

Catalina Foothills Estates No. 9 Association
Board of Directors Meeting
Minutes

Meeting Date: **DECEMBER 13, 2021**

Directors Present: Anne Segal, Gary Delmonaco, Larry Ivy, Nancy Kay, Sherri Durand

Directors Absent: Joyce Su

Guests present: Bill Klaiber, Diane Frank, Jim Ponzo, Thomas Horvath, Fred Fiastro

1. **Call to Order & Quorum.** Larry ran this meeting this week and called the meeting to order at 7:05 pm.
2. **Approval of Minutes dated November 8, 2021.** No comments. Nancy moved to approve the minutes, and Sherri seconded the motion. All voted in favor and the minutes were approved.
3. **Governance Update.** Teri Ellen has resigned due to scheduling issues for board meetings. Sherri let the Board know that some members of the Board met with Samantha Williams and Jim Ponzo separately prior to this meeting regarding their interests on volunteering for board functions. The Board encouraged both Jim and Samantha to attend the monthly board meetings.
4. **Report Outs.**
 - a. Roads & Landscaping. Larry explained that on January 8 there will be a neighborhood cleanup along east side of Calle Los Altos. Hughes Sanitation will provide the dumpster to clean up the wash area. A second dumpster will be available for the association members to use and a date will be announced. Larry also reviewed the 5-year road plan given the projected additional \$24,000 (approximate) per year with the new annual assessment. Larry also commented that he is still trying to get Avenida De Posada included in the Pima County resurfacing plan even though a response has not yet been forthcoming.
 - b. Financial review. Joyce was not at the meeting so no financials were reviewed. Jim reviewed his slide presentation regarding a feasibility review for investing the additional road fund amounts (see below). The Board thanked Jim for his efforts. The Board will revisit this investment strategy once the funds are received from the association members this year.
 - c. Architecture Requests. Mr. Lee reviewed his request for a solar installation (Lot 79). Gary commented that he had reviewed the contractor on the BBB and that the drawings and information seemed in order. Gary moved to approve the request and Nancy seconded. The Board approved the request. Sherri confirmed that Kevin Paulus does not review these kinds of requests. Larry reviewed that the board had previously approved removal of two trees for Hand Lot 75. For the Hallaq Guest House, Larry and Gary will conduct a site visit to confirm the location of the septic plan. Regarding the water run-off from Mr. Green's pool backwashing onto Mr. Lee's lot, the Board encouraged Mr. Lee to coordinate corrective activity with Mr. Green. Mr. Lee wanted to make sure that the Board was aware of the water run-off issue. The Board encouraged Mr. Lee to keep the Board posted on any reoccurrence.

Catalina Foothills Estates No. 9 Association
Board of Directors Meeting
Minutes

5. Old Business.

- a. Officers & Chairs. This topic was tabled since Joyce was absent. Officers and Chairs will be appointed in January.
- b. Calendar updates. Nancy reviewed the calendar reminders. See below.
- c. Neighborhood Potluck. Anne explained the proposed neighborhood potluck for the association members. The Board agreed to have the potluck when the weather is better in the Spring.

6. New Business.

- a. Jim Ponzo Special Meeting Petition. The Board received a request from Jim Ponzo for a special meeting. Larry explained that the petition was invalid since it did not state an authorized purpose for the special meeting. The request was to have owners vote on a bylaw amendment. Only directors vote on amending the bylaws – not owners so there was no valid purpose to the meeting. Accordingly, the request for special meeting was deemed erroneous and flawed.
- b. Election Committee. Instead of a special meeting, the board recommended an Election Committee and an Election Policy which sets forth a timeline for candidates to self-nominate by August 1. The Election Committee Charter is attached below. Sherri explained that our outside counsel recommends not more than 5-7 board members for a community of 130 lots. Jim and Larry will continue to work on the Elections Policy for review at the January meeting.

7. Owner Issues & Questions.

- a. Signage. Larry received a request to install a No Soliciting Sign at the entrance to on Avenida De Posada. Larry will report back on cost and design.
- b. Catalina Foothills Church (CFC) Sign Variance. Larry explained that the Board of Adjustment hearing for the CFC Pima County Sign Variance Application was held on December 6. The Board of Adjustment granted the variance application with conditions. (see Letter to Owners and copy of Decision below). Larry explained how Fred Fiastro, Bill Read and Frank Bangs were instrumental in helping secure compliance with the Dark Sky incentives in the Sign Code to require turn off of the Orange Grove and Skyline signs by 10pm and the wall sign by 9 pm. CFC also agreed to reductions in square footage and height of the signs thanks to the working group efforts. Fred elaborated on the decision and how this coalition of neighborhoods was effective in working together to bring a positive solution to our foothill's community. Fred also reminded everyone of the Catalina Foothills Association (CFA) need to have a CAT9 representative on the CFA board to ensure continued continuity between the two associations.

