

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

**MONDAY, SEPTEMBER 17, 2018; 10:00 A.M. (PDT)  
TRADING PLACES INTERNATIONAL  
LAKE FOREST, CA**

**MINUTES**

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

The meeting was called to order at 10:12 a.m. (PDT) by Board President, Jeffrey Abramowitz. Mr. Abramowitz welcomed everyone to the meeting.

Those in attendance were:

**Board of Directors:**

Jeffrey Abramowitz	President
Susan Dodd	Vice President <i>(via telephone)</i>
John Holwager	Treasurer
Rosemary Callard-Szulgit	Secretary
Daniel Shaffer	Director

**Trading Places International:**

Joanne Hallert	Director of Resort Operations
Gary Frazier	HOA Accountant
Kristen Makinen	Administrative Assistant

**Villas of Cave Creek:**

Trish Dye	Manager
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**II. APPROVAL OF AGENDA**

*A motion to approve the agenda as amended was made by John Holwager and seconded by Rosemary Callard-Szulgit. The motion was approved unanimously.*

The agenda was amended to add Reserve Study and Audit Engagement Letter under New Business.

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

*A motion was made by Rosemary Callard-Szulgit and seconded by Daniel Shaffer to approve the minutes of the May 14, 2018 board meeting as well as the minutes of the May 14, 2018 organizational meeting. The motion was approved unanimously.*

While the board members took a moment to locate the previously distributed budget for review, they elected to go into their executive session as it would be brief, with only one item for review.

### **IV. EXECUTIVE SESSION**

The board went into executive session at 10:19 a.m.

The board reconvened the regular session at 10:30 a.m.

### **V. BUDGET REVIEW**

#### **2019 Budget Proposal and Recommendations**

Joanne Hallert began the presentation, noting the recommended four percent increase in maintenance fees for the 2019 fiscal year.

The board discussed rental income and how it was factored.

The board asked Trish Dye about maintenance staffing and work flow to determine if any adjustments could be made.

Joanne Hallert stated that as an industry, time share associations were seeing a 2% increase in delinquency rates each year; Ms. Hallert explained that this was considered when calculating the rate for the new budget. Ms. Hallert also noted that the delinquency rate for the Villas had fallen about 15% since she became familiar with the resort. This was primarily due to acquisition of new owners, such as Welk Resorts.

The board directed management to send a deed back offer letter to owners before they are sent to collections.

The board discussed their reserve account and funding to determine if a smaller increase in fees was possible.

*A motion was made by Rosemary Callard-Szulgit to approve the 2019 budget with an increase of the maintenance fee by 10%. Jeffrey Abramowitz seconded the motion, and the board went into discussion.*

The meeting was recessed for lunch from 12:25 to 12:40 p.m.

After exploring many options, the board decided it was in the best interest of the association to keep the recommended increase of four percent.

*Ms. Callard-Szulgit amended her motion to approve the 2019 budget with the recommended increase of the maintenance fees in the amount of 4%; John Holwager seconded, and the motion passed with no dissenting votes.*

#### **Cover Letter, 2019 ABC Policy and Billing Inserts**

The board reviewed the draft versions of the 2019 billing items.

Jeffrey Abramowitz would write the content needed for the 2019 cover letter

*A motion to approve the cover letter as written by Jeffrey Abramowitz, the 2019 ABC Policy and the marketing insert for inclusion within the 2019 maintenance fee billing was made by Daniel Shaffer, seconded by John Holwager and approved.*

Once again, the ARDA-ROC donation letter was not approved for inclusion within the 2019 maintenance fee billing.

## **VI. REPORTS**

### **Financial**

#### **MONTHLY STATEMENTS**

The board reviewed the financials through July 2018.

#### **DELINQUENCY/COLLECTIONS REPORTS**

The board reviewed the delinquency report and the collection report.

The board reconfirmed their desire to reach out to newly delinquent owners with an offer to accept a deed back prior to the account going into collections.

#### **INVESTMENT PORTFOLIOS**

The board reviewed the portfolios.

Gary Fraizer joined the meeting at 12:55 p.m., answered questions from the board, and then left at 1:03 p.m.

### **HOA Inventory**

The board reviewed the HOA inventory report; Joanne Hallert noted that 12 of the HOA intervals did not have clear title.

### **Rental Report**

The board reviewed the rental report with Joanne Hallert.

### **Occupancy Reports**

Joanne Hallert reviewed the occupancy reports.

The board discussed owner use as compared with exchange use.

### **Property Operations**

#### **MANAGER'S REPORT**

Trish Dye reviewed her Manager's report for the board. Ms. Dye covered several topics, including housekeeping, maintenance weeks and a broken kitchen window.

Ms. Dye also showed pictures of the nearly completed ADA unit to those in attendance.

#### **ACTION ITEMS**

The board reviewed the action items.

The board directed management to proceed with foreclosures as they were already within the budget.

Jeffrey Abramowitz asked Trish Dye to investigate offering a coupon from a local café to foster another relationship with a local business.

Trish Dye shared options for drying racks.

Joanne Hallert brought the board up to speed on the merger between Interval Leisure Group and Marriott Worldwide Vacations.

## **VII. NEW BUSINESS**

### **ADA Remodel Update**

Trish Dye had covered this earlier in her Manager's Report.

### **Individual Routers**

Trish Dye stated she had gotten a quote to revamp the Wi-Fi system by installing individual routers in each villa; the quote had come in at about \$18K. Ms. Dye also stated her maintenance person, Sasa, had an idea to install two outdoor routers in an attempt to increase the Wi-Fi signal and access points at a much lower cost.

### **Reserve Study Proposal**

Joanne Hallert and Trish Dye outlined the reserve study they recommended the association use going forward.

Jeffrey Abramowitz requested a confirmation on the pricing. If there was no additional cost, the board had no issues with the recommended plan for future studies.

### **2018 Audit Engagement Letter**

*A motion to engage Fitzgerald and Associates to audit the 2018 financial statements and to direct Mr. Abramowitz to sign the engagement letter was made by John Holwager, seconded by Rosemary Callard-Szulgit and approved.*

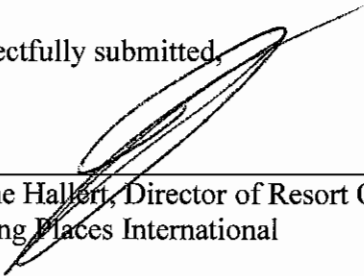
## **VIII. ADJOURNMENT**

The meeting was adjourned at 1:28 p.m. (PDT).

### **Next Meeting Date**

<b><u>Day</u></b>	<b><u>Date</u></b>	<b><u>Time</u></b>	<b><u>Place</u></b>	<b><u>Type</u></b>
Monday	December 3, 2018	2:00 p.m.	Telephonic	Regular

Respectfully submitted,

  
Joanne Hallert, Director of Resort Operations  
Trading Places International

Accepted by,



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