

President's Report
Springs Board of Directors Meeting
January 17, 2017

Whether you travelled or stayed right here, I hope everyone enjoyed the Holiday season and that your new year is off to a good start.

Although most of our seasonal residents are back and our social activities are wonderfully well attended, there is little HOA business to comment on.

So I will take this opportunity to share what a great experience it has been to serve on the board for the last six years. The Board members have been and still are very capable and often passionate people who care deeply about our community and give generously of their time and talent. I count them as friends and it has been an honor to be on their team.

Likewise, I have enjoyed getting to meet many of our residents and so fully appreciate our numerous skilled volunteers.

Serving here been a very rewarding experience for me but it is now time to step aside so others can have a similar experience. If you agree that we all enjoy the benefits of living in one of the best looking, financially sound and effectively operated HOAs in Green Valley, then will you to consider giving back a little to The Springs by serving on the Board?

Here's to a great 2017!!

Howard Bryan
President

President's Report
Springs Board of Directors Meeting
February 21, 2017

Annual Meeting

We had a good turn out with 82 homeowners representing 57 lots attending. We heard many positive comments and affirmations from the owners who attended that meeting. Thanks to a committed Board, a strong spirit of volunteerism within The Springs and owners who are by-in-large cooperative and supportive, our community continues to be financially healthy, socially active, and well maintained.

Following the Annual Meeting the new board briefly convened to determine officers and key Committee Chairs as follows:

President	David Dethmers
Vice President	Rebecca Keenan
Treasurer	Roger Olson
Secretary	John Greene
ARC	Ted Boyett
Grounds Committee	Jim Owen
Streets and Buildings	Michael Ford

Since our last meeting I've spent time orienting and getting to know our new board members, meeting with members of the community who have ideas or concerns, and collaborating with our Architectural Review Committee on a number of ideas and opportunities that they are currently addressing. You'll hear more about that from Ted Boyett later in the meeting.

I've also put the finishing touches on our HOA Handbook and fervently hope that it will be approved for publication later in the agenda.

David Dethmers
President

President's Report
Springs Board of Directors Meeting
March 21, 2017

Green Valley Council

This past month Roger Olson, our Treasurer, and I attended an orientation/information meeting put on by Green Valley Council specifically to make HOA board members from around Green Valley aware of the important work they do. In the absence of an incorporated government in Green Valley, the Council functions in that capacity, providing a forum for HOAs, not-for-profits, and businesses in Green Valley to collaborate, resource each other, and represent Green Valley at the various legislative levels of Arizona government.

Tom Kramer is our representative to the Council. Juanita Kauffman is our alternate and Sandie Stone currently serves on the Board of the GVC. In the coming week, every resident will receive a brochure on the work of the GVC from their block captain. I encourage you to take a few minutes to really read through it and learn about the resources available. For more detailed information, you can go to their website: www.gvcouncil.org.

HOA Handbook

Our revised Handbook has been completed and printed! Thanks to Gene McGaughey, Ron Delvaux, Ted Boyett, Howard Bryan and Sandie Stone for the work they did to make this updated version possible. Each owner will be receiving a copy of the Handbook within the next week or so from your block captain, when they distribute it, along with the phone directories and Green Valley Council brochure, to your home. I would encourage every resident and renter to familiarize themselves with the new Handbook, since it reflects a significant number of changes and clarifications to community standards, as well as providing owners with a good deal of helpful information.

The handbook is also available on the website. Owners who rent out their units are strongly encouraged to share their copy of the Handbook with their renters or point them to the website, since renters are also responsible for adhering to community standards.

Lunch and Learn with Goldschmidt/Shupe Attorneys at Law

On Thursday, April 6th, four members of our board will be attending a seminar in Tucson offered free of charge by our HOA attorneys: Goldschmidt and Shupe. The focus this month will be: *2017 Legislative Update & Amending HOA Governing Documents*. Attending will be: Ted Boyett, Roger Olson, Jim Owen, and me.

Time of Board Meetings

For the past two months the Board has begun its meetings at 9:30 AM as an accommodation to my schedule, which I have greatly appreciated. Beginning next month our Board meeting will return to its 9 AM start time.

David Dethmers
HOA President

**President's Report
Springs Board of Directors Meeting
October 17, 2017**

Although our Board has been “dark” since our June 20th meeting, much of the work of the HOA has continued over the summer:

- Our monthly potlucks have stayed strong, thanks to Jack Marketti stepping in during Bill Perry's absence.
- Mark Koruga has ably led our Grounds team during Jim Owen's absence, working on a weekly basis to ensure that our grounds are clean, well maintained and beautiful.
- Michael Ford and the Streets and Buildings Team have coordinated a great deal of work on our streets and over the summer the Front Entrance was repaired and painted.
- The ARC team has continued to function, acting on applications for changes to properties, inspecting our owner properties for compliance and ensuring that The Springs HOA continues to be a secure and attractive place to live.
- Our Treasurer continued to make sure the bills got paid and that our fiscal house remains in good order.
- And, of course, our Office Manager, Jeannie McGaughey continued to keep us all in line!