8. Next Meeting. The next Board meeting is the Annual Meeting of the Board of Directors to be held on **Monday January 10, 2022** (moved to 2nd Monday)

**Catalina Foothills Estates No. 9 Association
Board of Directors Meeting
Minutes**

9. Adjournment. The meeting was adjourned at 8:50 pm.

**Submitted on behalf of the Board,
Sherri Durand
President & Secretary**

5 Year Road Plan

	FY Beginning Reserve	Projected Reserve Addition	Minus Savings account Reserve	T-Bill Investment	T-Bill Interest Per FY	Road reseal/ Repair	Balance Forward	
2021	\$46,564.67						\$46,564.67	
2022	\$46,564.67	\$24,000.00	\$10,564.67	\$60,000.00			\$70,564.67	
2023	\$70,564.67	\$24,000.00	\$10,951.67		\$387.00		\$94,951.67	
2024	\$94,951.67	\$24,000.00	\$11,572.67		\$621.00		\$119,072.67	
2025	\$119,072.67	\$24,000.00	\$3,693.67	\$90,000.00	\$621.00		\$143,693.67	
2025 Expens								
						\$50,000.00	\$93,693.67	

Catalina Foothills Estates No. 9 Association
Board of Directors Meeting
Minutes

MONT <input type="text"/>	WEEK <input type="text"/>	ROLE <input type="text"/>	TASK / ACTION <input type="text"/>	F SORT BY MO <input type="text"/>
DEC	1	Board	1-December Board meeting	12
DEC	1	Board	Agenda Item - BOARD VOTE- Rename Nomination Committee and expand to form ad hoc Elections Committee (New Business)	12
DEC	1	Board	Agenda Item - Annual Budget - kickoff	12
DEC	1	Board	Decide approach for officers and chairs	12
DEC	1	Board	Identify and establish any other subcommittees	12
DEC	1	Board	Appoint Inventory Audit team for inventory of storage facility contents	12
DEC	1	Elections	Achieve ballot results and copies (with Secretary)	12
DEC	2	President	Agenda Item - Provide board fiduciary duties reminders, review mission and D&O insurance renewal	12
DEC	1	Roads & Landscaping	Review road sweeping action plan & 5 year road plan	12
DEC	4	Roads & Landscaping	Obtain landscaping and road sweeping bids	12
DEC	1	Secretary	Review and confirm new meeting dates and coordinate electronic meeting info	12
DEC	1	Secretary	Determine post office box key trustee	12
DEC	1	Secretary	Determine storage key trustee and code of conduct rules	12
DEC	4	Secretary	Upload November approved minutes to Google Drive and website	12
DEC	4	Secretary	Draft Agenda and send board package for January meeting	12

Catalina Foothills Estates No. 9 Association
Board of Directors Meeting
Minutes

UPDATED CALENDAR REMINDERS - JANUARY

MON	WEE	ROLE	TASK / ACTION	Sort By Month
JAN	1	Board	1-January Board meeting	1
JAN	1	Board	Agenda Item - Board vote on 2022 BUDGET and Annual Assessment (CCR Section 7(b)(3))	1
JAN	1	Board	Agenda Item - Board vote on Disclosure Fee amount / increase for resales ARS 33-1806	1
JAN	1	Elections	Agenda Item - Election Committee Feb 1 - Jan 31	1
JAN	1	Elections	Agenda Item - Review Owner inputs received	1
JAN	1	Newsletter	Brainstorm themes, featured owners and FAQs	1
JAN	4	Newsletter	Circulate draft FEB newsletter to board	1
JAN	1	President	Sign bank signature cards with officers at bank. Bring COPY of approved minutes naming officers.	1
JAN	4	President	Notify D&O insurance company of new director list; get updated COI (CCR Section 9)	1
JAN	1	Roads & Landscaping	Review bids and sign contracts for landscaping & road sweeping, as needed	1
JAN	2	Roads & Landscaping	Coordinate Roll-off location and provide reminders to owners	1
JAN	4	Roads & Landscaping	Sweep roads – January	1
JAN	1	Secretary	Distribute board book materials and updates + upload to Google Drive	1
JAN	1	Secretary	Upload December approved minutes to Google Drive and website	1
JAN	4	Secretary	Draft Agenda and send board package for February meeting	1
JAN	1	Treasurer	Provide Financial Report and Budget actuals to planned	1
JAN	2	Treasurer	Request new ATM / bank card as applicable	1
JAN	2	Treasurer	Agenda Item - Provide form of assessment letter for Board review and approval	1
JAN	4	Treasurer	Assessments - mail Assessment Letter to owners (CCR Section 7(b)(2))	1
JAN	4	Treasurer	Pay Post Office Box lease rent (expires February); check signature cards	1

