

**VILLAS OF CAVE CREEK OWNERS ASSOCIATION  
BOARD OF DIRECTORS MEETING**

**MONDAY, MAY 14, 2018; 9:00 A.M. (MT)  
CAVE CREEK, AZ**

**MINUTES**

**I. CALL TO ORDER / ROLL CALL**

The meeting was called to order at 9:08 a.m. (MT) by Jeffrey Abramowitz, who welcomed everyone and thanked them for attending.

Those in attendance were:

**Board of Directors:**

Jeffrey Abramowitz	President
John Holwager	Treasurer
Rosemary Callard-Szulgit	Secretary
Daniel Shaffer	Director
Susan Dodd	Director

**Trading Places International:**

Joanne Hallert	Director of Resort Operations
Kristen Makinen	Administrative Assistant

**Villas of Cave Creek:**

Trish Dye	Manager
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**Guests:**

Mike Fitzgerald	Auditor, Fitzgerald and Associates
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**II. APPROVAL OF AGENDA**

*A motion to approve the agenda was made by Daniel Shaffer and seconded by Rosemary Callard-Szulgit. The motion was approved unanimously.*

### **III. APPROVAL OF MINUTES**

*A motion was made by Rosemary Callard-Szulgit and seconded by Daniel Shaffer to approve the minutes of the February 12, 2018 board meeting. The motion was approved unanimously.*

### **IV. REPORTS**

#### **FINANCIAL**

##### **Monthly Statements**

Trish Dye reviewed the financials for the board.

##### **Delinquency/Collections Reports**

Joanne Hallert reviewed the delinquency report for the board, noting the significant decrease in delinquent owners.

Joanne Hallert reviewed the collection report.

Jeffrey Abramowitz asked if the main reasons why owners fall into collections were known. Ms. Hallert said not specifically, but in general most problems are symptomatic of the owner demographic; most owners are older and may be facing health issues, fixed incomes or difficulty traveling.

##### **March Group/Merrill Lynch Portfolios**

The board reviewed the current portfolios.

#### **HOA INVENTORY**

The board reviewed the HOA inventory report. Joanne Hallert advised there were a few intervals with clouded title. She noted dealing with these would be expensive and as these intervals fuel the rental program, did not recommend action at this time.

#### **RENTAL REPORT**

Joanne Hallert reviewed the rental report for the board, noting the report would only be provided twice each year moving forward.

#### **OCCUPANCY REPORTS**

The board reviewed the occupancy report. Mr. Abramowitz asked about the 17% unoccupied statistic; Ms. Dye advised a unit had been pulled out of circulation.

## **PROPERTY OPERATIONS**

### **Manager's Report**

Trish Dye reviewed her manager's report for the board.

Ms. Dye informed the board that the housekeeping company had not been working out. She was soliciting bids and wished to try a new company for a six-month trial period to ensure the new company meets standards.

*A motion to approve the six-month trial period for a new housekeeping company was made by John Holwager, seconded by Rosemary Callard-Szulgit and approved.*

If a contract needs to be signed permanently, the board will review and approve via email.

Maintenance weeks were going to be delayed due to a change in staffing.

Mike Fitzgerald joined the meeting at 9:30 a.m.

### **Action Items**

The board reviewed the action items.

Joanne Hallert reviewed the possible Welk purchase, stating she was waiting for Welk to confirm their intent before moving forward with foreclosures.

## **V. OLD BUSINESS**

### **ADA Unit - Update**

The board planned to tour the unit to observe the progress.

## **VI. NEW BUSINESS**

### **Resignation of Board Member**

*A motion to ratify the board's earlier email decision to accept Bryan Dodd's resignation and to appoint Susan Dodd for the remainder of his unexpired term was made by Daniel Shaffer, seconded by John Holwager and approved.*

### **2019 Meeting Dates**

The board reviewed the proposed 2019 meeting dates.

*A motion to approve the 2019 calendar as presented was made by Rosemary Callard-Szulgit, seconded by John Holwager and approved.*

## **2018 Reserve Projects**

Trish Dye reviewed the reserve items she planned to have completed as well as those she would postpone.

Daniel Shaffer suggested that the board authorize submission of a reference letter for the roofing company as their work had been completed well and they had gone above and beyond to ensure all issues were resolved.

*A motion to approve the replacement of pool furniture and accept the quote by American Hotel Register Company not to exceed \$3470.15 was made by John Holwager, seconded by Susan Dodd and approved.*

The board reviewed the proposed furniture for the new ADA unit. Susan Dodd noted the furniture was not very ADA friendly. Trish Dye would consult her ADA compliance contact on this issue. The board wished to confirm which furniture would be used before selecting artwork.

## **Audit**

Mike Fitzgerald presented the 2017 audited financials.

Mr. Fitzgerald stated he was able to provide a clean, unqualified audit opinion. He highlighted the association's assets as well as the reserve and operating fund balances. Their equity had increased about \$100K last year and Mr. Fitzgerald noted that the association was fiscally healthy. Bad debt was much lower due to the Welk Group's acquisition of intervals. Mr. Fitzgerald commended Ms. Dye and the board on excellent expense control.

Mr. Fitzgerald also informed the board that the percentage funding on the reserve fund had decreased as the required funds shown in the new reserve study had increased substantially.

*A motion was made by Rosemary Callard-Szulgit and seconded by John Holwager to accept the audit and have Jeffrey Abramowitz sign the audit engagement letter. The motion was approved.*

## **Executive Session**

As there was no additional business to discuss beyond the approval of minutes, the board would approve the meeting minutes from the prior executive session within the regular meeting and would not enter an executive session.

*A motion to approve the minutes of the February 12, 2018 executive session was made by John Holwager, seconded by Daniel Shaffer and approved.*

**VII. ADJOURNMENT**

The meeting was adjourned at 10:27 a.m. (PDT).

The next scheduled board meeting will be held in Lake Forest in September.

Respectfully submitted,

Accepted by,

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Joanne Hallert, Director of Resort Operations  
Trading Places International

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Rosemary Callard-Szulgit, Secretary  
Villas of Cave Creek Owners Association