
Las Palomitas Homeowners' Association
Special Meeting Report
Thursday, August 4, 2016 at 6:30 p.m.

Present:

Board:

X	William Falsgraf , President
X	Monica Manning , Vice President
X	Raymond Soule , Treasurer
X	Terry Davis , Member
X	Cassandra Meynard , Member
X	James Wolf , Member

Staff:

X	Carolyn Goldschmidt, Esq.
X	Carol Keyser , <i>Pinehurst Properties</i>
X	Trudy Rahn , <i>Pinehurst Properties</i>
X	Donna Wood , <i>Pinehurst Properties</i>
X	Donna Rainville , Meeting Minutes

Owners: (four additional owners were present but did not sign in)

X	John Barkley , Lot 131
X	Philanne Burke , Lot 192
X	Cande Cullivier , Lot 102
X	Judy Davison , Lot 167
X	James Davis , Lot 122
X	Betty Davis , Lot 124
X	Kathleen Delligatti , Lot 105
X	Gloria Devore , Lot 164
X	Pat Erickson , Lot 118
X	Janet Falsgraf , Lot 113
X	Nancy W. French , Lot 188
X	Nancy Greenway , Lot 191
X	Linda Head , Lot 125
X	David Katz , Lot 160
X	William Maier , Lot 170

X	Kimberly Marrs-Ekamper , Lot 178
X	Dean Marvin , Lot 110
X	John Henry Meulenberg , Lot 115
X	Carmen Grimes , Lot 159
X	Judith Murphy , Lot 135
X	Craig Ottenstein , Lot 199
X	Barb Pfeffer , Lot 196
X	Jude Ranzer , Lot 171
X	Jennifer Saraullo , Lot 126
X	Akrum Tamimi , Lot 148
X	Poppy Harrison , Lot 172
X	Roseanne Webster , Lot 103
X	Frank Webster , Lot 103
X	Diane Wrobel , Lot 136
X	Duane Wrobel , Lot 136

Quorum was established and the meeting was called to order at 6:32 p.m. by Bill Falsgraf, Association President. Board members introduced themselves.

I. Introduction (Carolyn Goldschmidt, Esq.)

1. Carolyn Goldschmidt introduced herself and noted she has specialized in HOA law for more than thirty years. She explained that the Board wants to hear the membership concerns and Board wished to provide the history of the community.
2. This meeting was set to facilitate open discussion for the 97 homes represented by the Association.

II. History (Bill Falsgraf)

1. In 1994, 75% of owners voted to amend the Covenants, Conditions & Restrictions (CC&Rs) to permit periodic painting of homes. In 4.1.3 of the CC&Rs "The Association shall periodically schedule the painting of the exterior of each house . . . and the Association shall levy a special assessment for the cost, [with] assessment determined by the size of the house (one-story or two-story and by square footage).
2. Prior to this, a contractor would negotiate a price and determine details of the painting with the HOA. There was a provision for the Association to arrange painting but the cost was divided equally among all the units. There were no specifics as to square footage/number of stories, etc.

III. CC&Rs (Carolyn Goldschmidt)

1. Carolyn noted there were two subsequent amendments to the original February 1985 CC&R document regarding painting. The second amendment August 8, 1985 was where an equal allocation special assessment was charged to paint the homes. The third amendment in November 1994 changed the assessment to reflect the actual cost using factors such as square footage, number of stories, etc. for each property.
2. Carolyn emphasized that the CC&Rs are a contract between the HOA and the homeowner and the Board has a legal duty to uphold the contract of the CC&Rs.
3. If an issue goes to court, Carolyn explained that the legal standard is to look at the board and determine if there was due diligence by the board. In addition, did the Board use standard business judgement/practices in their decision-making?
4. The allocation of different costs for each home has caused some confusion with homeowners.