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Minutes

CAT 9

ELECTIONS COMMITTEE CHARTER

Committee Members:

Larry Ivy, Jim Ponzo

Committee Mission: Ensure a legally sound elections / voting process

Committee Goals:

- a) Update Board Calendar tasks for candidates
- b) Create an Elections / Voting Policy and Procedure for Board approval
- c) Coordinate with the Board to create and implement policies and procedures
- d) Formulate and submit candidate list for annual meeting
- e) Manage mailing and ballot collection for voting

Board Appointed Term:

February 1 to January 31 each year

Last revised 12/13/2022

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A.R.S. 33-1806 Resales

DECEMBER 2021

ACTIVE LISTINGS

Status	Lot	Address	Owner	List price	Realtor	MLS
Listed	34	6991 N. Solaz Tercero	John & Marsha Dyer	\$1,450,000	Rachel Carramusa HomeSmart Pros 520 401 7669	22122312
TOTAL	1					

PENDING, CONTINGENT & CLOSED SALES 2021

Closing Date	Lot	Address	Buyer	Seller	Sales price	Fee pd
3/17/2021	19	6820 N. Solaz Primero	Kenneth Scott Findlay & Winnie Pui Wah Ling	Denis & Jenny Polian	\$790,000	\$173
6/17/2021	70	2301 E. Calle Los Altos	Claude & Elizabeth Caroli	William & Margrit Laman	\$1,047,098	\$173
7/20/2021	66	6761 N. Placita Manzanita	Oleg and Tatyana Cohen	Mittilda Raksanaves & Daniel Pearcy	\$1,583,900	\$173
08/11/2021	109	6561 N. Avenida de Posada	Dan & Rayna Currier	Rachel Goldwyn & Alan Levenson	\$980,500	\$173
09/13/2021	78	6601 N. Altos Segundo	Yousef M Odeh and Alexandra J McGlamery	Andrew and Katherine Kraft	\$1,350,000	\$173
09/24/2021	52	6828 N. Solaz Cuarto	Donald Cole and Carolyn Murphy	Basil and Diana Callimanis	\$890,885	\$173
TOTAL 2021	6					

- *No changes from November*

Results of Catalina Foothills Church Sign Variance Now Available

December 16, 2021

Dear neighbors,

At long last, the Pima County District 1 Board of Adjustment held a hearing - P21VA00010 - for the sign variance application for Catalina Foothills Church (Church) on Monday Dec. 6 @ 1:00 PM. A copy of the decision is attached. You can find all the hearing materials on their website at <https://webcms.pima.gov/cms/One.aspx?portalId=169&pageId=467931>

We believe our efforts were rewarded with a number of improvements and neighborhood protections:

1. Wall Sign on North Side of Church: The original illuminated sign for the north wall of the Church was initially to be 114 sq ft with 27" letters and 35 ft long. It was also to be on until 11pm. It will now have a size of 42.5 sq ft with 21" letters and 26.5 ft length, a significant reduction in size. More importantly, it will be turned off at 9pm. The lighting will be 'reverse pan' back-lit halo style letters only.
2. The freestanding monument sign at the Orange Grove entrance was to be 10 ft tall and they were requesting up to 50 sq ft in size. It was to be illuminated until 11 pm and had no clear controls on brightness. It will now have to be no more than 8 ft high and 30 sq ft in size with lights out at 10 pm. The Board required that There will also be a dimmer installed to adjust the freestanding sign illumination if the light brightness is excessive.
3. Similarly, the freestanding sign along Skyline was to be 10 ft tall and up to 50 sq ft but will be 7 ft tall and 30 sq ft with lights out at 10pm and a dimmer installed. Board members commented that they thought the placement of this freestanding sign was reasonable to direct oncoming Skyline traffic from the east to get into the left-hand turn lane, to be able to turn left onto Orange Grove. Sign designs and colors were significantly muted from original designs.