Thanks to all of those who kept our HOA running smoothly over the summer!

Although I will not be present for the October 17th Board meeting (I'll be hanging out on a cruise ship in the Atlantic) there are a number of items I want to address to ensure that everyone is up-to-speed for the Board meeting:

Community Bulletin Boards

It has come to our attention that it is probably time to replace the six community bulletin boards that are placed around our neighborhoods. Some of them are damaged, the latches are ineffective and none of them are water proof, resulting in postings being water damaged and unreadable, especially during monsoon season. I've asked our Streets and Buildings chair, Michael Ford, to look into replacing them with a product that is water proof and building the cost into his 2018 budget.

Process for Ensuring Payment of Delinquent Dues

Several months ago our attorneys, Goldschmidt/Shupe informed us that they would no longer be in the business of acting as a collection agent for HOAs. They recommended to us another law practice that focuses on collections. We've utilized their services since then but have found that they are much more expensive than Goldschmidt/Shupe and not as easy to work with. Therefore, our Treasurer, Roger Olson, and I are looking into other options/processes for collection of delinquent dues. Sandie Stone, our representative to the Green Valley Council, will also find out what the experience of other HOAs in Green Valley has been. If we decide we would like to change our process, we will bring a recommendation to the board.

Sealing of All Streets in The Springs

Weather permitting, all the streets in The Springs will be sealed between October 23 and October 26th. Michael Ford and his team have worked closely with Sunland to put together a clear plan for the process. The plan includes:

- Early and redundant communication with the community on the specifics of the process, using e-blasts to all owners who are on our e-mail list and posting the information on our bulletin boards. We also encourage owners who have a neighbor who doesn't have e-mail to share the pertinent information with them.
- Contacting GVR to request permission for owners in affected areas to park their cars in the GVR lot overnight;
- Providing golf cart rides for residents who need them from their home to their automobile.

All questions should be directed to Michael Ford. By the time of the Board meeting, he will likely have an update on process and logistics.

Replacement of HOA Enforcement Agent

Gene McGaughey has informed the board that after twelve years as our Enforcement Agent, he will not renew his contract when it is fulfilled in January. Gene has done a marvelous job in this role for the HOA and we congratulate him on his well-deserved “retirement”. Gene has also indicated his willingness to work with the individual the board selects to replace to ensure a smooth transition.

The Architectural Review Committee, to whom the Enforcement Agent reports, has already been at work reviewing the job description. Ted Boyett will likely be bringing a revised job description to the October meeting for board action. Once the new job description is approved, ARC will work with the Personnel Committee (President and Vice President) to advertise the position and select a replacement.

Adopt-a-Highway

As I reported at our June 2017 meeting, The Springs HOA has once again agreed to take over responsibility for clean-up of the East Frontage Road between Mile Markers 37 and 36. Since our June meeting we have completed the necessary paper work with the Arizona Department of Transportation. Deby Cox has graciously agreed to coordinate the Adopt-a-Highway team. We will, of course, be looking for volunteers to assist! Stay tuned!

Respectfully submitted,

David Dethmers
Springs HOA Board President

**President's Report
Springs Board of Directors Meeting
November 21, 2017**

Collecting Delinquent HOA Dues

A couple of months ago, Jeannie McGaughey, our Office Manager, approached me with the suggestion that we might want to consider a different approach to collecting HOA dues that are not paid on time.

For many years, we contracted with our attorneys, Goldschmidt/Shupe, to collect delinquent dues and the arrangement was quite satisfactory. Last year, Goldschmidt/Shupe decided to get out of the collections business and recommended that we contract with the law firm of Maxwell and Morgan. That relationship has proven less satisfactory, in that the level of response and assistance has not been as positive and, perhaps more importantly, the fees they charge are significantly more. Here's a summary of our current agreement with Maxwell and Morgan:

1. We turn over the account to Maxwell and Morgan and they charge \$250 for the first demand letter, plus fees, which we have found amount to an additional \$150, plus postage.
2. The homeowner has 35 days to respond. If they do not respond, the law firm sends them a second letter which costs \$150.
3. If the homeowner does not pay or respond to the second letter, the attorneys place a lien on the property. Maxwell and Morgan estimate that if we choose to file a suit, the cost of the suit depends upon the amount owed but generally, if we are seeking to collect less than \$5,000, the fee is \$1200.

