

Minutes from Sunrise Canyon Homeowners Association Meeting

4pm - March 18, 2023

The meeting was called to order by Allan Wright, President at 4 p.m.

Board Attendees: Allan Wright, Mark Happ, Tim Connolly

Homeowner Attendees: Bob and Betty Stobie, Champa Carr, Leonard and Ann Robinowitz, Betty Brainerd, Charlotte Slanaker, Jeanne King, Syd Berwager, James and Karen Price, Dan and Lesley Roberts, Sumner and Shirley Sachs, Toby and Alison Bell, Frank Wilcek, Edward and Gail Seale, Joni Konhilas, Jim and Elisa Gugerty, Steve and Denise Pierce, Vince and Gloria San Angelo, Jack and Lorraine Gifford, Camille Rutherford, Ed Lehmann, Claire Connolly, Chris Wright, Kathleen Hays and Gerald Barkan, Marie Rosebrugh, Dorothy Williamson, Erika Geyer

Allan welcomed the meeting attendees and thanked the numerous homeowners that have been volunteering. In the last two years since re-initiating the architectural and landscape committees, we have gone from a small handful of volunteers to over thirty percent of our homeowners volunteering.

Street Bid Review

Allan stated the board unanimously prefers the Bates proposal of pulverizing the existing pavement and then blending it to a depth of 4-6 inches prior to placing 2 inches of asphalt as the best value option. This is a board opinion as we have not engaged a pavement consultant to provide a cost benefit nor life expectancy analysis.

Allan suggested as a cost-saving measure to not engage a pavement consultant to oversee the project. By a show of hands most residents present opposed engaging a paving consultant.

Allan then discussed as further cost savings homeowners could opt for a less expensive bid to Mill 2" and Place 2" PAC-2 in lieu of the Board recommended bid to Pulverize/Blend 4-6" and Place 2" PAG-2. After discussion of the remaining agenda items, Allan requested a show of hands for homeowner preference of street bid selection. Sixty-two percent of the residents present preferred to proceed with the least expensive bid in lieu of the best value bid recommended by the Board.

The Board will yield to homeowner preferences of not utilizing a pavement consultant and opting for Bates' low bid to Mill 2" and Place 2" PAC-2.

Landscape Bid Review

The Landscape Committee stated they had prepared bid criteria and solicited four bids. AAA Landscape declined to bid after reviewing the bid criteria. Cherry Landscape's was deemed non-responsive as their bid stated, 'we have excluded incorporating association maintenance guidelines in our bid'. The committee's recommendation is to keep Infinity Earthworks on as our landscaper, increasing the contract hours to 20 man hours per week. Infinity has been performing well and is slightly less expensive than Tucson Professional Landscape.

Allan stated that he received a bid from AAA back in February, of which he has not shared with the Board nor the Landscape Committee, and that is likely why AAA did not provide a bid to the Landscape Committee. Allan has also solicited a bid from Santa Rita Landscape. Santa Rita Landscape was not

solicited for a bid by the Landscape Committee as they had received negative references from current clients.

There was considerable discussion amongst homeowners ranging from noting significant progress with cleanup efforts to complaints about weeds and maintenance concerns near individual residences. The Landscape Committee noted that there has been twice as many volunteer hours as there have been paid professional man hours in the last year to make progress and that this is not a sustainable model.

Mark noted that the street repaving will nearly deplete our reserve account. And to increase professional landscape man hours would require an increase in dues.

Waste/Recycle Bid Review

Mark Reviewed the bids from Waste Connections of AZ and Republic Services. Waste Connections is the least expensive option over the proposed five-year contract term. The community has been pleased with Waste Connections service. The Board will renew a five-year contract with Waste Connections.

2023 Annual Budget Review

Mark reviewed an expanded budget model derived from the previous Board's 2023 Proposed Budget. It contains the original 2023 Proposed Budget that was presented at the November 6th Annual meeting. The second column of numbers is a "revised" Nov 6th 2023 Proposed Budget that Mark updated for known changes, i.e. the impact of the 3% increase in HOA Dues in 2023, increases in operating costs or capital costs not included in the original November 6th Budget such as Pool and SPA annual permits as well as software needed to run Quick Books for the HOA and finally the increase in the cost for street paving which is now supported with a firm bid. Finally, the last column of numbers is the budget designated "for Discussion w/ HOA". This budget is intended to show the proposed increase cost for landscaping above levels that have been invested in landscaping historically.

The Board will review the scope of work and costs for each of the landscape bid proposals as well as incoming bids for annual tree maintenance. The Board intends to then solicit homeowner input on how best to fund our community needs, ongoing operating expenses and various larger non-recurring landscape project costs and capital replacement for assets as they wear out at our May HOA meeting.

Mark also briefly reviewed the maintenance reserve fund. Noting, following the payment for the upcoming paving of our streets, our Maintenance Reserve will be reduced from \$82k to \$17k. So, we now need to again begin building the reserve and we need as a community to agree on what we want the reserve to cover and what items if any we would rather handle through a special assessment when they occur. This will be part of the discussion for our May 2023 HOA meeting dealing primarily with the Reserve Study and what it indicates our needs to be. Funding Options As an HOA, we have three sources to fund our non-recurring projects as well as capital improvements. They are: 1) Semi Annual HOA 2) Home Sale Related Capital Improvement Fees and Transfer Fees and 3) Special Assessment. At the May 2023 HOA Meeting we can take a deeper dive into the Reserve Study that was done and the related funding requirements that it indicates. Once everyone understands the details, we as a community can then land on a "path forward".

The November 2022 Board Member Election

A resident has expressed concern that the November 2022 Board Member Election was tampered with, and the election was stolen from Vincent San Angelo.

Prior to the annual November vote the board formed a nomination committee in accordance with the

HOA by-laws. The committee serves for one year and was comprised of Tim Connolly (board member not up for election in 2022 or 2023), Syd Berwager and Frank Wilcek. The committee sent out bios for the two candidates to all homeowners along with a proxy form and solicitation for other nominations. No additional nominations were received prior to the meeting nor from the floor.

At the November 6th HOA meeting, Syd Berwager and Frank Wilcek managed the voting table. They issued each residence one ballot, verified proxies and issued one ballot for each proxy. They then verified the authenticity of the returned ballots and tallied votes for each candidate. The secretary then reviewed and validated the proxy, ballots and count. The incumbent Vincent San Angelo received 17 votes; Mark Happ received 28 votes.

Concerned homeowners may contact the secretary, Tim Connolly, to review the voting records.