The significant reductions in sign area, duration of illumination, and lighting design are important victories for more than 100 neighbors and 6 HOA's who responded with comments to our working group to represent the collective opinion to limit the variance.

We believe this was a kind of hybrid solution bringing elements of the so-called 'Dark Sky Incentive' (DSI) program together with existing sign code. The DSI was written into the code only in 2020, designed to allow increased sign sizes if they will be turned off earlier and emit less light. Our efforts brought attention to this new incentive as we are not aware of another hearing where this program was used to help reach a solution for neighbors. We hope we started a trend and that the Board will continue to value neighborhood input and feedback.

Finally, we are aware of the complaints we have received on the continuous use of temporary banner signs at the Church location. Although this was not part of the variance discussion, the County staff report to the Board included an acknowledgment of this problem. We have received a commitment to enforce rules for a 90-day limit per year on banners, with size limits and a requirement of mounting on a wall or building rather than temporary re-bar poles.

Thank you for your support and interest in protecting the harmony of our scenic Foothills neighborhood.

Church Sign Variance Working Group
Bill Read, Frank Bangs, Fred Fiastro, Larry Ivy, Sherri Durand

**PIMA COUNTY
BOARD OF ADJUSTMENT DISTRICT 1
PIMA COUNTY GOVERNMENT CENTER**

MEMORANDUM OF DECISION

TO: Thomas Drzazgowski, Chief Zoning Inspector

FROM: Lauren Whetstone, Asst. Executive Secretary

DATE: December 6, 2021

The Pima County Board of Adjustment, District 1, at a regular hearing held on **Monday, December 6, 2021** heard the following appeals and decided as noted:

NEW HEARING:

P21VA00020 MILLER – N. TORTOLITA ESTATES DR.

Nancy Miller, on property located at **14300 N. Tortolita Estates Dr.**, in the RH (Rural Homestead) zone, requests the following variances:

1. **To reduce the front yard setback to 43 feet.** Section 18.13.040C.1 of the Pima County Zoning Code requires a 50 foot front yard setback.
2. **To reduce the side yard setback to 16 feet.** Section 18.13.040C.2 of the Pima County Zoning Code requires a 20 foot side yard setback.

The Board of Adjustment **CONTINUED** the requested variances to the next scheduled hearing date (January 3, 2022).

CONTINUED HEARING:

P21VA00010 CATALINA FOOTHILLS CHURCH-PCA – E. ORANGE GROVE ROAD

Catalina Foothills Church-PCA, represented by Addisigns, Inc., on property located at **2150 E. Orange Grove Road**, in the CR-1 (Single Residence) zone, requests the following variances:

1. **To increase the freestanding sign area to 50 square feet.** Section 18.79.080D.3.a of the Pima County Zoning Code restricts sign area to 32 square feet.
2. **To increase the freestanding sign height to 8 and 10 feet.** Section 18.79.080D.4.a of the Pima County Zoning Code restricts sign height to 6 feet.
3. **To increase the wall sign area to 114.71 square feet.** Sections 18.79.080.H.3 of the Pima County Zoning Code restricts sign area to 30 square feet.

The Board of Adjustment **APPROVED** the requested variances subject to the following conditions:

1. All signs shall be located as shown on the site plan attached to this memo.
2. Design of signs shall match submitted material attached to memo.

3. The freestanding sign along Sunrise Dr shall be a maximum of seven feet tall. Freestanding sign along Orange Grove shall be a maximum of eight feet tall. Both signs shall have a maximum area of 30 square feet.
4. Only letters, address and logos shall omit light on freestanding signage.
5. Freestanding signs shall be turned off no later than 10:00 p.m.
6. Wall signs shall have a maximum letter height of 21 inches.
7. Wall signs shall be turned off no later than 9:00 p.m.
8. The freestanding signs shall be dimmable.

An application for necessary permits for use of the property and construction shall be made within nine months of the granting of a variance and within thirty days of the issuance of a temporary use permit. Failure to apply for necessary permits within the time limit shall render the variance or temporary use permit null and void.



