

Dobson Association Inc. Board of Directors Meeting Minutes for April 18, 2019 (APPROVED 5/16/19)

Members Present (Absent):

President: Ron Ricci	Member: Allen Johnson
Vice-President: Mike Kassel	Member: Joan Long
Treasurer: Jeff Brosman	Member: Ben Smith
Secretary: Louis Thiele	Member: Gary Smith (Absent)

Staff Present:

Community Manager: Lynelle Glysson

Homeowners and Guests Headcount: 32

I. Call to Order

The President called the Board Meeting to order at 7:02 pm, after the Pledge of Allegiance. Roll call was performed and quorum was established. The Board Members reported no conflicts of interest.

II. Homeowner Comments

Homeowner Michael Fee, 2711 W Nopal, stated his opinion on the Treasurer serving as the Chairman of the Budget & Finance Committee and also mentioned his opposition to lowering the assessment rate.

Homeowner Robert Belisle, 2028 S Paseo Loma, stated that the Board needs to work on consolidating the CC&R documents (Ron Ricci explained that was in process), commented on the order of precedence of governing documents, and asked for input why some Architectural Committee meetings were conducted with email responses (Louis Thiele explained this has been done for years to expedite responses to homeowners, as allowed by our policy).

Homeowner Stacy Holmstedt, 2430 S El Dorado, asked when the Finance Manager position vacated by Maria Clarke was filled and the name and qualifications of that person.

Homeowner Manelle Williamson, 2519 W Madero, excoriated the person or persons involved with contacting the TV media to bring attention to Dobson Ranch regarding CC&R issues, thus diminishing home values and goodwill in the neighborhood.

Homeowner Nate Caine, 1325 W Keats, recognized and gave praise to the Budget & Finance Committee for their work, asked that at next year's audit some copies of the audit report be made available at the meeting, mentioned his displeasure with the Board designating the Treasurer to serve as the chairman of the B&F Committee, identified deficiencies in the website (regarding audit and budget), and gave an opinion on a few notes to the 2018 audit report regarding Reserves Funding and assessment rates.

Homeowner Denise Snedeker, 1349 W Mendoza, read a prepared statement expressing her support of the Board, a plea for homeowners to quit spreading false information on social media but rather come to the meetings to listen and learn, her displeasure at the anger displayed by some meeting participants and the pitting of neighbor against neighbor, that creating dissension is counter-productive to what we as neighbors are seeking, and ended with praise for Nate Caine in his constant vigilance for several years of our neighborhood.

III. President's Report

Ron Ricci gave a brief overview of the Annual meeting and reviewed the status report in response to homeowner comments.

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IV. Minutes Approval

Jeff Brosman made a motion to approve the 3/21/2019 Board of Directors Meeting Minutes as written. Louis Thiele seconded the motion and the motion **passed unanimously** (Allen Johnson and Ben Smith recused themselves from vote since they were not Board Members at the time of the March Meeting).

Jeff Brosman made a motion to approve the 4/16/2019 Board of Directors Meeting Minutes as provided 4/18/19 with Board consent. Mike Kassel seconded the motion, Board consent was granted and the motion **passed unanimously**.

V. Community Manager's (CM) Report

Our CM, Lynelle Glysson, gave a brief report on the following activities:

1. Discussed CC&R enforcement in general and a mistake recently made for a violation issued on girl-scout cookie sales.
2. Our new pavilion stage will have an official opening celebration on 5/17/19.
3. The preventative maintenance work order system has been implemented.
4. Several new Reserve projects were initiated this past month.
5. With the hiring of our new Communications Manager, a new format for the Ranchers' Roundup will appear for the May issue.

VI. Committee Reports

- a) Budget & Finance (B&F) Committee: Spencer Jarvis from the B&F Committee gave a recap of the April 15th meeting, including approval of the financials for the month and current status of revising the B&F Committee Charter. The Treasurer, Jeff Brosman, reported on a few key aspects of the March financials (attached to these minutes) and gave a few comments about the successful audit of our 2018 financials.
- b) Master Planning Committee: Sandy Murray reported on the 4/5/19 meeting (see attached MPC Report).
- c) Architectural Committee: Louis Thiel presented information from the April report (see attached Architectural Report).
- d) Marketing Committee: Louis Thiel presented information from the 4/1/19 meeting (see attached Marketing Meeting Minutes).
- e) Water Conservation Management (WCM) Committee: Craig Wilson presented information from the 4/1/19 meeting (see attached WCM Meeting Minutes).
- f) Lake Habitat Committee: Gary Smith was absent and no formal report was given.
- g) Ad Hoc Policy Committee: Jeff Brosman reported that the committee agreed on a few minor policy document changes as recommended by Butler/Hansen resulting from the 2018 audit.
- h) Recreation Committee: No meeting this month, but Joan Long reported on the excellent pre-school program conducted by Ms. Jessie.

