

Members' Meeting of Northtown Homeowners Association

April 16, 2019

Call to order. Pledge of Allegiance.

President Diane Hoverson was absent as well as Treasurer Joni Zarko. As Vice President Sheila Ruling announced there will be year to date reports and asked for a Member in attendance to preside over this Members' Meeting. Barry Shusterman volunteered to preside and act as Moderator.

Sheila didn't have any Vice President report other than to say she has been taking over Diane H's responsibilities in her absence. Diane G announced that she took office in January and other than the Minutes from the various meetings and specifically that the audio tape of the December Members' meeting had been shut down before the voting results had been announced, but the updated information on voting results has since been provide, and asked if anyone had any questions. The Minutes as transcribed from the tape had been prepared on January 8. Diane G stated she didn't know that she was supposed to have copies of the December 18 Members' meeting minutes at this meeting, but the minutes had been distributed to all Board members in January. Diane apologized that she didn't understand that she was supposed to have them copied for this meeting so that they could be approved by the Members at this meeting and promised to do better/ Diane G did offer to make copies of them and leave a stack of them on the table in the clubhouse, however the members didn't indicate an interest in having that done.

Sheila announced that as the Treasurer, Joni, was not in attendance, there is no Treasurer's Report to hand out, however our representative from Osselaer is at this meeting and he will be available to take questions.

Julie, Director of Architectural Control, gave her report on year to date applications and approvals as regards to enclosing garages and overhead door, building a mini-wall, replacing a block fence, painting house / trim, installing gate, solar installation, roof replacement.

For Pam's Pool report, she advised that the pool should be finished this Saturday, and then we await the City of Phoenix's final inspection.

Frank's report on Roads and Grounds: he has a \$12,000 budget for the year and so far we've spent \$3,700 so far and will be right at \$4000 by the end of April. We have another tree trimming budget of \$2,500 and have used about half of it so far with the removal of the tree by the six-plex.

Julie wanted to announced that there were a couple of properties which have replaced roofs without getting prior approval and she thought perhaps some people didn't know they are supposed to get prior approval, even if there will be no change in the color of the roof or change in the style. One member in attendance opined that as long as no change is being made to the replacement roof, that no prior Architectural Control approval is needed. Julie will check the by-laws.

Barry took over the meeting at this point, and asked Naomi McCarthy to speak about the website. They are working on the new system and it is getting better. Our current website is Northtown85022.net. We are working on a new website that will be much easier to read and cleaner looking: Northtown85022.org. However the way it has been set up, if someone puts in Northtown85022.net or Northtown85022.com, they will automatically be re-directed to Northtown85022.org. All the same information will be on the new website: financials, Rules & Regulations, CC&R's, minutes. She asked that the new Board members keep all the current information on the website. Secretary Diane G asked for the contact information for the fellow who actually puts the information in our website, Don somebody. Naomi said she will get that to Diane G.

Dave Ransom spoke on Procedures where he advised that everything he has been bringing up has been voted and approved by previous Boards of Northtown Directors back to 2006 and everything remains the same until such time as another Board votes to change it. Dave also wanted to speak about the Land Transfers. The previous Board had voted Dave as Project Manager for the land transfers and he remains in that position until another vote removes him. Dave was empowered to project manage, coordinate and shepherd the process, however it specifically said that Dave did not have authority to sign contracts or obligate the corporation. Dave discussed the corner lots affected by these land transfers and also announced that the corners of Northtown haven't been surveyed since the 1970s and they need to be staked again, especially if we decide to try to sell lots. There remains three things that the current Board has to do before any transfer of land: we need to define the areas being transferred any why they are being transferred and we need a site plan for that. Dave announced that after six years that a CC&R has not been enforced, that CC&R item become permanently abandoned. Dave said that we can't give one part away or quit claim as part of the settlement of the 2014 lawsuit and then sell other similar pieces. This is covered by one of the Contracts that Dave presented to the Board. The second thing is: we have to re-verify the outside boundaries of Northtown and that was the second contract that Dave presented. Dave said that the money called for in the contracts are in the 2019 budget approved as of June 30, 2018. Dave said that the risks of not getting these Contracts executed and the work accomplished could be very bad for all of Northtown. Dave answered a Member in attendance that these are the six properties affected by the settlement of the 2014 lawsuit, although we didn't receive the actual contracts until January 4 of this year, 2019. These items must be taken care of before we can sell any lots. Dave said that this contract of \$5,800 but added to that will be the recording

