

**Dobson Association Inc. Board of Directors Meeting Minutes for May 16, 2019
(APPROVED AT 6/20/19 BOARD MEETING)**

Members Present:

President: Ron Ricci

Vice-President: Mike Kassel

Treasurer: Jeff Brosman

Secretary: Louis Thiele

Member: Allen Johnson

Member: Joan Long

Member: Ben Smith

Member: Gary Smith

Staff Present:

Community Manager: Lynelle Glysson

Counsel Present:

Paige Marks, Mulcahy Law Firm

Homeowners and Guests Headcount: 52

I. Call to Order

The President called the Board Meeting to order at 7:00 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 Dan Romans, 2521 S Playa, read a statement expressing his concerns with the Treasurer serving as the Chairman of the Budget & Finance Committee.

Homeowner Glenn Kirk, 1870 W Navarro, stated his concerns about the time it takes to see CC&R violations resolved regarding his neighbor's violation(s).

Homeowner Kerrin Klemschmidt, 2005 S Henkel, expressed her opposition to changing the Residential, Architectural Guidelines.

Homeowner Nate Caine, 1325 W Keats, presented information why he believes someone other than the Treasurer should serve as Chairman of the B&F Committee.

Homeowner Alan Robinson, 1841 W Navarro, first expressed his appreciation for the Board's accomplishments this past year, but also expressed great displeasure with the late payment fee notification process (suggested that a certified letter be sent along with a follow-up phone call).

III. President's Report

In the interest of saving time for other agenda items, Ron Ricci did not give a report.

IV. Minutes Approval

Jeff Brosman made a motion to approve the 4/18/2019 Board of Directors Meeting Minutes as presented in the packet with two minor corrections. Louis Thiele seconded the motion and the motion **passed unanimously**.

V. Community Manager's (CM) Report

In the interest of saving time for other agenda items CM Lynelle Glysson did not give a report, but did give an invitation for all to attend the grand opening of Sunset Plaza on Friday, May 17th at 7pm for food, drink and celebration.

VI. Committee Reports

- a) **Budget & Finance (B&F) Committee**: Spencer Jarvis from the B&F Committee gave a recap of the May 13th meeting, including approval of the financials. He also made two recommendations from the committee that: 1) The Board appoint a Chairman for the B&F Committee other than

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the Treasurer, a member that is an independent homeowner; 2) The Board affirm that a B&F Committee member present committee findings and recommendations along with the Treasurer to the Board at the monthly meeting. The Treasurer, Jeff Brosman, reported on a few key aspects of the April financials (attached to these minutes).

- b) Master Planning Committee: Ron Ricci reported on the 5/3/19 meeting (see attached MPC Minutes).
- c) Architectural Committee: Louis Thiel presented information from the May report (see attached Architectural Report).
- d) Marketing Committee: Louis Thiel presented information from the 5/6/19 meeting (see attached Marketing Meeting Minutes).
- e) Water Conservation Management (WCM) Committee: Craig Wilson informed all of the meeting at 9am on May 20th with the ADWR at La Casita to present our annual report to their team and give a tour featuring smart controllers.
- f) Lake Habitat Committee: Gary Smith gave an explanation of habitat improvements planned for Lake 8 with aeration equipment and fish stocking. Gary also mentioned that he is in the process of transferring the chairmanship of the Lake Habitat Committee to another homeowner member.
- g) Ad Hoc Policy Committee: No report since no meeting was held.
- h) Recreation Committee: No meeting this month, but Joan Long discussed the excellent summer fun program and Allen Johnson praised the Recreation Department for a great Easter event..

VII. Unfinished Business

- a) Dobson Dolphin's Sponsorship: Motion by Jeff Brosman and seconded by Ben Smith to approve a \$750.00 sponsorship to the Dobson Dolphins for 2019 contingent upon submittal by 6/15/19 of verification that at least 50% of the participants are Dobson Ranch residents. Without any discussion, the motion **passed unanimously**.
- b) Party Trailer: Motion by Jeff Brosman and seconded by Louis Thiele to approve, as recommended by the B&F Committee, an NTE cost of \$8,200 from Big Tex Trailers as a Reserve Fund expenditure for procuring a new party trailer. After minimal discussion, the motion **passed unanimously**.