Lauren Whetstone, Asst. Executive Secretary

Feasibility Study of Road Fund Income Investing

Investing Road Fund in a Interest Earning Investment will Increase Road Dollars

- **Current road fund is kept in a savings/checking account, which earns effectively 0% interest.**
- **The road fund has predetermined expenditure dates and scheduled principal additions**
- **By investing it in simple interest earning some earnings to partially offset inflation can be realized.**
- **Current interest return is estimated to be ~\$ 31,169 between now and 2036.**
 - May not be worth effort in current high inflation/low interest rate environment.
 - If interest rates rise return will increase which will make this path more attractive.
 - This path can be implemented or modified at anytime if the HOA chooses.

Type of Investment Modeled-Treasury Notes

- **Treasury notes (T-notes) or bills (T-bills) are US government securities**
 - Maturities of 2, 3, 5, 7, and 10 years
 - Pay interest every 6 months (twice a year)
 - At maturity original purchase/principal is returned.
- **Advantages:**
 - Lowest risk since they are backed by the Federal government.
 - Effectively no chance of losing principal
 - Variable maturity dates and constant interest payout allows them to be staggered to earn interest and have principal available expenses.
 - May be purchased from a bank or broker in \$100 increments
- **Disadvantages:**
 - Low rate of return.

Feasibility Case-Transfers, Withdrawals, & Rates

Year	Transfer to Fund	Expenses-Withdrawal From Fund	Comment
2022	\$70,000	\$0	
2023	\$23,000	\$0	
2024	\$23,000	\$0	
2025	\$23,000	\$0	
2026	\$23,000	\$50,000	5 year repair estimate
2027	\$23,000	\$0	
2028	\$23,000	\$0	
2029	\$23,000	\$0	
2030	\$23,000	\$0	
2031	\$23,000	\$65,000	5 year repair estimate
2032	\$23,000	\$0	
2033	\$23,000	\$0	
2034	\$23,000	\$0	
2035	\$23,000	\$0	
2036	\$23,000	Balance	Repave

T-note Maturity (years)	Rate
2	0.645%
3	0.963%
5	1.345%
7	1.577%
10	1.64%
Rates as of 11-26-2021	

- Note: current rate increase between 7 & 10 year bills is small enough that a 10+5 year purchase is not better than a 7+7. So no 10 year purchases will be considered at this time.

Yearly Purchases and Maturity-Notional 15 Year Plan

Year	Purchase	Term, Years	Rate, %	Annual Income	Comment
2022	\$63,500	7	1.577	\$1,001.40	Initial balance, matures in 2029
2023	\$24,300	7	1.577	\$383.21	Matures in 2030
2024	\$24,600	2	0.645	\$158.67	Matures in 2026 for road repair
2025	\$0	0	0	\$0.00	No T-bill purchase, rolled for 2026 road repair
2026	\$23,800	5	1.345	\$320.11	After road repair, end of year balance applied to T-bill maturing in 2031
2027	\$25,000	7	1.577	\$394.25	Matures in 2034
2028	\$25,500	3	0.963	\$245.57	Matures in 2031
2029	\$89,200	7	1.577	\$1,406.68	Matures in 2036 at road end of life
2030	\$50,400	5	1.345	\$677.88	Matures in 2035
2031	\$9,900	5	1.345	\$133.16	Matures in 2036 at road end of life
2032	\$25,800	3	0.963	\$248.45	Matures in 2035
2033	\$26,200	3	0.963	\$252.31	Matures in 2036 at road end of life
2034	\$51,000	2	0.645	\$328.95	Matures in 2036 at road end of life
2035	\$0	0	0	\$0.00	No purchase near end of life
2036	\$0	0	0	\$0.00	No purchase at end of life

- No additional purchases near road end of life (2035 & 2036)
- No 10 year T-bill purchases, current rate increase between 7 & 10 year bills is small enough that a 10+5 year purchase is not better than a 7+7.