VII. Unfinished Business

Motion by Louis Thiele and seconded by Allen Johnson to name our new entertainment patio the "Sunset Plaza". After minimal discussion amongst Board members, the motion **passed unanimously**.

VIII. New Business

- a) Policy Document: Motion by Jeff Brosman and seconded by Joan Long to approve minor changes to the policy document in Sections 1.2, 2.7 and 2.9 as delineated in Board packet as modified in the meeting (adding "Community Manager" and "or designated Board Member" in

**Dobson Association Inc. Board of Directors Meeting Minutes for April 18, 2019
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- b) Section 2.9). After considerable Board discussion the motion **passed 5 to 2 (Nays: Allen Johnson and Ben Smith)**. Ben Smith made a follow-on motion, seconded by Alan Johnson, to remove the last sentence of Section 1.2 of the policy document. After limited discussion the motion **failed 5 to 2 (For: Allen Johnson and Ben Smith)**.
- c) Remaining Turtle Study Funding: Motion by Jeff Brosman and seconded by Alan Johnson to allocate remaining previously approved turtle study funds for Lake 8 aeration purposes. With a few explanatory comments (remaining funds approximately \$7,000) the motion **passed unanimously**.
- d) Code of Conduct: Motion by Jeff Brosman and seconded by Louis Thiele to approve the Code of Conduct prepared by legal representation, with items (p) and (q) as modified by the handout presented in the meeting. After considerable debate and comments from homeowners, the motion **passed 5 to 2 (Nays: Allen Johnson and Ben Smith)**.
- e) Appoint Lake Habitat Committee Members: Motion by Jeff Brosman and seconded by Joan Long to appoint Brian Lynam and Steve Kandybowicz to serve a 3-year term on the Lake habitat Committee. After minimal discussion, the motion **passed unanimously**.
- f) Appoint DRAC Members: Motion by Jeff Brosman and seconded by Mike Kassel to appoint Nicole Lynam and Kate O'Hara to serve 3-year terms on the Dobson Ranch Architectural Committee (DRAC). After minimal discussion, the motion **passed unanimously**.
- g) Sunset Plaza Rental Rates: Motion by Jeff Brosman and seconded by Ben Smith to approve the Sunset Plaza rental rates as specified in the Board packet. After a brief explanation by Community Manager Lynelle Glysson, the motion **passed unanimously**.

IX. Discussion

None.

X. Adjournment

With no further discussion being desired due to time constraints, the President asked for a motion to adjourn from the attending homeowners. Denise Snedeker made the motion to adjourn. Michael Fee seconded the motion. The motion **passed unanimously**. Meeting was adjourned at 9:05 pm.

KEY MARCH 31, 2019 FINANCIALS

BALANCE SHEET ITEMS

TOTAL CASH ASSETS 3/31/19	\$5,264,935
TOTAL ASSETS	\$7,679,586
TOTAL RESERVES (85% FFB)	\$2,174,084
NET CASH ABOVE RESERVES	\$2,233,316
(AVAILABLE EXCESS CASH)	

INCOME SHEET

NET INCOME YTD PER BUDGET	\$176,564
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MASTER PLANNING MINUTES

4-5-19

Attendees: Mike Snedeker, Denise Snedeker, Joan Long, Manelle Williamson, Kenton Miller, Dusty Ide, Scudder Black, Karen Falcone, Renee Gorman, Maren Johnson, Lynelle Gleeson, Dennis Melgreen. Nate Cain, Sandy Murray

FOBS: More research being done by Lynelle. Looking at all options. There are advantages to FOBS if cost is reasonable. Goal would be to make system in house.

Lynelle has vendors scheduled to appraise our FOB system. Lynelle is creating a spreadsheet of dates, cost and description of Southwest charges.

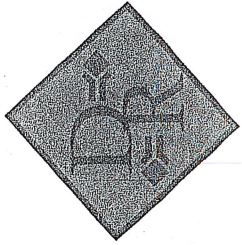
Over \$100,000.00 was spent plus monthly monitoring charges. We want to be sure we have taken the time to be sure we are making the correct decision. Other HOA's use FOBS and find them very successful. We need to be sure we are solving the problems we have with the FOBS.