As I see it, there's a couple of problems with this arrangement:

- If the law firm is successful in collecting the fees from the homeowner, we get our money back. But that is not guaranteed. Sometimes we will only receive reimbursement when the home is sold. Sometimes there will be other liens on the property that take priority over ours and we will get nothing.
- Even if we recover our money, it places a significant financial burden on the homeowner. In talking with Jeannie McGaughey and Roger Olson, it has become clear that failure to pay dues is almost never a case of a homeowner defiantly refusing to pay or withholding payment because they have a grievance with the HOA. Usually it is because the homeowner simply doesn't have the money or because they are too impaired to respond to the request for payment. Sometimes it is because a relative is paying their bills and the billing doesn't initially make its way to the relative.

When Jeannie and Gene McGaughey belonged to a HOA in California, the HOA addressed delinquent accounts by filing a claim in Small Claims Court. Filing in Small Claims Court usually requires a filing fee of \$24 in Arizona. The filing generally served the purpose of getting the attention of the delinquent homeowner. The homeowner would be required to appear in court and the filing has the effect of placing a lien on the homeowner's property if the homeowner is not responsive.

This approach makes much more sense in my mind. Therefore, I would recommend to the Board:

That in the collection of delinquent dues we adopt the use of Small Claims Court for a one year (2018) trial period and at the end of one year assess whether it better meets our needs and the needs of the homeowner than the use of a law firm.

Schedule of Fines

This past week we received notification from our attorneys, Goldschmidt/Shupe, of the enactment of a new Arizona law that requires Planned Communities to establish and disseminate a schedule of fines for specific infractions in advance of the imposition of any fine. Failure to establish the schedule in advance will result in the negation of the fine. Below are some key quotes from the new law:

According to the Arizona Planned Communities and Condominium Acts, “after notice and an opportunity to be heard, the board of directors may impose reasonable monetary penalties on members for violations of the declaration, bylaws and rules of the association.” The Arizona Court of Appeals recently issued an opinion that has defined how a trial court will determine the reasonableness of a monetary penalty and, therefore, whether the penalty is collectible. The case is *Turtle Rock III Homeowners Association v. Fisher*, 1CA-CV 16-0455 (copy attached) and the pertinent holding states that:

“[m]onetary fines must be reasonable. *See* A.R.S. §33-1803(B). Ad hoc fines are per se unreasonable [citation omitted]. [E]ven where the HOA has the authority to levy fines, it must promulgate the schedule of fines prior to imposing the fines, and the failure to prove promulgation is fatal.”

The opinion further states that an HOA must present “competent evidence of a fee schedule timely promulgated (i.e., adopted and distributed to members) demonstrating the fine amounts and the appropriateness of such amounts. Otherwise monetary penalties are per se unreasonable.”

In order to comply with the law, I would recommend:

That the Board ask the ARC, in collaboration with the Enforcement Agent, to develop a schedule of specific fines and submit them to the Board for our review and approval not later than the January, 2018 meeting.

Respectfully submitted,

David G Dethmers

**President's Report
Springs Board of Directors Meeting
December 19, 2017**

1. Collecting Delinquent HOA Dues

At our meeting last month, I asked Jeannie to delve more deeply into the process and costs that would be involved if we tried to collect delinquent HOA dues through the Small Claims Court process. Here's what she discovered:

Step 1 - We can either file a "Small Claim" or a "Civil Complaint." In both cases, the defendant must be served papers. If the HOA cannot do it via certified letter with returned receipt, we can hire a constable. The cost in AZ is \$32; I don't know the cost out of state.

- A Small Claim has a fee of \$34, parties cannot use lawyers, and the damages cannot exceed \$3,500.
- A Civil Complaint has a fee of \$79, parties may use lawyers, and the damages cannot exceed \$10,000.
- If we initially file a Small Claim and, before trial, choose to convert to a Civil Complaint, the transfer fee is \$26.

Step 2 - Once a judgment is obtained, we request they issue a Transcript of judgment be filed and a fee of \$26 paid to the court.

Step 3 - Once the fee is paid, we take the Transcript to the office of the Clerk of the Civil Superior Court for filing. We pay them a fee of \$43, plus \$28 and \$0.50 per page for a certified copy, and they will issue a Superior Court transcript with a case number.

Step 4 - The Superior Court certified Transcript can then be taken to any County Recorder's Office. We pay a \$10 recording fee and a Judgment Lien is then in effect. The Judgment Lien is good for five years.