Yearly Cash Flow Estimate-Notional 15 Year Plan

Year	Rollover+ Principal Return	Income to Road Fund	Begin Year-Balance	Road Expense	Available for Invest	Investment	Interest	End of Year-Balance	Comment
2022	\$0.00	\$70,000	\$70,000.00	\$0	\$70,000.00	\$63,500	\$1,001.40	\$7,501.40	
2023	\$7,501.40	\$23,000	\$30,501.40	\$0	\$30,501.40	\$24,300	\$1,384.61	\$7,586.00	
2024	\$7,586.00	\$23,000	\$30,586.00	\$0	\$30,586.00	\$24,600	\$1,543.28	\$7,529.28	
2025	\$7,529.28	\$23,000	\$30,529.28	\$0	\$30,529.28	\$0	\$1,543.28	\$32,072.55	
2026	\$56,672.55	\$23,000	\$79,672.55	\$50,000	\$29,672.55	\$23,800	\$1,704.72	\$7,577.27	Road Repair
2027	\$7,577.27	\$23,000	\$30,577.27	\$0	\$30,577.27	\$25,000	\$2,098.97	\$7,676.24	
2028	\$7,676.24	\$23,000	\$30,676.24	\$0	\$30,676.24	\$25,500	\$2,344.53	\$7,520.77	
2029	\$71,020.77	\$23,000	\$94,020.77	\$0	\$94,020.77	\$89,200	\$2,749.82	\$7,570.59	
2030	\$31,870.59	\$23,000	\$54,870.59	\$0	\$54,870.59	\$50,400	\$3,044.49	\$7,515.08	
2031	\$56,815.08	\$23,000	\$79,815.08	\$65,000	\$14,815.08	\$9,900	\$2,611.97	\$7,527.04	Road Repair
2032	\$7,527.04	\$23,000	\$30,527.04	\$0	\$30,527.04	\$25,800	\$2,860.42	\$7,587.47	
2033	\$7,587.47	\$23,000	\$30,587.47	\$0	\$30,587.47	\$26,200	\$3,112.73	\$7,500.00	
2034	\$32,500.00	\$23,000	\$55,500.00	\$0	\$55,500.00	\$51,000	\$3,047.43	\$7,547.43	
2035	\$83,747.43	\$23,000	\$106,747.43	\$0	\$106,747.43	\$0	\$2,121.10	\$108,868.53	Road Replace
2036	\$285,168.73	\$23,000	\$308,168.73	\$0	\$308,168.73	\$0	\$0.00	\$308,168.73	

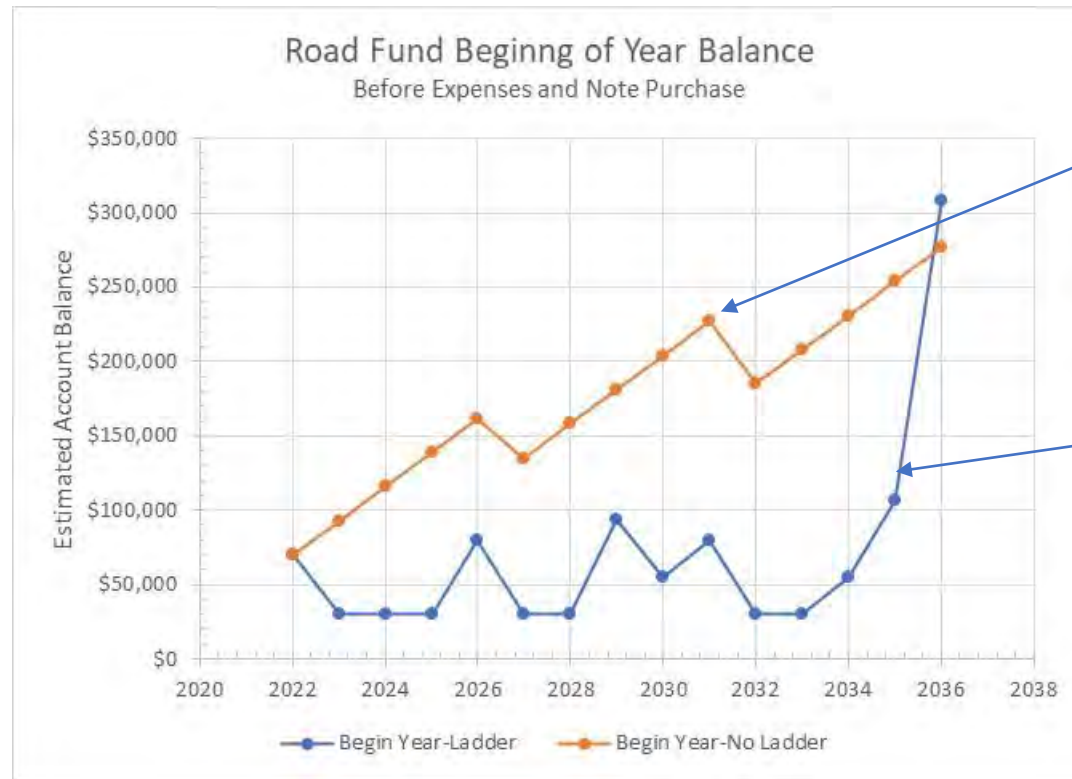
Rollover + Principal Return = end of year balance + principal returned