IV. Painting (Donna Wood)

1. In their due diligence, the Board had several considerations in choosing the painting contractor including:
 - a. The type and quality of paint. *Dunn Edwards*, recognized for the quality of their paint in southwestern United States, recommended the types of paint to be used and wrote specifications for the project.
 - b. Flexibility on color choice, selected five different color schemes that were submitted to the master association and received approval.
 - c. The property size and details. Some homes have more landscaping to paint around, more repairs needed before painting, and more perimeter walls.
2. Five painting contractors were asked to bid on each property, with three contractors submitting bids for consideration. However, there was considerable variation in the bid prices and the amount of paint utilized.
 - a. The low bid (*Pamblanco Painters*) utilized much less paint and seemed unfocused on specifics of each home. The cost was \$204,219 using 1,940 gallons of paint.
 - b. The middle-priced bid (*Express Painting*) had the most specific details and included any repairs needed prior to painting. It cost \$285,250 using 4,320 gallons of paint.
 - c. The highest bid (*SprayStorm Painting*) had less specifics, did not include repairs and cost \$393,461. This bid estimated 3,000 gallons of paint to be used.
3. The Board signed a contract with Express Painting to begin on June 1, 2016 and *there are* twelve months allocated to this project. Homes are not painted until the funds are in escrow; and special assessments can be paid in installments.
4. After the assessment is paid, painting is scheduled and the painter receives half of the payment. Before final payment is released to the contractor, a walk through is done with management and painter. When complete, the owner gets a warranty certificate. To date, twenty-five homes have been painted.
5. Trudy Rahn noted she oversees the painters and by using one contractor, a management company can effectively coordinate painters and landscapers, etc., with proper oversight. It is much more difficult to coordinate and to advocate for the Association if multiple contractors hired by individual homeowners are involved.

V. Owner Feedback

1. Members were concerned with the discrepancies in prices for different properties ranging from \$1,000-\$1,500 differences charged. When differences were compared to nearby associations' painting costs, it was noted that other La Paloma HOAs have different CC&Rs and different square footage to be painted.
2. A member noted Ridge IV allowed homeowners to select from eighteen painting contractors and negotiate individual payment, and that a friend who lived there was satisfied with that process.
3. Discussion ensued on whether several painting contractors would be cheaper for the individual homeowners or whether there is a price advantage in having all the homes done by one contractor.
4. Why were CC&Rs changed to paint all the homes at the same time? Painting all the homes together permits conformity in the community and is a way to maintain property values. It is complicated due to the variety of structures in this community.
5. Some members noted their displeasure at the need to have this meeting since the painting project has been in the planning stages for more than two years, giving owners ample time and access to highlight any painting concerns.
6. A homeowner proposed that repairs be done by the owner or their own contractor and the repair amount subtracted from the painting bid cost. Perceived as a good compromise, however it was noted that it may be unreasonable to expect the contractor to warrantee a project if they have no control of the quality of repairs done by others.
7. An owner questioned if new security doors could be left unpainted and whether the option not to paint the door could be credited. Donna W. indicated this was possible.
8. Appreciation was noted for the overwhelming responsibility of Board members to come from out of town to accommodate members who wanted this special meeting. Others pointed out this Board is amazing noting that road paving, pool repairs and drip irrigation system were completed without requiring a special assessment as a testament to the good fiduciary responsibility of the Board.
9. One owner with maintenance experience for several commercial properties noted the painting contractors are the best painters he has ever seen, that homeowners will never get a better paint job, guaranteed for five years. The \$2,900 cost (for his property) is a steal for the quality of work done. Another owner noted they preferred one painter and who uses quality paint.

VI. Meeting Attendance Technologies

1. The Board was asked to amend Association Bylaws to allow alternative technologies to be utilized to provide for participation in Annual and Special Meetings without requiring physical presence at a specific meeting location.
2. Carolyn noted the legal standard for members attending a meeting via teleconference requires that everyone can be heard and can hear everyone else.
3. Carolyn explained that the Board can change the Bylaws.
4. Carolyn also explained that the majority of Board must recommend changing CC&Rs, then 75% of the homeowners must approve the changes. The Master Association Board must also approve the changes.

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5. A homeowner noted that she serves on a board which uses teleconferencing for board meetings. She felt that it works well.
6. The Board agreed to consider homeowner suggestions.

VII. Future Meetings

Board meetings are held on the second Tuesday of the month. The next meeting will be:

- **Tuesday, September 13, 2016 at 4:00 p.m.**
- Tuesday, October 11, 2016 at 4:00 p.m.
- Tuesday, November 8, 2016 at 4:00 p.m.
- Tuesday, December 13, 2016 at 6:00 p.m.

VIII. Adjournment

Being no further items of business, the Board adjourned the meeting at 7:47 p.m.

Las Palomitas Board Members

	Term Ends	Phone	Email
Terry Davis, Member	2017	520-299-3814	davisdt@telus.net
Bill Falsgraf, President	2017	520-615-3189	wfalsgraf@aol.com
Monica Manning, Vice President	2017	520-638-5514	mmanning@umn.edu
Cassandra Meynard, Member	2017	520-979-5014	c.meynard@yahoo.com
Raymond Soule, Treasurer	2017	360-377-5406	ray@hootscreek.com
James Wolf, Member	2017	703-237-3808	gpawolf87@aol.com
Donna Wood, Managing Agent		520-298-2146	Donna@pinehurstproperties.net