

Festival Celebration Homeowners Association

**Board Meeting
January 29, 2014
OPEN MEETING 630PM**

Yogurt Time Shop – 1949 W Ray Road

OPEN AGENDA

- **Call to Order**
- **Review and Approve December 18, 2013 Minutes**
- **Review Financial Balance Sheet / Treasurer's Report**
- **Unfinished Business**
 - 1) Fidelity Bond Quote
- **New Business:**
 - 1) Social Activity – date harvest
 - 2) Manual Ramirez – 1211 Gary – wall damage update
 - 3) Tree trim review and discussion on further expenses and possible cost approvals
- **Open Discussion**
- **Next Meeting Date – February 19 2014**
- **Adjournment**

**Festival / Celebration Homeowners Association
Board Meeting Minutes
December 18, 2013**

Call to Order:

Meeting was called to order at 6:15 P.M.

Kara Anspach-Farmers' Insurance

The association has \$1M coverage in general liability/year which also covers our community events; additionally the association also has \$1M general policy coverage/yr. She gave us a copy of the Certificate of Liability Insurance under our current insurance contract.

She also read from our CC&R, Section 8.3 regarding Fidelity Bonds. The CC&Rs meaning of this section will be reviewed by an attorney through KMS. The amount of the bond maintained by the association shall be "no less than the greater of

- 1- 150% of estimated operating expenses
- 2- estimated maximum reserve funds or
- 3- equal to 3 month assessment on all lots.

Per Debbie, Kara's figures for needed bond-\$125K, at an annual cost of \$162.

Brent Jefferies- BJ's Landscape

Brent introduced himself to board and answered concerns regarding the bids he presented.

They include:

- 1- Estimate #10936 dealing with upgrading our landscaping needs. Brent explained the needed improvements. There was a question on the last item, 1 or 2 controllers needed, he will check and give Debbie the location of second controller or remove it from the estimate. He will also include the price of blue paint and paint our copper backflow systems to help lesson possible vandalism of our copper. Current estimate is \$2874.97. board voted unanimously to approve this expense once adjusted total is determined by Brent. Per the Nov 30 income statement, there is \$4226.65 left from last year's budget which will offset this expense.
- 2- Estimate #1375 dealing with the walk through James did with Brent to remove some unnecessary trees, stumps, etc. for an estimated \$3577.10. Usher and Son's Lawn Care bid \$3225 for this job. The board agreed to do a walk around on a Saturday in January to assess when which of these items need to handled and when. This estimate is tabled for December.
- 3- Estimate #1383 dealing with major tree trimming, at a cost of \$13,275.00, Brent prioritized the most important trees to be trimmed in January or February. They are Palo Verde [36] at total cost of \$3060, Date Palms [9] at \$630 [note: Tree Doctor bid date palm trimming at \$1335.60, but would charge \$667.80 if done in May, or \$74/tree. BJ charges \$70 per tree]. Board notes that the date palms need to be trimmed as soon as possible as they have been dropping dates in December, the board felt it necessary to do the trimming early in 2014.
The board voted to approve \$5000 toward this tree trimming estimate, requesting the date palms be trimmed first, and then have Brent pick the most needed trees of the Palo Verdes and Chilean Mesquite trees to use this amount. The board will revisit this estimate at the January meeting to discuss the additional \$8300 trimming to see what the association can afford.

Review and Approval of Previous Annual Meeting Minutes:

Minutes of October 16, 2013 board meeting were reviewed and approved.

Financials:

Treasurer, JH Diaz reviewed the financials. See Treasurer's report attached. Kim motioned to approve Treasurer's report, James seconded, report approved. Board reviewed the 2014 budget, discussed and approved. Debbie will authorize \$1465 for November and again in December to be put into the reserve fund, now that the budget has been approved.

Unfinished Business:

The board reviewed the 2014 calendar. It was decided to meet in January as the tree trimming and other matters will be taking additional discussion. Kim will check with the Chandler Library for a meeting room for January 29th and get that info to Debbie by Jan 6-7. Debbie will send post card out by 1-10 as to the community garage sale on 18/19 and the January meeting.