MONUMENTS: Have been cleaned and oiled about 3 weeks ago. If done monthly will be \$50.00 for solution plus 1 employee for 1 day. They are difficult to keep clean as they do not do well in the sun. We have 24 monuments. In the coming months the committee will look at new styles and cost. Study shows 10 year life in 2012, in reserve for 2022 with approximately \$45,000.00 committed. This date may need to be moved up to 2020 in next reserve study.

BRICKS: There are red bricks that are used on columns in certain areas of the ranch on homeowner walls. Dennis advised us there are no longer available, except by special order. Dennis will check cost to see if we order a certain number and have them available for homeowners to purchase from us, at cost, when their bricks fall.

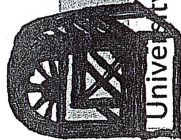
KEYS: Pricing of keys in attached sheet. Initial order would be ordered from vendor. Proposal does not address hold over keys locks that were not converted to FOBS, i.e.: scuppers. Pricing for purchase of a key machine plus costs of blank keys is included.

This is first pricing. Per policy 3 bids are required.

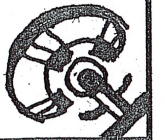


Dobson Ranch HOA

6 Pin Re-Key Home Owner Access



Description	Unit Price	Quantity	Total Cost
University Lock—Cylinder Rekeyed	\$75.00	20	\$1,500.00
University Lock— Keys	\$2.00	5000	\$10,000.00
Key Machine	\$925.00	1	\$925.00
Total Re-Key Home Owner Access			\$12,425.00
Schlage 6 pin Blanks	.50		



Architectural Report – April 18th. 2019

March Homeowner Improvement Applications

- **Had a total of 62 Applications for \$369,849.00**
- **This expenditure total is more than twice the monthly average usually filed**
- **Spring planting and Landscaping was a significant addition at \$51,040.00**
- **There were 30 Resident Homes Sales and 3 Trustee House sales.**
- **The CC&R staff cited 298 new notices in March with 40 files closed and 105 escalated past the 21 day time limit.**

April 1st. 2019 Marketing Committee – Minutes

1. The Committee reviewed the 14 Name suggestions received for the newly finished construction outside La Casita. After several rounds of voting the name “SUNSET PLAZA” was the winner.
2. The Soil recovery and renovation of the Rose Garden is almost complete and the replacement Rose bushes will be planted soon. This brings to our attention the issue of how to appropriately treat the Memorial Plaques associated with both the removed bushes and the remaining garden. Many of the plaques are badly damaged or have the signs missing. We believe that the plaques should be returned to the families where possible and they will be offered a Memorial Brick in the SUNSET PLAZA for \$20.00 which is the Dobson Association cost for engraving. It is felt that the bricks will be a longer lasting memorial than the Plastic Signs in the garden.
3. We discussed the planned Ranch Web-site revisions with the new Communications Manager and agreed to have a Monthly on screen review at the Marketing Meeting to help prioritize the needed changes. Some of the features discussed were:
 - FAQ from the last Board Meeting and from Residents in general.
 - On-Screen fillable Architectural Applications to help eliminate the interpretation of Hieroglyphics now received in handwritten form.
 - Make the site Searchable by TOPIC
 - Downloadable Photos from Ranch events.

Minutes of the WMC Meeting held on April 1st, 2019

Committee attendees were Dusti Ide, and I. Also attending was our community manager Lynelle Glysson. The Landings HOA members included Renee Gorman and Steve Kandybowicz who will become standing committee members. The meeting started at 5:35 PM.

I noted that the lakes are holding at 10 a-f below their nominal levels. We are now retaking water from SRP. The association used more irrigation water in February due to a pipe break in one of our small retention basins but we also used less electricity due to the fountains being off most of the month.

Everything is on track for our Spring Expo scheduled as part of the Pancake breakfast on April 6th. The event will have 14 exhibitors, raffles for 2 smart controllers and a Lady Bug release for the children.

The Lake 1 North Retaining wall restoration has been completed. This was a project that took 12 years to accomplish.

Lynelle reported that the Lake Habitat committee has met and will concentrate on Lake 8 as their first project area.

The Board cancelled the turtle study project.

Fish stocking was completed in March.

Dr. Amalfi treated Lake 7 and 8 to kill off the infection of golden algae that killed about 150 fish. Tests of our other lakes showed no infection of golden algae.

Lynelle has submitted the annual ADWR report to our water attorney for review before submittal to ADWR.

There being no further business, the meeting was adjourned at 6:20 PM.