expenses of the documents, when completed Dave advised that since these items are part of the settlement of the 2014 lawsuit, that Northtown could be in very serious trouble if one the owners should try to sell his property before this documentation is completed and recorded. Some question as to why this is coming up now, so long after the settlement, also that a fee was paid at the time this process of re-platting was initiated. Dave advised that the \$5,800 is above what we paid in prior year. A member advised that it is critical that the Board act now, before the City of Phoenix decides that it has been pending so long and decides that we must go back to the beginning and start all over, at much greater expense. There was significant discussion as to why this wasn't finished last year or sooner. Dave advised that Northtown was built in 3 phases and the lot lines are laid down in the 1970s and we must have current survey done to set the corners and to verify the plats before we can sell any of the lots. Dave said the \$5,800 figure on the contract include setting the corners of Northtown. Dave said that there may be more steps required before we could sell the lots, and that could include other costs and fees beyond the \$5,800. Dave also said there could be some issues with the first 180 feet of the land on Greenway Road off Cave Creek, as it may conflict with some City of Phoenix regulations as regards to wide of road, etc. But this \$5,800 contract is definitely required to complete the 2014 land transfers that were part of the settlement the old lawsuit.

A member expressed concern over the notice that was in the April Newsletter above paving our streets, and specifically about Diane H's proposal that we give our streets over to the City of Phoenix and what that would do to Northtown's private status. This member's expressed desire was to maintain the private status of our streets. Also there are a couple of cul-du-sacs and in front of the six-plex that the City will not consider to be "roads" because they are too small and thus would not be re-paved by the City if we did give our streets to them. Likewise, if we gave our streets to the City, the streets would be re-paved to the City's specifications and there is concern that the City would not allow our speed-bumps. The notice in the April Newsletter said that ballots on this measure would be mailed in May and this Northtown member was concerned that all these issues and questions must be answered before any voting. A suggestion that a master meeting or sort of a town hall should be called so that experts could address Northtown members on the various options, what the costs could be, what changes in the Northtown members' rights and obligations would be, etc. It was announced that a petition is going around Northtown asking that the Board invite the City of Phoenix representatives come and talk to the membership to explain what they can and can't do, how much it would cost us and how the costs are assessed to the homeowners.

It was expressed by one member that on behalf of several members he had spoken to, he wanted it in the minutes that they were unhappy that Diane H was not in attendance at this Members' Meeting as this meeting was planned well in advance and he felt it was her responsibility, as they voted her in as President, to accommodate her schedule to the Members' meeting. Dave Ransom explained that according to the Policy and

Procedures, any time the President is not available, then the Vice President takes over. Naomi announced that Diane H is on vacation and that her plans had been made before she knew that this Members' meeting had to be today. This same member asked if the Board had voted on giving away the pool tables prior to them being given away. Vice President Sheila advised him that the Board had not discussed the pool tables and thus did not take any vote prior to them being given away. This member wanted to know under what authority they were given away as he had a buyer for both of them and the proceeds would have gone into the Northtown treasury. Vice President said that she had no answer for him. Another member said that she had used the pool tables as a selling point when showing homes in Northtown to prospective buyers and she didn't know that the pool tables were gone until yesterday and the fellow who brought up the subject only found out this evening. Diane G said that she found out about the pool tables being given away after they were gone and she had been told that the pool tables were given to the buy who helped Diane H clean out the storage rooms. Several people talking over each other that they should have been notified prior to giving the pool tables away and that the Board should vote on things like this before they get done. Another member brought up if the Board voted on the security cameras inside the clubhouse prior to them being installed. No, the Board didn't know about them until after the cameras were installed and there had been no mention of a need for security cameras prior to the purchase and installation of them. Julie said that she remembers a price being mentioned for the cameras at a Board meeting, but it was explained to her, that was after the purchase and installation.

