

The Foothills Clusters Homeowner Association
Draft MINUTES – ANNUAL MEETING OF MEMBERS

Date/time: November 4, 2018 at 2:00 PM

Location: Catalina Foothills High School, House #1, Seminar Room

1. SIGN IN OF MEMBERS
2. COLLECTION OF FOOTHILLS CLUSTERS BOARD OF DIRECTORS ELECTION BALLOTS, MASTER ASSOCIATION BOARD OF DIRECTORS BALLOTS and ABSENTEE BALLOTS TO RAISE THE ANNUAL ASSESSMENT
3. CALL TO ORDER
 - The annual meeting of the members of Foothills Clusters Homeowners Association was called to order at 2:10 PM by Frank Karnauskas, President.
 - Roll Call – Board of Directors present: Frank Karnauskas, Brian Bickel, Donna Sander, Doug Hughes, Pat Tapke and Irene Barg
Members present: 51 (representing 44 properties) – see attached sign in sheet
Proxies: There were 129 additional absentee ballots counted. Three (3) additional ballots were received late and were not counted.
4. DETERMINATION OF A QUORUM – Quorum requirement of 37 members was met.
5. SUMMARY OF VOTING PROCESS/COLLECTION AND COUNTING OF BALLOTS

Frank Karnauskas indicated that there are two ballots to be counted this year – the ballot for the election of directors and the ballot to increase the annual assessment by an amount greater than permitted in the CCRs. Frank explained that the ballots submitted are being verified against a master list and then they will be counted for each candidate by the nominating committee and four members of the association – Belinda Barrington, Michael Dues, Vicky Leahy and Cheryl Printon. There are four (4) open positions on the Board – the three, 3-year terms of Brian Bickel, Donna Sanders and Douglas Hughes; and one, one-year term that expires in November 2019 which is open due to the resignation of Irene Barg. There are three candidates on the ballot – Brian Bickel, Douglas Hughes and Austin Wesnitzer and space for one (1) write in nomination. Votes will be counted for all candidates and the three candidates receiving the highest number of ballots will be elected to the three open three-year terms. At the regularly scheduled board of director’s meeting on November 5, 2018, the Board will elect officers (pursuant to Article VIII or the By-Laws), set the annual assessment for 2019 (pursuant to

Article IV of the CC&Rs) and fill any vacancies on the Board (pursuant to Article IV and VIII of the By-Laws).

6. APPROVAL OF PREVIOUS YEAR'S MINUTES – Motion was made, seconded and passed to approve the previous year's minutes.
7. OTHER BUSINESS
 - A. President's Report – Frank Karnauskas welcomed members in attendance and invited members to attend board of director's meetings which are held on the first Monday of each month. The location for the next 7 board of directors meeting will be Catalina Foothills High School, House #1, Seminar Room. Frank indicated he is honored to serve as President.
 - B. Treasurer's Report
 1. The Balance Sheet as of October 31, 2018 is attached.
 2. Brian indicated expenses for the year were approximately \$53,000
 3. Members indicated they would appreciate receiving a copy of the annual financial statements.
 - C. Committee Reports
 - a. Architectural Control and CC&R Committees – Members were reminded that they need to file an Architectural Change request to the committee for any changes to the outside of their property and that neighbors need to be notified of any changes. There are four (4) members serving on the Architectural Control Committee. Frank indicated there were minimal CC&R issues this year and explained the process.
 - b. Landscape and Roads Committee (See Report Attached)
 - c. Finance Committee -- Brian Bickel reviewed the Reserve Study prepared for the Board by Association Reserves in June 2018 and the consequent ballot initiative proposed by the Board. The association owns 50,000 sq. yards of private roads and we currently have about \$600,000 saved toward the cost. The proposed ballot initiative would run for five (5) years and is estimated to cover the cost to repair the roads in 5 years.
 - d. Business Process Committee – No Report. Discussed with Finance Committee Report.
 - e. Communications Committee – No Report
 - f. Welcoming Committee – (See Report attached)
8. The next Board of Director's meeting will be held on Monday, November 5, 2018 at 6:30 pm at Catalina Foothills High School, House #1, Seminar Room.

9. OFFICIAL BALLOT COUNT

- Brian Bickel, Douglas Hughes and Austin Wesnitzer were elected to serve 3-year terms on the Board of Directors.
- A quorum of 220 ballots was needed for the ballot initiative (the presence of members or of absentee ballots entitle to cast sixty (60) percent of all the votes of each class of membership) and two-thirds (2/3) of the ballots cast must vote in favor of the initiate for it to pass. 234 ballots were cast so the quorum requirement was met. 150 votes were needed to pass the initiative. The vote count was 122 for the ballot initiative and 112 against so the ballot initiative failed.
- There were three open positions on the Master Association board which were voted on at this time. Dan Weiss, David Kalish and Dale Prescott were elected to the Master Association board.

10. CALL TO THE FLOOR

- A member asked the status of the initiative for consent from the members to change the requirement to amend the CC&Rs from 75% to 51%. Brian indicated there at 190 votes in favor of this change and 249 consent forms are required.
- A member asked about just changing the CC&Rs to allow us to fix the roads. Brian indicated the above 75% affirmative votes would be required.
- Brief discussion about getting the county to support a special taxing district to get the private roads repaired.
- Several members asked that financial statements showing income and expense comparison for the present year and the past year be made available to members. Brian indicated he will follow up and make that information available.

11. There being no further business, the meeting was adjourned at 3:53 pm.

ATTACHMENTS:

- a. Sign in sheets (3 pages)
- b. Balance Sheet as of October 31, 2018
- c. Landscape and Roads Committee Report
- d. Welcoming Committee Report