Submitted by,
Ron Magaw, Chairman WMC

POLICY DOCUMENT PROPOSED CHANGES AS RESULT OF 2018 AUDIT

1.2 PERFORMANCE AWARD POLICY

Employees need to be recognized for individual contributions that are “above and beyond the call of duty”. The contributions may be a one-time only contribution, or a contribution sustained over a period of time, an idea that will save money, improve an operation of service, enhance safety, or otherwise benefit the Association and its members, employees and guests. Any employee or Association member may suggest or nominate an award for any employee, other than the Community Manager. The nomination must be submitted in writing to the Community Manager and must contain all explanations and justifications for the award. The nomination must be a stand-alone document and not require any research, proof or additional justification. The Community Manager can approve awards of \$100 or less to an individual up to two times in any rolling 12-month period of time and shall notify the Board of each award. Above \$100 requires Board of Directors approval. All employees, except the Community Manager, are eligible for an award. In addition, at the discretion of the Community Manager, an employee may receive up to a \$25 gift card, twice per calendar year, for meritorious service.

Awards above \$100 are normally given in the form of a bonus for exceptional performance by an employee. The Community Manager shall recommend all bonuses to the Board for approval as mandated by the Association Bylaws. The approved Bonus amount is considered the gross amount (i.e., the bonus shall NOT be “Grossed-up” to provide a net check, after taxes, to the employee equaling the approved amount).

2.7 INVESTMENT POLICY

A. Objectives:

1. Objective One - The primary objective shall be to maintain the safety of all funds on deposit.
2. Objective Two – The second objective shall be to ensure the preservation of principal; no investment shall be subject to market fluctuation or speculation.
3. Objective Three –
 - a) No **individual** investment shall exceed three (3) years in duration.
 - b) No **individual** investment shall have a value greater than 10% of the Association’s Balance Sheet Total Cash Assets (**considered to include ALL investments, cash equivalents and cash**). (Example: If sum of Balance Sheet Cash Assets is \$4,500,000, then maximum individual investment cannot exceed \$450,000.)
 - c) No **individual** investment shall have a value greater than 25% of the sum of all investments. (Example: For 10 different individual CDs and Treasury Bills laddered for different maturities with a total investment value of \$1,600,000, then the maximum individual investment cannot exceed \$400,000.)

2.9 CAPITALIZATION POLICY

This policy establishes a capitalization policy for fixed assets in accordance with the American Institute of CPA’s accounting and audit guide for common interest realty Associations.

POLICY DOCUMENT PROPOSED CHANGES AS RESULT OF 2018 AUDIT

Real Property – Real property purchased with Association funds, or real property donated to the Association, to which the Association holds title, with a cost or donated value of \$5,000 or more will be capitalized at cost. Property costing less than \$5,000 will not be considered material enough to warrant capitalization and will be expensed in the year of purchase. Real property will be capitalized only in the event that the property is severable and saleable by the Board of Directors without member approval, or if the property produces significant income to the Association. Real property will be depreciated (if it is depreciable property) over the estimated useful lives of items purchased. Where tax depreciation guidelines are substantially similar to the estimated useful lives, the tax depreciation guidelines may be used in lieu of estimated useful lives. **The Finance Manager, with oversight from the Community Manager and Treasurer (or other Board member designee by the Treasurer), shall establish straight-line depreciation life for each asset that is consistent with the depreciation life of past similar assets.**

Personal Property – Personal property purchased with Association funds, or personal property donated to the Association, to which the Association holds title, with a cost of \$2,500 or more will be capitalized at cost. Property costing less than \$2,500 will not be considered material enough to warrant capitalization and will be expensed in the year of purchase. (Adopted 2/10/2010) Personal property will be depreciated over the estimated useful lives of items purchased. Where tax depreciation guidelines are substantially similar to the estimated useful lives, the tax depreciation guidelines may be used in lieu of estimated useful lives. **The Finance Manager, with oversight from the Community Manager and Treasurer (or other Board member designee by the Treasurer), shall establish straight-line depreciation life for each asset that is consistent with the depreciation life of past similar assets.** Association staff or the Association's Managing Agent is instructed to adhere to this policy of capitalizing personal property, to maintain depreciation records of items capitalized, and record as necessary any additions, deletions or modifications to previously capitalized property.

NOTE TO BOARD MEMBERS FOR 4/18/19 BOARD MEETING:

The above **red** text indicates the changes to a few paragraphs in the General Policy Document that need to be made in order to adhere to the recommendations given to us by Butler Hansen as a result of our 2018 audit. The Treasurer and Ad Hoc Policy Committee recommends these changes be incorporated as stated for compliance purposes.