Another member expressed concern that, as he had chased two different door to door sales vendors out of Northtown in the past week, He asked that it be publicized that Northtown homeowners who gave a door to door salesman knock at their door should immediately tell them to leave. Also, he expressed dismay when the President announced a the last meeting that there wasn't time to open with a Pledge of Allegiance, as he felt that was a very important thing to do. He expressed dismay that the surveillance cameras are inside the clubhouse, outside maybe, but not inside. Julie said the inside cameras were needed in case someone renting the clubhouse slipped and fell and wanted to sue Northtown. This member felt that the Board should ask the community before they do things like install surveillance, giving away equipment, do we want an exercise room. This member believed that giving the streets to the City would make our streets public and we would lose the right to exclude vendors from going door to door, the right to excluding non-residents and guests of non-residents from parking in Northtown, and other things. Another member relayed a conversation her husband had with one of the door to door vendors last week, in which the vendor stated that as these are public streets, he has every right to be there. It was explained to the vendor that these are not public streets and so he had to go, which he did.

It was announced that there is a document between Northtown and the Phoenix Police Dept. that need to be renewed that would give the Police permission to arrest people in

Northtown. If that document is allowed to expire, the Police will have their hands tied when it comes to arresting trespassers in Northtown. Vice President Sheila said she saw an email about it expiring soon but she didn't know what it was about but she will take care of it. Dave Ransom said it is called "Authority to Arrest" and it needs to be in the corporation's name. The president needs to sign it on behalf of the Corporation.

Another member brought up the current issue of some groups that had been using the clubhouse for many years had been told they have to pay now or they couldn't use the clubhouse anymore. This member said that President Diane H came into one group that has met for years in the clubhouse on Tuesday mornings and told them that unless they paid \$25 a week, they would not be allowed to use the clubhouse anymore. Moderator Barry Shusterman said that will not go into effect. The member asked to have a full Board meeting, discuss and vote on this issue. Julie said that the Board's attorney told her that we cannot have a religious group meet here for free because if we do, it would be the token Northtown religion and we can't do that. Therefore, they cannot meet for free. Julie said that she would show that member the actual law that the Board's attorney was talking about. There was extensive conversation among several people, does the law say that they can't be here for free but then can be here if they pay, or can they meet for free but we can't rent the space to them. Julie said that the law says that just because someone lives in a planned community doesn't automatically mean that they can rent the clubhouse for religious services. Discussion: is a bible study a religious service or it is more of a book club? Julie believed that because the book studied is the Bible, that makes it a religious service.

Another person who was in attendance on behalf of her mother, who is the Northtown homeowner, expressed anger at the tone of the letter her mother received from Diane H about an eviction of the church group, who had signed a reservation contract and paid several months' rent in advance, plus a security deposit. She took it to her attorney and she said that her attorney said that the statements in that letter was not true. Julie tried to explain that they misunderstood the attorney, it was an honest mistake as they understood the attorney to say that it was a federal law if a religious group used our clubhouse for religious services. People talking over each other.

Moderator Barry tried to get control of the meeting, but Julie said that when the eviction letter was written, she and Diane H felt that Northtown would be sued if they didn't get the church services out of Northtown.

Barry announced Keith Schueler of Osselaer to speak to the Members. He reviewed the first quarter results. A couple of members expressed concern that no financials had been produced in 2019. Actually, the Board had received January, February and March. As to March, there were some questions, but the other two months' financial statements are in the Financial Binder on the shelf in the clubhouse. Profits for the first quarter are \$5,389. Both operating and reserve income, we made a contribution to the Reserve from the Operating and that was done with the renewal of one of the Northtown CDs.