Jeannie estimates that we should budget 10 hours for her time. That being the case, I would expect if we went through Small Claims and received acknowledgement via signed, return receipt, it would cost somewhere in the vicinity of \$141, plus \$0.50 a page for the certified transcript, plus Jeannie's time (approximately \$200 for ten hours) for a total of approximately \$350.

If we had to go to Civil Court, and pay a constable, the cost could be upwards of \$186, plus \$0.50 per page, plus Jeannie's time, for a total of approximately \$400.

Roger Olson also made contact with another law firm to compare their process and costs to that of Maxwell and Morgan, our current collection attorneys. Roger found that although their fee schedule and processes are a little different from Maxwell and Morgan, the bottom line cost would typically be about the same.

Roger did learn in his discussions, however, that most HOAs make a greater effort to connect with and collect from the delinquent property owner than we do. The attorney Roger spoke with suggested that we send out two to three notices of delinquency and then follow up with a phone call, if possible, before turning the account over to the attorneys.

Based on the fact that we should save money collecting delinquent dues through Small Claims Court, I recommend:

- **We use the Small Claims Court process on a trial basis in 2018 and then compare results.**
- **We change our practice to include three mail notices of delinquency followed by a phone call to the owner before initiating the collection process through Small Claims Court.**

2. Schedule for Payment of Annual Dues

Almost every year we have an owner or two request that we move the due date of annual dues from the first of January to the first of July to ease the financial pressure on individuals who must pay both their HOA dues and their GVR dues on the first of January.

I have had thorough conversations with both our Treasurer, Roger Olson, and with Ted Boyett, the board member who received the request this year. On reflection, we have decided not to change the due date for HOA dues for the following reasons:

1. We are a small and lean organization. Changing our due date would add significantly to the work load of our Treasurer, who already carries a heavy job description.
2. Making the transition would require us to bill homeowners twice in the year of transition. Not only would this translate to significant additional work for the Treasurer, as noted above, but it would also result in homeowners having to pay roughly \$750 in the year of transition--\$250 in January and \$500 in July.
3. Our CC&Rs stipulate that payment of Annual Assessments (dues) shall be in January. (7.3.3)
4. Individuals have all year to plan for the payment of their dues at the approximate rate of \$42 per month.

It is also noted that GVR does have an option for a monthly payment plan at an additional annual cost of about \$49. Individuals who want to spread their payments out over the year might want to explore this option.

3. **Road Issues in Green Valley and Santa Rita Springs vs. the Springs at Santa Rita!** - Like me, a number of other residents of our community were surprised when reading an article in the Green Valley News that stated that Santa Rita Springs would be the recipient of road repair in the coming year. Given that our roads are private and in excellent condition, I was amazed to read this. I made contact with the Green Valley News and learned after some detailed exploration on their part that there are two communities in proximity to one another with almost identical names. We are **The Springs at Santa Rita**. There is another smaller community off of Torres Blancas between the frontage road and Abrego that is named **Santa Rita Springs**. That is the community that is scheduled for road repair in 2018. *Inquiring Minds Want to Know!*

4. **New Lighting in GVR Parking Lot** - Marty Henrikson from Tucson Electric Power (Phone 520-405-9563) has advised us that TEP put a new LED light at the corner of the north GVR parking lot entrance. He also said that eventually all the lights will be replaced with this type of light as they don't even manufacture the old type any longer. He said that if there are any concerns from homeowners, please call him as they can do some things to adjust the lighting if needed. Also, if you have any questions, please call him. His contact hours are 7:00 AM – 3:30 PM.

5. **Applicants for Enforcement Agent Position** - To date we have received two applications for this position. Both of these individuals live in The Springs. We will receive applications through December 31st and will begin the interview process in early January. The goal is to have the new individual in place by February 1st.

6. **Annual Reports** - Board members are reminded that their annual reports are due to Jeannie McGaughey and me not later than December 31st. Please ensure that your report is not more than one page and summarizes the work and accomplishments of your team for 2017. If you have questions, let me know.

7. **Annual Meeting** - The annual meeting of our membership is scheduled for Saturday, January 27, 2018 at 3 PM in the Anza Room. In addition to the usual business, members present will be given the opportunity to provide their feedback on the strengths and weaknesses of our community and to make suggestions for ways that our community can be further strengthened and enhanced. I hope that all homeowners will want to be a part of this process!

8. **Annual Meeting Mailing**

Happy volunteers will gather on Friday, January 5 at 9 AM to compile the annual report that goes out to all owners. If you have time available that day, we'd love to have you join us in the Fiesta Room!

Respectfully submitted,

David G Dethmers