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ADOPTED ~~MAY 17, 2019~~ BY THE BOARD OF DIRECTORS

G. CODE OF CONDUCT:

CODE OF ETHICS AND BOARD CONDUCT POLICY

Subject: Board Code of Ethics and Board Conduct Policy

~~Purpose: to restore the policy of conduct to be followed by Board members in the conduct of their duties as it existed from June 21, 2012 to March 15, 2018.~~

Authority: ~~The Declaration, Articles of Incorporation and Bylaws of the Association~~ Whereas, Article VII of the Association's Articles of Incorporation provide that the affairs of The Dobson Association, Inc. shall be managed by a Board of nine (9) Directors; and whereas Section 8.1 of the Association's Bylaws provide that the Board of Directors shall have the power to and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in the Governing Document, and as provided by law.

Effective Date: ~~May 17, 2018~~ _____, 2019

Resolution: Now, therefore, be it resolved that the Board of Directors of The Dobson Association, Inc. hereby adopts the following Board Code of Conduct that are applicable to all Board members and officers serving the community.

Policy: Upon election, each Board member agrees to be bound by the following:

Board members have an obligation to do more than just meet legal standards. Board members are expected to meet moral standards of conduct as well.

- (a) No Director shall exercise authority independently as a Board Member except when ~~acting in an open meeting with the full Board or~~ as he/she is delegated by Board Action.
- (b) No Director shall solicit or accept directly or indirectly, any ~~d~~ gifts, gratuity, favor, entertainment, loan or any other thing of monetary value from a person who is seeking to obtain contractual or other business or financial relations with the Association.
- (c) No Director shall accept a gift or favor made with intent to influence a decision or action on any official matter.
- (d) No Director shall receive any compensation from the Association for acting as a volunteer, except for expense reimbursements approved by the Board of Directors or for specific function as approved by the Board of Directors.



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ADOPTED ~~MAY 17, 2019~~ BY THE BOARD OF DIRECTORS

- (e) No Director shall willingly misrepresent facts to the members of the community for the sole purpose of advancing a personal cause or influencing the community to place pressure of the Board to advance a personal cause.
- (f) No Director shall interfere with a contractor engaged by the Association while a contract is in progress. All communication with Association contractors shall go through the ~~Executive Director~~ Community Manager or ~~Designee~~ Board designated agent and be in accordance with policy.
- (g) No Director shall harass, threaten, or attempt through any means to control or instill fear in any member, Director or agent of the Association.
- (h) No promise of anything not approved by the Board as a whole can be made by ~~any~~ Director to any subcontractor, supplier, or contractor during negotiations.
- (i) No Director shall knowingly misrepresent any facts to anyone involved in anything with the community, which would benefit himself/herself in any way.
- (j) Language and decorum at Board meeting will be kept professional. Personal attacks against ~~owner~~owners, residents, managers, ~~eservice~~ providers and Directors are prohibited and are not consistent with the best interest of the community. It is understood that difference of opinion will exist; differences should be expressed in a clear and business-like fashion.
- (k) No Director shall violate the duty of confidentiality by disclosing to any person, including but not limited to spouses, friends, owners and non-owners of confidential information addressed in Executive Session of the Board of Directors or any other information deemed confidential by the Board.
- (l) Once a decision is made by the Board, no Director, even if the Director voted against the decision, shall speak out against the decision or disparage the Board for the decision.
- (m) No Director shall use his/her position for private gain, including for the purpose of enhancement of his/her financial status through the use of certain contractors or suppliers.
- (n) The Board of Directors will use their best efforts at all times to make decisions that are consistent with high principles and the best interests of the Association.
- (o) The Board of Directors will seek to protect and enhance the safety and property values of the residents in the Association.

RECOMMENDED CHANGES TO CODE OF CONDUCT

No changes to Pages 1 & 2
Page 3 changes below.



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ADOPTED MAY 17, 2019 BY THE BOARD OF DIRECTORS

(p) No Board member ^{shall} ~~should~~ engage in any writing, publishing or speech that defames any other member of the Board or resident of the community.

(q) No Board member shall post on social media, including, but not limited to, the Association's Facebook or Nextdoor account without Board approval.

(m)(r) New board members will be given a copy of this code of conduct and will be asked to sign it to signify they have received it, have read it and agree to abide by it.

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* q) No Board member shall post any information regarding the Dobson Association other than material facts already in the public domain on any social media (including but not limited to Facebook, Twitter, Nextdoor, Instagram, et al) without Board approval.

RECOMMENDED CHANGES TO CODE OF CONDUCT

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