VIII. New Business

- a) Lake 8 Aeration: Motion by Jeff Brosman and seconded by Gary Smith to approve, as recommended by the B&F Committee, an NTE cost of \$15,000.00 for the Lake 8 Aeration Projects as a Capital Fund expenditure to be performed by H₂Ology. After Gary explained the equipment being procured and benefits to the lake, the motion **passed unanimously**.
- b) Pop-up Tents Replacement: Motion by Jeff Brosman and seconded by Joan Long to approve, as recommended by the B&F Committee, an NTE cost of \$4,900.00 for procuring six pop-up tents as a Reserve Fund expenditure. After minimal discussion, , the motion **passed unanimously**.
- c) La Casita Shade Covers: Motion by Jeff Brosman and seconded by Allen Johnson to approve, as recommended by the B&F Committee, an NTE cost of \$5,400.00 for the La Casita Shade Covers (including the painting of metal structures) as a Reserve Fund expenditure. After minimal discussion, , the motion **passed unanimously**.
- d) Laguna Park Playground Equipment: Motion to approve the purchase of playground equipment for Laguna Park was tabled for a future meeting to allow one of our homeowners with expertise in such equipment to suggest additional alternatives.
- e) Saratoga Tennis Courts Refurbishment: After extensive discussion from both the Board and homeowners, the motion to approve Saratoga tennis courts refurbishment was tabled for a future meeting to allow for a further review of the best reconstruction approach.

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- f) Memorial Policy Revision: After some discussion the motion to approve the revision to the Memorial Policy as written was tabled for a future meeting in order to include the process for any memorials other than those specified at Sunset Plaza.
- g) Waiver of Attorney Client Privilege: Motion by Ron Ricci and seconded by Jeff Brosman to NOT approve waiving the Attorney Client Privilege specifically in relation to the request of Ben Smith for privileged communication between the Board and Mulcahy Law Firm for the time period prior to Ben Smith's election to the Board on April 9, 2019. All Board Members were allowed to comment. Ben Smith cited as justification for waiving the Attorney Client privilege only one specific item that he had discovered that caused him concern; namely that he said the Association had spent over 14 times as much in first quarter 2019 compared to first quarter 2017 on legal expenses. He further stated that he was the person that provided this information on social media and repeated his assertion in the meeting that only \$977 had been spent in legal fees for first quarter 2017 and over \$14,000 had been spent in the first quarter of 2019 (a 1400% increase). After several others had spoken, the Treasurer provided clear evidence from the March 2017 Budget Comparison Report (attached) that, in fact, actually \$9,751 had been expended on legal fees in first quarter 2017 (10 times as much as stated in both social media and the meeting by Ben Smith). This material fact is specified herein as official notification for the record from the Board to all homeowners that false information had been provided to social media and the premises and conclusions derived from such false information are invalid. After considerable discussion, including comments by our legal counsel, Paige Marks, President Ricci called for the question, which was passed. The motion itself was **passed** by a vote of 5 to 2 (Allen Johnson & Ben Smith) with 1 abstention (Joan Long).

IX. Discussion

Amended on July 22, 2019: Considerable discussion was given to the topic of addressing the vacant (open) Director position. The three options discussed were: 1) Do not name a replacement and wait for the next election; 2) Solicit interested candidates and have the Board select the best candidate for the vacant position similar to last year's process; or 3) Appoint the best available candidate without any further input. Lynelle Glysson stated that she recommended to the Board that this topic be the first item on the agenda of this meeting. After additional discussion, it was then determined by unanimous consent of the Board that a special meeting would be held at 6:30pm on Monday, May 20, 2019 to address this issue as a formal agenda item for vote.

