

Oak Creek Estados Condominium Association
Board of Directors Meeting
Minutes

Date: 1-25-20

Time: 10:00 AM

Location: OCE Clubhouse

The meeting was called to order at 10:00am

The Pledge of Allegiance was recited

A quorum was met with Peter Zid, Claudia Ronaldson, Ken Bers, Neil Malamuth, Bill Krchnavy, and Caroline Oreel present. Mary Zordan proxy to Claudia Ronaldson for voting.

Sept minutes approved with Claudia Ronaldson motioning and Peter Zid second.

October minutes approved with Claudia Ronaldson motioning and Peter Zid second.

November minutes approved with a correction of the wording from "pushing back" to "pushing backwards". Peter Zid motioning and ken Bers second.

President Peter Zid reported the following: The dumpster for A & B building is consistently 10 inches overfilled. This costs the Association an additional \$125.00 per month. Susan will contact Taylor Waste to see if we can get a larger dumpster and the cost.

****We will send a certified letter to the owner of units with water damage where we do not have access to the unit. If we are not allowed access, then the owner will be responsible for any water damage to unit.**

****The Association cannot tow renter's vehicles. It is up to the owner of the unit to institute a tow. The Association can tow an owner's vehicle with 21 days' notice. (see Arizona Condo Act)**

****A motion was approved to reimburse Rick \$50.00 for the bike he purchased. The bike will then belong to the Association. Claudia Ronaldson motioning and Peter Zid second.**

****A discussion took place regarding the need to remove unused coolers from the roof. Mr. Willis stated we needed the owners vote to remove coolers. There is no validity for this in the CC&R, By-Laws or ACA. Neil Malamuth suggested a letter be sent to owners letting them know they will be responsible for any roof leakage due to lack of maintenance of coolers, used or unused and the cost to remove. Bill Krchnavy suggested the leakage from roof where coolers were removed could be the contractor who removed the coolers fault. This issue will be revisited next meeting. In the meantime Ken will put together some thoughts on the information needed to notify owners.**

****H building boiler on order.**

**** We will try to put a list of preferred vendors on the website.**

****The Spa by the pool will cost \$6500.00 to repair. This includes 2 layers of tile which Mr. Willis states is unnecessary as the spa is being repaired and not replaced. Ken will call county and check on code.**

****We will table the Issue of placing money in Amtrust Bank until next meeting. Neil will look into American Express.**

****It was suggested by an owner that we take out a loan to cover all needed repairs as the interest is low. Peter Zid stated the Association has enough money to cover what is needed now and we have regular money coming into reserves. Peter Zid stated he would not sign on loan to place Association in debt.**

****Peter Zid had a conversation with our State Farm agent regarding liability and rate issues if rental gets too high. State Farm will audit condos for percentage of long and short term rentals but not on an annual basis. We do not know when this could occur. If an audit is performed and SF feels the percentage of rental is too high, they will raise our rates commensurate with SF perceived risk. They could rate us as a motel if STR gets too high as percentage in the complex. This could raise our rates substantially. Regarding liability, the more proactive the Association is with notifying owners regarding their liability, the more we are protected. We will send out a demand for all owners to send us the Declaration page from their insurance policy showing liability coverage. We also state in the letter, their insurance company needs to be apprised of the usage of the unit. Very few companies cover short term rental. If they are not covered correctly and have a claim, they will be turned down and SF will protect the Association against all claims. It was suggested the owners be compelled to carry 1 million in liability. A motion to proceed with a letter to owners regarding insurance and liability was approved with Peter Zid motioning and Claudia Ronaldson second.**

****Peter Zid had a conversation with the Mulcahy Law Group and the Ledbetter Law Group regarding the possible changes in the Short Term Rental Statutes. The City of Sedona has hired LODGINGRevs to locate all STR in Sedona. If the STR doesn't have a TPT number, they will be fined \$2500.00. The possible changes the State of AZ could make in the statute could be to require all STR in AZ to have a TPT number and or charge a bed tax like the hotels pay. The State knows they are losing a lot of tax money and will make the appropriate changes to collect the tax.**

**** We only received 12 responses to our letter to owners regarding the need to update the CC&R. The idea is Grandfather all STR. This would mean the unit could continue to be used as a STR and could be sold as a STR. We would place restrictions on any additional STR. This would help keep balance in the complex and look good when SF does an audit. Mr. Willis suggested placing a percentage on rental units. However, OCE is already over 65% rentals. Any amendments approved by the BOD will be sent out owners with an explanation on each with no bundling.**

Treasurer: Financials in good shape with reserves at \$207,232.00

Owners Comments: Mr. Willis would like to see a copy of the planned future CIP>

****Mary in D8 would like to have Pickle Ball lines placed on the tennis courts. A motion was made to approve with Peter Zid motioning and Ken Bers second. She also asked to have the pool heated and additional 2 months of the year. We will look into having the pool on a separate circuit and heated with Solar. Try to get estimate. There are a lot of dog droppings in the stones. Will place signs on buildings regarding picking up dog waste.**

****Ken Bers resigned from BOD. Ken stated he did not want any perceived conflict of interest as he is paid by the Association.**

****There is an open position on the BOD and Neil wants all to be considered for the BOD position.**

**** Mr. Willis stated the CC&R are gray on whether Peter Zid can be on the BOD. Mr. Willis needs to read the By-Laws.**

**** Neil stated since Susan gets paid by the Association she cannot be on BOD. Suggest a read of the Association Documents.**

Next Meeting Date: 2-29-20

Location: OCE Clubhouse

Time: 10:00 AM

Notes taken by Susan Port and compiled by Peter Zid