The liked the way we have our CDs staggered through the year which he felt is an excellent way to do them. Also he found a bank that is offering a much better rate on the CD: it went from .06% to 2.56%. We have paid into the pool repair right town \$30,700 for the first two installments. He had been instructed to have the third and final payment ready this Friday, but it was his strong suggestion that we not pay the final installment until after the pool is completely finished and we are satisfied. He also advised that typically on this type of project there may be expenses beyond the contract but he recommended that we not give the check to the pool repair company until after the pool is completely finished, even though he had been instructed by Diane H to have the check ready this Friday, as the pool is not finished yet and won't be finished by Friday. He asked if it would be possible if he could get copies of Board minutes so he could be aware of what should be done and what to look for. He also advised that they need to be advised when Northtown liquidates assets and also when they acquire assets and those items likely will impact the financials. A member said that he felt that if we gave the final check to the contractor that would automatically mean that the contract is fully complete and if we had a problem or something was finished, we would have no recourse. Julie felt that since the attorney vetted the contract, that may not be true. The member stated that until we know the pool is actually finished and the job is properly done, which we won't know until after the job is actually finished and the City inspects the job, we shouldn't give the final payment to the contractor. Keith advised that he changes the amount paid on each of the three payments, as opposed to having the exact same amount on all three checks, so that there can be no confusion as to which check goes with which payment: he varies the amount by \$1, up or down. Another member asked why Osselaer is not sending monthly financial statements. She was advised that Osselaer is producing them, and that December 2018, January and February 2019 are in the Financials Binder and that there was questions on the March statement which is why that one is not in the binder, Keith didn't know when the Board meetings are held. Diane G told him they are on the third Tuesday of each month, he will make sure that the financials are in our hands by that day. But it will be the Board's responsibility to share them with the community. A member wanted to see printed copies of the financials available for handouts at the Board meetings. Keith advised that the March financials were turned over to the Board on April 8th. Another member said that the strong consensus was that printed out, year to date financials should be available as handouts at the members' meetings, which they were not at this meeting, even though December, January and February financials are in the binder. Keith said that he would prefer to have the financial-related documents sent to his office: bank statements, CD statements, petty cash reconciliation.

A member asked where the money came from for the cameras. Keith said the expense would have been charged to the Operating account as there was no Reserve set up for it. Another member asked if the taxes were paid. Keith advised they were or will be because they have 180 days from January 1 to file. Likewise the Corporation Commission filing. Keith advised that would not have come to Osselaer. Sheila looked

the security cameras up on the financial statement as it was charged to Repairs and Maintenance Operating Expense. \$609.43. It was again discussed that the Board didn't discuss and vote on the security cameras before they went in and the Moderator advised the Board that this can't happen this way again. Another member expressed concern that the new pool work only has a 2 year guarantee and was concerned that the pool will fail again and also that she wanted to security cameras removed. Conversations started getting personal and angry.

Frank reminded everyone that the meeting is being recorded and minutes would be prepared and this is not the time or place for personal venting, but they can be assured that we are listening and documenting the members' concerns. That member expressed that she felt she was the object of a vendetta by the President, that the President's eviction letter's wording was highly disrespectful of her aged mother. Julie said that the letter this this person wrote to the Editor of the Newsletter was slanderous and libelous of the Board and that was why it was refused publication.

Barry brought the meeting back under control. Another member said that now that the Board has heard the membership, it is now time for the membership to sit back and see if the Board acts on the membership's wishes as expressed in this meeting.

One last question from a member to Keith: she wanted to know if Northtown's checks still need to have 2 signatures on them: no, the checks only require 1 signature and Osselaer write the checks. Osselaer is given a requisition for each check to write or bill to pay.

Another member brought up the security cameras again: who is monitoring them and is there any plan to tie them into a full security system when the cameras can be monitored 24/7. Barry announced there is no answer to that because the cameras were put in without a vote of the Board. Julie said the cameras were not put in place to surveil the community unless someone is breaking into the office or stealing something. Julie said that there is a camera in the office and the others are in the main clubhouse room. Julie's information was that there was a recent break-in into the clubhouse. Another member mentioned that the \$609 spent is more than the maximum \$500 any Board member can spent without a Board vote and anyway, there is no mention that the Board ever talked about the need for security cameras and giving away the pool tables without consultation or discussion.

Another member said that although he had expressed several concerns and completed, he wanted to thank the Board members for trying so hard to serve the community.

Meeting adjourned 8:05 p.m.

Respectfully submitted, Diane Guillaume, Secretary