X. Adjournment

With no further discussion being desired due to time constraints, the President asked for a motion to adjourn from the attending homeowners. M. Snedeker made the motion to adjourn. M Johnson seconded the motion. The motion **passed unanimously**. Meeting was adjourned at 9:30 pm.

BALANCE SHEET ITEMS

TOTAL CASH ASSETS (4/30)	\$5,413,248
TOTAL ASSETS	\$7,979,756
TOTAL RESERVES (88% FFB)	\$2,277,881
NET CASH ABOVE RESERVES/CAP	\$2,199,113
(AVAILABLE EXCESS CASH)	

INCOME SHEET

NET INCOME YTD PER BUDGET	\$213,563
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May 16th. 2019 -Architectural Report

May Homeowner Improvement Applications

- **There were 61 Applications for a total of \$308,914.000**
- **The leading expenditure categories were:**
 - 1.Energy Efficient Windows at \$101,500**
 - 2.Roof Replacements \$84,800**
 - 3.And Landscaping \$26,150**
- **There were 29 Resident Homes Sales and 2 Trustee House sales.**
- **The CC&R staff cited 193 new notices in May with 17 files closed and 102 escalated past the 21 day time limit.**

MAY 6TH. - 2019 Marketing Committee – Minutes

The Sunset Plaza will be dedicated tomorrow evening and the first Memorial Bricks have been placed in the landscape. I recommend you look it over. I think it is a very nice addition to our traditions.

1. The Committee discussed the Rose Garden Memorial replacement program and approved a letter to be sent to the Residents involved.

This message has now been distributed via The Constant Contact e-Mail program to over 3000 Ranch e-Mail addresses. If you are interested in participating in the Plaza Brick replacement process please fill out the Brick form on the Ranch Web-site and submit it to the La Casita Office. If the original Memorial stand from the garden is still available it can be returned on request.

2. A similar letter has been sent to the lead contact of registered Clubs that meet on The Ranch. These clubs will be provided a recognition brick on the Plaza so that current and future Ranch Residents will know that they are available. If your club does not receive this letter please contact the La Casita Office.

3. Nancy Roggio Roundup Editor led the Committee through a review of all of the revisions made to the May issue of the Roundup Magazine. We all agreed that the new design is a spectacular improvement. Her use of color coordination makes the issue not only more readable but a beautiful representation of the quality of Dobson Ranch life.

4. The Committee began a review process working with the Ranch Staff to revise the Dobson Ranch web-site. This will be an ongoing program that will be a major effort for the committee for months to come.

