



KIERLAND — GREENS —

General Session Meeting Minutes
Kierland Greens Pool Ramada
November 18, 2023 9:00 AM

Board Members Present

Greg Forsythe, President
Greg Franks, Vice President
Roz Fulmer, Treasurer
Sherry Hall, Secretary
Greg Kaiser, Director

No Representative from APM was present

Legal Counsel from Goodman Law: Maura Abernethy

Homeowners Present: See Sign-In Sheet

I. CALL TO ORDER:

At 9:00 am, Greg Forsythe called the meeting to order.

II: REVIEW OF FINANCIALS

Roz Fulmer, Treasurer, reviewed the status of the Association's financials. Cash In Operating Accounts: \$111,099.

Cash In Reserve Accounts: \$281,841 plus a \$250k CD. Rental Unit Income; \$35,639 and Debit Card Account \$22,343. Total \$700,924.

Property Value of Unit 2065 is \$625,000 Bringing Total to \$1,325,924.

Dues Collected Each Month: \$84,000

Amount Put Into Reserves Each Month: \$35,000.

Question from Homeowner: What is the Annual Operating Expense (Estimated to be \$1 million). When was the last reserve study done? 2022 and good for five years. Arizona does not have a statutory requirement for reserves. Kierland Greens should have \$1.2 million in reserves, this year the reserves were increased 15% over previous year. Buildings were painted and roofs replaced.

III: SUMMARY OF PROJECTS COMPLETED AND ONGOING:

- Pool decking was redone, pool was resurfaced and leaks were mitigated, drainage for seating area by spa. Joints were replaced, deck area was extended, shower was retiled. Most of the deck work was under warranty and total cost was \$6K.
- Decorative Metal Plates are being installed in front of many meters where hopseeds do not conceal or have overgrown their location. Seven more will be placed in three locations.
- All Courtyards were re-landscaped, irrigation was repaired. Plantings in courtyards are now low water and very minimal maintenance, lowering landscape maintenance company costs.
- Doors – Current front doors are hard to source and replace; they are being stained and sealed instead.

- Juliet Balconies – Eleven were repaired this year, the rest will be done in 2024. Contractors are not motivated to assist with this project and the doors are difficult to source. Homeowners should send an email if their unit needs attention.
- Should there be gutters installed over the Juliet balconies? BOD to discuss.
- A structural engineer said that the level of settling is normal and not a structural concern.
- Proposed Amendments to CCRs and by laws from Maura, legal counsel from Goodman Law (these are the top two concerns in all Arizona HOAs currently):
 - a. ByLaws to be changed regarding Board Members' term elections to be rotated and a change in Treasurer term limit.
 - b. Changing lease minimum period to 30 days and for "single family purposes", which is a legal term, not a Fair Housing Law restriction. No vacation purpose to be allowed. There are legal issues regarding safety, of which short term vacationers tend to be the cause.

Discussion: Should any current owner be allowed to continue to rent their property for any unrestricted lease term for one additional year? Or be allowed no rental restrictions until the unit is sold, or title transfers?

- c. Limiting dog size, weight, breed for safety reasons

Discussion: Restrict dog size to 40lbs (total between all dogs, with a maximum of two dogs per unit – should be clarified in CCRs and By Laws), no "dangerous" breeds that are commonly known to be aggressive. Perhaps require a DNA test to be submitted to Association within 30 days of acquiring the dog who is coming onto the property. Perhaps limit dogs to owners only and completely restrict tenants from having dogs.

- Callaway case in AZ Supreme Court discussed Board's ability to change CCRs; ruling was that Association may change CCRs as long as the changes are "foreseeable and reasonable" instead of a completely new set of rules that were unrelated to current rules. Although the owners in Callaway approved amendments, the judge struck them down.
- Homeowner raised the question as to how many votes are needed to change the CCRs. Twenty percent of all owners need to attend a meeting in order to meet a quorum; then 75% of those attending homeowners (including absentee ballots) are needed to pass a ballot item.

It was previously understood that a vote to entirely preclude leasing had to be 100%, but that is not required to change the current leasing rules to 30 days.

Homeowner clarified: It would be allowable to have one rental per 30 days, so a tenant could come in for 10 days, but the unit could not be re-rented for another 20 days.

There are 63 rental units; each has a \$25 registration fee. Out of the 30 known short term renters, only 14 currently pay the registration fee. Owners are giving tenants the gate code and sharing their fob, thus losing control of who may enter the property. Short term renters have been the majority of issues on site. Landlords are instructed to register their tenants at each move in and to take responsibility to monitor that they follow the Association rules.

Homeowner question: Does a short tenant receive long term tenancy rights (specifically regarding termination of lease) if they stay over 30 days? The language in the CCRs should specify if a tenant has tenancy rights after 30 days.

Homeowner suggestion: Use a gate app instead of code/fob.

Homeowner suggestion: Currently verbiage in CCRs is ambiguous, should be more exact.

Homeowner suggestion: Have all forms in a fillable PDF and a link to pay rental registration fee online
In a show of hands, the great majority of present homeowners supported a vote to change the CCRs to restricting dogs to owners only, no tenant pets allowed.

Note: Service dogs do not come under these proposed restrictions.

Homeowner question: Could the lease absolve the HOA for a violent or aggressive dog? Maura from Goodman legal counsel said that would not be possible.

Homeowner question: Is it legal to turn off fobs? Yes. Are fines being implemented? Yes. Who is in charge of gate access? Tom Olm, on site manager.

Homeowner question: When will community vote and who will oversee the vote? The vote will be at the annual meeting on January 25, 2024 and the legal counsel will oversee counting the ballots.

- Irrigation: The current system is constantly in need of repair and needs complete replacing as the original lines are of low quality and breaking. There is no money in the reserve for this; PVC should have lasted 60-75 years but the current lines are plastic. The following options are available, the homeowners will get more information once the final bids come in:
 - a. Just continue to repair leaks, do not replace the system at all. This will incur recurring repair and water costs that are not addressing the base problem;
 - b. Replace all the irrigation replacement in one total project, do not replant which will leave the community without landscaping until funds accumulate over time to replant in the future;
 - c. Replace all the irrigation in sections, a few buildings at a time, and replant as funds are accrued from reserves. This will be less expensive in short term as the Association would be paying out a smaller amount for each section as the reserves from dues accumulate; but would be more expensive overall as there will be no volume discount. The property would be unattractive for some time, up to a couple of years.
 - d. Replace irrigation and replant the entire community in one total project. This would entail an assessment to the homeowners. Estimate \$300k to replace the irrigation with a two line system and \$150k for re-planting. There are 48 valves on the system now, but the current maps are incorrect – the builder did not put lines where the maps show. So the project is more complicated due to that. The low maintenance plants will save on landscaping maintenance costs and water bills.

It was discussed that dues are low and the association is underfunded. In a show of hands, the majority of present homeowners supported a vote in January to have an assessment to replace irrigation and replant all in one project. The BOD will discuss how much the assessment will be and allowable terms – if it will be payable in monthly, quarterly or annual amounts.

Legal counsel mentioned that Zoom or other remote viewing is not required for the annual meeting.

IV. MEETING ADJOURNED

Meeting concluded at 10:27AM