Available for Invest = beginning year balance – road expense

End of Year Balance = begin year balance – road expense + interest earned

Sum=\$31,168.73

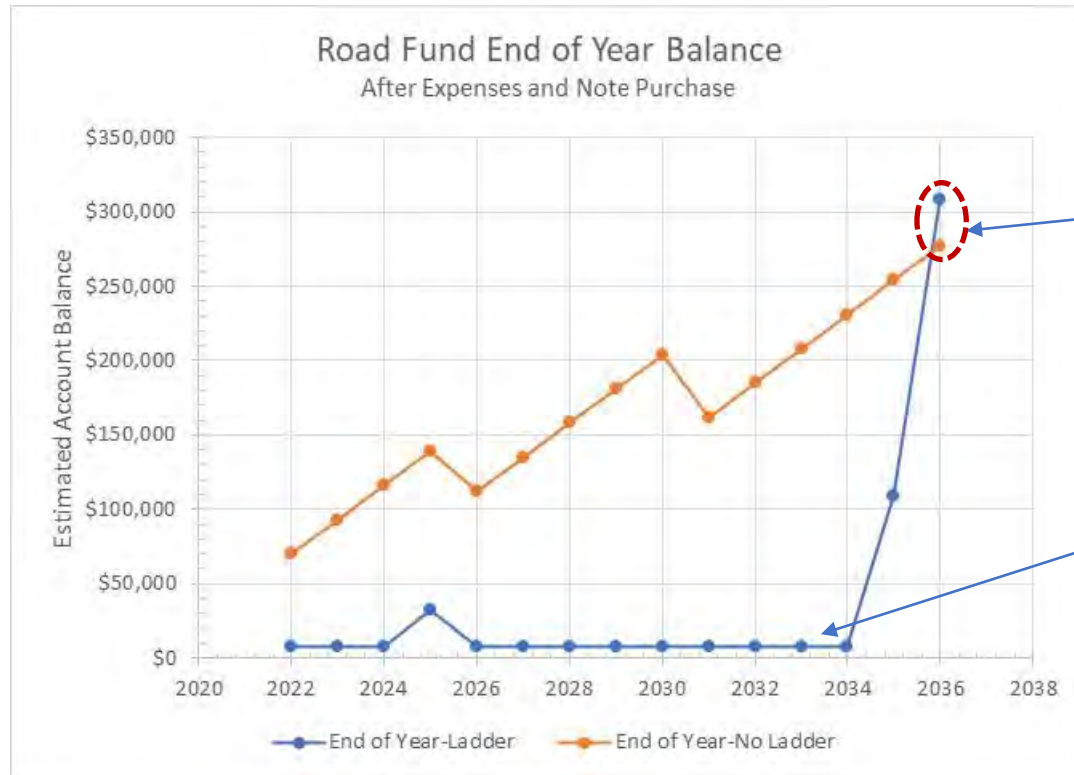
Beginning of Year Road Fund Balance



Simple Savings Account with
Withdrawals for Maintenance

Principal is Removed for T-note
purchases, with balance peaks for
Maintenance Years

End of Year Road Fund Balance



- Additional \$32,484 available for Road Replacement
 - \$277,000 if just savings
 - \$308,169 if invested

End of Year Balance goal is \$7500.
Principal is Earning Rather than Sitting

Projected Returns/Gain is Approximately 1 year's HOA Fee and will Follow Interest Rates

- **Using today's interest rates the total gain is \$31,169 over 14 years**
 - Or \$240/lot.
- **If interest rates rise, return will rise with it.**
- **Purchases can be adjusted each year based on actual repair expenses.**
- **Other interest bearing approaches may earn more, but this gives an estimate of a low risk path and what current investment conditions can be expected to yield.**
 - US government bonds are 20 & 30 year maturities, which does not work for us.
 - CDs pay close to zero (0.05% at this time), functionally same as current saving approach
 - Other investments (i.e. mutual funds, ETFs) have potential of principal loss which is not recommended for this situation.