THE DOBSON ASSOCIATION
Income and Expense Statement
Period: 03/01/17 to 03/31/17

Account	Description	Actual	Current Period Budget	Variance	Actual	Year-To-Date Budget	Variance	Yearly Budget
REVENUES:								
04001	Homeowner Assessments	228,921.00	228,921.00	.00	686,763.00	686,763.00	.00	2,747,052.00
04002	Commercial Assessments	3,687.33	3,600.00	87.33	14,801.28	14,300.00	501.28	44,203.00
04003	Allowance-Doubtful Accounts	3,388.25	(5,833.33)	9,221.58	14,824.47	(17,499.99)	32,324.46	(70,000.00)
04101	Transfer & Disclosure Fees	15,000.00	7,000.00	8,000.00	47,000.00	19,500.00	27,500.00	100,000.00
04103	Late Fees	(890.90)	(500.00)	(390.90)	5,175.43	6,000.00	(824.57)	20,000.00
04104	Legal Expense Fines	445.71	416.67	29.04	1,195.71	1,250.01	(54.30)	5,000.00
04105	Collection Fees	1,299.30	1,500.00	(200.70)	7,178.89	6,500.00	678.89	30,000.00
04106	Dishonored Check Fees	19.02	16.67	2.35	79.02	50.01	29.01	200.00
04107	License & ID Card Fees	858.00	700.00	158.00	2,827.00	2,775.00	52.00	7,000.00
04108	Delinquent Interest Fees	(62.16)	274.99	(337.15)	(75.75)	624.99	(700.74)	2,500.00
04110	Rental Registration Fees	625.00	541.67	83.33	1,775.00	1,625.01	149.99	6,500.00
04112	CC&R Fines	(853.80)	166.67	(1,020.47)	371.20	500.01	(128.81)	2,000.00
04113	Pontoon Boat Fees	.00	8.33	(8.33)	.00	24.99	(24.99)	100.00
04114	LPV Water Revenue	.00	.00	.00	1,061.45	1,061.00	.45	1,061.00
04115	Dock Boat Slip Rental	.00	.00	.00	1,514.50	1,598.00	(83.50)	2,600.00
04120	Escrow Rush Fee	.00	75.00	(75.00)	.00	225.00	(225.00)	900.00
04201	Interest Income-Operating	105.68	83.33	22.35	461.73	249.99	211.74	1,000.00
04301	Newsletter Advertising	4,201.77	4,500.00	(298.23)	14,299.65	13,500.00	799.65	60,000.00
04401	Preschool Tuition	4,923.73	4,700.00	223.73	15,163.99	15,700.00	(536.01)	48,000.00
	Recreation Programs	6,856.90	2,816.67	4,040.23	9,062.90	5,500.01	3,562.89	76,500.00
04601	Facility & Equip Rental	4,274.00	3,600.00	674.00	8,674.00	5,800.00	2,874.00	23,750.00
04602	Tennis Pro	706.06	700.00	6.06	2,196.06	2,000.00	196.06	7,000.00
	TOTAL REVENUES	273,504.89	253,287.67	20,217.22	834,349.53	768,047.03	66,302.50	3,115,366.00
OPERATING EXPENSES:								
ADMINISTRATION								
06001	Admin Salaries & Wages	55,410.42	56,250.00	839.58	114,733.70	118,250.00	3,516.30	517,000.00
06002	Payroll Taxes	4,406.85	4,900.00	493.15	8,877.61	9,900.00	1,022.39	39,700.00
06003	Employee Benefits	2,245.74	2,600.00	354.26	7,989.39	8,100.00	110.61	35,400.00
06004	Workers Comp Insurance	.00	.00	.00	909.10	900.00	(9.10)	2,500.00
06005	Property/Liability Insurance	.00	.00	.00	36,463.75	37,000.00	536.25	73,900.00
06006	Newsletter Production	6,061.00	5,833.33	(227.67)	18,183.00	17,499.99	(683.01)	70,000.00
06007	Newsletter Distribution	1,711.24	1,750.00	38.76	5,130.62	5,250.00	119.38	21,000.00
06008	Postage	2,127.83	2,500.00	372.17	3,618.92	4,400.00	781.08	16,000.00
06009	Printing	1,111.20	1,400.00	288.80	1,316.28	2,600.00	1,283.72	13,500.00
06010	Computer Service	10,429.00	4,458.33	(5,970.67)	25,823.94	13,374.99	(12,448.95)	53,500.00
06011	Bank & Merchant Fees	2,230.17	2,500.00	269.83	10,198.10	9,000.00	(1,198.10)	32,000.00
06012	Office Supplies	1,240.00	1,300.00	60.00	4,085.40	3,933.34	(152.06)	14,000.00
06013	Contract Services	.00	100.00	100.00	.00	600.00	600.00	6,000.00
06014	Collection Expenses	1,299.30	1,500.00	200.70	7,411.19	7,333.34	(77.85)	35,000.00
06016	Property Taxes	.00	.00	.00	.00	.00	.00	13.00
06017	Attorney Fees - General	531.34	1,000.00	468.66	1,456.54	2,200.00	743.46	20,000.00

