. Tabled until the next meeting

- VI. **New Business**
 - **Annual Assessment** – Tabled until October
 - **Replacement of Light pole #7** – **Judith Shafkind motioned to approve the FSG proposal to replace #7 light pole at the cost of \$6,413.01. Keith Mishkin seconded the motion. All in favor. Motion carried.** Light pole replacements are included in the Reserve Study.
 - **Golf Course Plans** – Tabled until October
 - **Roll Call Voting** – Its is part of Roberts Rules of Order and is allowed at any time.
 - **Meeting Minutes** – per Scott Carpenter – minutes are the best record of action taken at a meeting. It should include who voted in favor and who opposed.

Approved at the October 18th BOD Meeting

VII. Committee Reports

- **Architectural** – Need 30 days to discuss reducing the number of members
- **Beautification**
 - Scott Carpenter informed the Board the Beautification report is not an Executive Session item and there is no need to make motions in Committee meetings, just recommendations to the Board
 - **Additional Legal Fees** – Bill McKay made a motion to engage Scott Carpenter to research more into the 1980 Easement Agreement not to exceed \$2320.00 (8 hours) to assess legal rights that ABEVA may have at SRP's Pump Station. Keith Mishkin made the second. Judith Shafkind commented that this subject is for Executive Session. Tabled until the Executive Session.
 - **Alternative Funding** – Bill McKay made a motion to study traditional alternative funding for HOA's. This will be to reach the goal of \$2.1 million to fund the 5* version of the Beautification project's budget. There is no cost to ABEVA. Garnet Harding made the second.

DISCUSSION: *ABEVA's attorney Scott Carpenter informed the Board how HOA loans work.*

LEGAL FEES for bonds and promissory notes can be very intense because of security issues.

It is not the best way to do alternative forms of fundraising.

Universally, banks want HOA loans to be backed up with a Special Assessment. Then, the banks want the Special Assessment to be backed up with a Membership vote. The banks will want the association's money moved to their bank. These types of loans are called "Shelf Loans". The bank will also charge an interest premium that bears no relationship to the risk of the loan. The reason for a premium interest rate is very complex.

ABEVA has no collateral for a loan. 1) The association will have to pay the bank's legal fees 2) ABEVA would have to pay an Origination Fee 3) The interest rate will be well above market.

Roll Call Vote: *In favor:* Wes Balmer, Keith Mishkin, Garnet Harding, Bill McKay, Will Hawking
Opposed: Judith Shafkind, John Lynch, Steve Helm

The vote is 5 to 3 in favor. Motion carried

- **Contractor** – Bill McKay motioned to engage a contractor to review the cost estimates from Greey Pickett at a cost not to exceed \$2500.00. It would be a formal submittal on a \$2.1 million project to build out the plan. This will give an actual cost for the rendered project and allow for cutbacks of the current budget if in 60-90 days optional funding is not available. The name of the contractor ~~was not available~~ is **SDL, Brian Conley**. Garnet made second.

DISCUSSION: ABEVA's attorney Scott Carpenter explains "The Access Common Area" agreement to the Board. The roadway from 24th Street to the bridges connecting to the hotel in the agreements is called "The Access Common Area". Per the agreement, ABEVA's only job is to decide if the hotel has been deficient in maintaining the access common area adequately in a resort standard. The agreement defines what steps ABEVA can take to remedy the deficiency.

Roll Call Vote: *In favor:* Wes Balmer, Keith Mishkin, Garnet Harding, Bill McKay, John Lynch
Opposed: Judith Shafkind, Steve Helm, Will Hawking

The vote is 5 to 3 in favor. Motion carried

- **Reserve Study** – Bill McKay requested an expedited cash flow draft to be able to understand in the next 10-20 years what the cash flow potential looks like. Scott Carpenter said all the reserve study companies are backed up, so it cannot be expedited.

VIII. Adjournment – There being no further business to discuss, a motion was made and seconded to adjourn to the Executive Session Meeting. All in favor, the Open Meeting adjourned at 7:33 pm.

Respectfully Submitted,

Approved at the October 18th BOD Meeting

Beth Rose
Executive Assistant

HOMEOWNER COMMENTS from 9/20/2021 Meeting:

It is ABEVA's job to make sure the sub-associations take care of their landscaping, not ABEVA's.

Beautification Committee starts by saying *excess funds* so why raise dues?

This project is something ABEVA does not need

It's too excessive ... Why not put it to a vote of the members?

I see no benefit to the Biltmore Greens division undertaking this project.

Please address the benefits of this project for this cost.

More associations will NOT benefit than those that will

Why not do a homeowner survey?

Let the homeowners decide

The Board is split too closely for the increase - there is a labor shortage – Costs for products are so much higher right now – Not a good time

Petitions are being collected so this doesn't go through Greens 3-6 has more than 170 homeowners and won't even get any benefit from the project

Just adding a few things is all that is needed to improve the entrances.

Don't take over other associations landscapingit is something that will cost too much ..at least LEGALLY

It's too over the top

Meridian wants out of ABEVA – they don't benefit from much of what ABEVA does except Roving Patrol.

Have you asked the interior associations for input? How do they envision these improvements?

How much is the Biltmore Hotel willing to contribute to the project since they would get the most benefit.

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