Officer positions:

James Yoder, President, Mary Sutton, Vice President, Joyce H Diaz, Secretary and Treasurer, Kim Homan, Director at large and Newsletter Committee Chair. Mary Sutton, Events Committee Chair, James Yoder, Architectural Committee Chair.

New Business:

Homeowner Manual Ramirez, 1211 Gary Court attended to explain there was damage done to his back wall from a car accident in October. The police report #2013 90908 should be sent to him by mid-January, at which time he will report the wall damage to his insurance company. The board will then review the damage to the perimeter wall and landscape curbing behind his home and will determine if repairs need to be split with homeowner and association, or if his insurance will repair wall damage through the driver's insurance coverage.

2013 Compilation Agreement was signed by James, this is an annual audit like review which is a \$600 annual expense; association is legally bound to have this completed.

Mary reported on the October GAIN night event, participating groups are included in her report which follows. Her expenses: \$85 for bounce house, tables, chairs, N/C for Chandler permit, \$100 for water, hot dogs/hamburgers. Joyce moved to approve funding, James seconded, board approved \$185 to Mary for expenses, she will submit receipts to Debbie for reimbursement.

Meeting Adjourned at 8:30 P.M.

Submitted by

JH Diaz
Recording Secretary
Treasurer
HOA Festival Celebration Board of Directors

FESTIVAL CELEBRATION
Income Statement
Dec 31, 2013

DESCRIPTION	ACTUAL	CURRENT BUDGET	PERIOD VARIANCE	YEAR ACTUAL	TO BUDGET	DATE VARIANCE
INCOME						
OPERATING INCOME						
RESIDENTIAL ASSESSMENT	15,357.35	7,849.00	7,508.35	101,027.60	94,188.00	6,839.60
DELINQUENT RESID ASSMNT	129.30	1,013.00	883.70-	10,089.03	12,156.00	2,066.97-
TOTAL OPERATING INCOME	15,486.65	8,862.00	6,624.65	111,116.63	106,344.00	4,772.63
OPERATING TRANSFER TO RES	600.00-	600.00-	.00	7,200.00-	7,200.00-	.00
TOTAL INCOME	14,886.65	8,262.00	6,624.65	103,916.63	99,144.00	4,772.63
EXPENSES						
OPERATING EXPENSES						
MAINTENANCE & REPAIR						
MAINTENANCE CONTRACT	2,400.00	3,150.00	750.00	33,900.00	37,800.00	3,900.00
PEST CONTROL	62.88	65.00	2.12	849.56	780.00	69.56-
WALL & MONUMENT REPAIR	.00	.00	.00	185.00	.00	185.00-
IRRIGATION REPAIRS	105.00	75.00	30.00-	1,757.18	900.00	857.18-
LARGE TREE TRIMMING	157.60	.00	157.60-	3,431.05	7,500.00	4,068.95
CONTRACT SERVICE	.00	105.00	105.00	4,122.90	1,315.00	2,807.90-
TOTAL MAINT. & REPAIR	2,725.48	3,395.00	669.52	44,245.69	48,295.00	4,049.31
PARTS & SUPPLIES						
SPRINKLER/IRRIGATION PARTS	378.71	.00	378.71-	710.21	.00	710.21-
LANDSCAPE SUPPLIES	.00	.00	.00	.00	600.00	600.00
PLANTS/BUSHES/TREES	.00	.00	.00	.00	1,000.00	1,000.00
SEED	1,200.00	.00	1,200.00-	1,200.00	1,200.00	.00
TOTAL PARTS & SUPPLIES	1,578.71	.00	1,578.71-	1,910.21	2,800.00	889.79
UTILITIES						
ELECTRIC	239.72	210.00	29.72-	2,921.46	2,520.00	401.46-
WATER	889.91	800.00	89.91-	14,200.71	12,300.00	1,900.71-
TOTAL UTILITIES	1,129.63	1,010.00	119.63-	17,122.17	14,820.00	2,302.17-
ADMINISTRATIVE						
LEGAL & ACCOUNTING	.00	135.00	135.00	692.00	1,620.00	928.00
COLLECTION EXPENSE	389.20	600.00	210.80	6,106.97	7,200.00	1,093.03
AUDIT & TAX PREPARATION	.00	.00	.00	925.00	875.00	50.00-
LIEN EXPENSE	.00	.00	.00	540.00	.00	540.00-
RECORD STORAGE	32.00	32.00	.00	383.50	392.00	8.50
BANK SERVICE CHARGE	15.00	.00	15.00-	60.00	.00	60.00-
MEETING EXPENSES	149.14	.00	149.14-	247.88	.00	247.88-
INSURANCE	189.01	210.00	20.99	2,272.00	2,520.00	248.00
MANAGEMENT FEES	1,330.00	1,330.00	.00	15,960.00	15,960.00	.00