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			Budget	Variance		Budget	Variance	
06018	Training & Travel	3,192.66	3,100.00	(92.66)	5,343.86	5,100.00	(243.86)	10,000.00
06019	Office Equip Rental & Maint	729.28	700.00	(29.28)	2,775.27	2,600.00	(175.27)	10,000.00
06020	Attorney Fees - CC&R Issues	445.71	516.67	70.96	445.71	666.67	220.96	5,000.00
06021	Membership Fees	157.39	150.00	(7.39)	1,427.89	1,100.00	(327.89)	2,500.00
06022	Reserve Study	.00	.00	.00	1,645.00	1,650.00	5.00	3,290.00
06023	Marketing	37.00	100.00	63.00	37.00	300.00	263.00	8,000.00
06024	Uniforms	.00	.00	.00	.00	.00	.00	2,000.00
06029	Website Development	150.00	300.00	150.00	295.00	500.00	205.00	5,000.00
06031	Scan/Digital Files	.00	.00	.00	.00	.00	.00	6,000.00
06032	CCR Software Monthly Fee	.00	.00	.00	987.00	1,000.00	13.00	1,000.00
06033	Contingency Fund	.00	500.00	500.00	.00	4,500.00	4,500.00	30,000.00
	Total Administration Expense	93,516.13	91,458.33	(2,057.80)	259,154.27	257,758.33	(1,395.94)	1,032,303.00
BOARD OF DIRECTORS								
06101	Public Relations	474.35	500.00	25.65	3,811.27	3,800.00	(11.27)	6,000.00
06102	Annual Meeting	159.39	200.00	40.61	813.89	700.00	(113.89)	6,000.00
06103	Audit Fees	5,225.00	5,200.00	(25.00)	10,450.00	10,400.00	(50.00)	11,950.00
06104	Monthly Meetings	279.83	300.00	20.17	550.86	600.00	49.14	3,000.00
06105	Membership Expense	.00	.00	.00	.00	.00	.00	1,000.00
06106	Computer Service	1,708.72	1,800.00	91.28	2,208.72	2,350.00	141.28	12,000.00
06107	Sponsorships	500.00	600.00	100.00	1,550.00	1,750.00	200.00	4,000.00
	Total Directors Expense	8,347.29	8,600.00	252.71	19,384.74	19,600.00	215.26	43,950.00
LAKES								
06201	Salt River Project Water	.00	.00	.00	11,779.77	11,500.00	(279.77)	27,000.00
06202	Maintenance & Repair	.00	150.00	150.00	781.02	1,150.00	368.98	6,000.00
06203	Chemicals	.00	.00	.00	.00	.00	.00	8,200.00
06204	Attorney Fees - Water Issues	187.50	200.00	12.50	437.50	450.00	12.50	3,000.00
06205	Fish	8,169.32	8,100.00	(69.32)	8,169.32	8,100.00	(69.32)	14,200.00
06207	Service & Testing	.00	.00	.00	.00	.00	.00	6,000.00
06208	Tools & Equipment	.00	.00	.00	.00	.00	.00	1,000.00
	Total Lakes Expense	8,356.82	8,450.00	93.18	21,167.61	21,200.00	32.39	65,400.00
LANDSCAPING								
06301	Landscape Salaries & Wages	22,085.65	23,500.00	1,414.35	44,805.95	47,000.00	2,194.05	237,500.00
06302	Payroll Taxes	1,734.84	2,000.00	265.16	3,862.32	4,400.00	537.68	19,420.00
06303	Employee Benefits	1,990.24	2,200.00	209.76	6,494.00	6,900.00	406.00	37,000.00
06304	Workers Comp Insurance	.00	.00	.00	2,872.69	2,800.00	(72.69)	9,750.00
06305	Outside Contractors	1,433.97	1,166.68	(267.29)	5,994.89	1,750.02	(4,244.87)	3,500.00
06306	Irrigation System	512.92	800.00	287.08	1,091.51	1,525.00	433.49	8,000.00
06307	Trees & Shrubs	72.31	150.00	77.69	211.65	550.00	338.35	9,000.00
06309	Seasonal Plants	.00	.00	.00	193.95	300.00	106.05	5,800.00

$\sum \text{Legal} = \$9,751$