

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

**TUESDAY, SEPTEMBER 17, 2019; 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 10:17 a.m. (PDT) by Board President, Jeffrey Abramowitz. Mr. Abramowitz thanked everyone for attending and welcomed them 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
Kristen Makinen	Administrative Assistant

**Villas of Cave Creek:**

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

*The agenda was approved as presented.*

**III. APPROVAL OF MINUTES**

*A motion was made by Daniel Shaffer and seconded by Rosemary Callard-Szulgit to approve the minutes of both the May 13, 2019 board and organizational meetings as presented. The motion was approved.*

#### IV. BUDGET REVIEW

##### **2020 Proposed Budget & Recommendations**

Prior to the meeting, Joanne Hallert had provided the proposed budget to the board electronically. Ms. Hallert noted the proposed budget included a 6% increase in annual maintenance fees and a decrease in revenue of about \$50K.

Ms. Hallert reviewed the budget by section, highlighting front desk and housekeeping expenses, repairs and maintenance, bad debt, and reserves, amongst other items. She answered any questions posed by board members.

The board debated if an increase in fees at 6% was enough as the reserve account was underfunded. Jeffrey Abramowitz noted that a pending recession would certainly influence bad debt in the coming years.

*A motion to approve the 2020 budget with an 8% increase in maintenance fees was made by Jeffrey Abramowitz. Rosemary Callard-Szulgit seconded the motion.*

The board discussed how varying rates of increase might affect the association long term.

*The motion was passed unanimously.*

##### **2020 RESERVE PROJECTS**

*A motion to approve the 2020 reserve projects, less the building exterior painting, was made by John Holwager, seconded by Daniel Shaffer and approved.*

##### **Cover Letter, 2020 ABC Policy and Billing Inserts**

Jeffrey Abramowitz would complete the text for the cover letter; he needed some information which would be provided by Trish Dye. Mr. Abramowitz would have the final draft to management by Monday the 23<sup>rd</sup>.

*A motion to approve the ABC Policy and TPI billing insert was made by Daniel Shaffer, seconded by Rosemary Callard-Szulgit and approved.*

##### **Audit Engagement Letter**

*A motion to accept the 2019 audit engagement letter and to direct Jeffrey Abramowitz to sign the letter was made by John Holwager, seconded by Daniel Shaffer and approved.*

## V. **REPORTS**

### **Financial**

#### **MONTHLY STATEMENTS**

The board acknowledged receipt of and reviewed the monthly financial reports, including but not limited to the balance sheet, monthly income statement, cash flow report, check register, monthly general ledger, and delinquent assessment receivable reports.

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

The board reviewed the delinquency report and the collection report.

There was discussion of possible solutions to the continuing problem of high delinquency rates. The board asked Joanne Hallert to investigate contacting owners to solicit deed backs just before they are submitted to collections.

### **HOA Inventory**

The board reviewed the HOA inventory report.

There were no weeks in foreclosure; as they currently had no vehicle for selling weeks in the association's name, the board elected to take no action at this time.

### **Rental Report**

The board reviewed the rental report.

### **Occupancy Reports**

Joanne Hallert reviewed the occupancy reports.

Trish Dye stated that she had spoken with other managers in Cave Creek and they reported having had a slow summer, just as the Villas had experienced. Ms. Dye had no speculations as to why the summer had been slower than normal.

### **Property Operations**

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

Trish Dye reviewed her report.

*A motion to purchase one Hydro machine and subscription for the on-site gym was made by Rosemary Callard-Szulgit, seconded by Daniel Shaffer and approved.*

ACTION ITEMS

The board reviewed the action items.

**VI. ADJOURNMENT**

There being no additional items to discuss, the meeting was adjourned at 12:12 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 2, 2019	2:00 p.m.	Telephonic	Board

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