FESTIVAL CELEBRATION
Income Statement
Dec 31, 2013

DESCRIPTION	ACTUAL	CURRENT BUDGET	PERIOD VARIANCE	YEAR ACTUAL	TO BUDGET	DATE VARIANCE
COMMUNITY NOTICES	74.00	.00	74.00-	1,058.58	925.00	133.58-
NEWSLETTERS	.00	.00	.00	580.56	564.00	16.56-
POSTAGE/COPIES	101.43	75.00	26.43-	1,346.81	900.00	446.81-
PERMITS/LICENSES/INCOME TA	.00	.00	.00	60.00	200.00	140.00
PROPERTY TAXES	.00	.00	.00	11.64	5.00	6.64-
COUPONS	728.00	800.00	72.00	728.00	800.00	72.00
TOTAL ADMINISTRATIVE	3,007.78	3,182.00	174.22	30,972.94	31,961.00	988.06
TOTAL OPERATING EXPENSE	8,441.60	7,587.00	854.60-	94,251.01	97,876.00	3,624.99
NET OPER PROFIT/LOSS	6,445.05	675.00	5,770.05	9,665.62	1,268.00	8,397.62
RESERVE ALLOCATIONS						
INTEREST	14.64	.00	14.64	202.75	.00	202.75
RESERVE	600.00	600.00	.00	7,200.00	7,200.00	.00
TOTAL RESERVE & EXPENSE	614.64	600.00	14.64	7,402.75	7,200.00	202.75
NET PROFIT / (LOSS)	7,059.69	1,275.00	5,784.69	17,068.37	8,468.00	8,600.37

12/31/2013
3:03 PM

FESTIVAL CELEBRATION
Balance Sheet
Dec 31, 2013

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ASSETS

CURRENT ASSETS

CASH IN BANK/WELLS FARGO	.00
CASH IN BANK/MUTUAL OF OMAHA	29,762.24
RESERVE ACCOUNTS	
MUTUAL OF OMAHA RESERVE	72,932.62
DEPOSITS REFUNDABLE	224.95

TOTAL CURRENT ASSETS	<u>102,919.81</u>
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TOTAL ASSETS	<u>102,919.81</u>
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LIABILITIES & CAPITAL

CAPITAL

RETAINED EARNINGS	85,851.44
PROFIT/(LOSS) FOR PERIOD	17,068.37

TOTAL CAPITAL	<u>102,919.81</u>
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TOTAL LIABILITIES & CAPITAL	<u>102,919.81</u>
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From: Kara Anspach (kara@az-farmers.com)
To: debbie@kinneymanagement.com
Subject: RE: Festival Celebration
Attachments: image001.gif

Date: Fri, 3 Jan 2014 21:41:39 +0000

Hi Debbie,

I finally got quote for a \$125K Fidelity Bond. The annual premium is \$162.00.

Please advise if the Board opts to add this coverage.

Happy New Year!

Kara K. Anspach
kara@az-farmers.com
Kara Anspach Insurance Agency, Inc.
15849 N 71st Street # 255
Scottsdale AZ 85254
Phone: 480-998-8070
Cell: 602-743-2884
Fax: 480-951-3519



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