

**LAKE MOOVALYA KEYS  
Board of Directors  
Annual Meeting**

**La Paz County Board of Supervisors Meeting Room  
Parker, AZ**

**April 19, 2014  
9:30 A.M.**

**CALL TO ORDER**

Vice President Chuck Baker called the Annual Membership and Board of Directors meeting of Lake Moovalya Keys Property Owners Association to order at 9:30 a.m.

**PRESENT**

*Vice-President* Chuck Baker

*Secretary-Treasurer* Laura Lancaster

*Board Members:* Chris Chambers, Blane Coon, Christie May-Ward & Kit Furnell

**ABSENT**

*President* Jack Sweeney

*Board Members:* Ryan Shubin & William (Squeak) Kossnar

**OTHERS PRESENT**

Julie LaBenz, Legal Counsel; Sue Thomson, Bookkeeper and Recording Secretary; Heather Wilson, General Manager; Kim Gory Harsch (Robert Gory Realty); Carla Faulkner (David Plunkett Realty)

**MEMBERS PRESENT**

The sign-in sheet of those present at the Annual Meeting is on file with the Association. The number of owners present at the meeting was 44. The number of members who voted either by regular ballot or absentee ballot was 108.

**INTRODUCTIONS**

The owners and meeting guests introduced themselves. The Board members, Legal Counsel, Bookkeeper and General Manager introduced themselves to the membership.

**MINUTES**

The Minutes of the 2013 Annual Meeting were approved by the Board of Directors on May 6, 2013.

## **FINANCIAL STATEMENTS**

*Motion was made and seconded to approve the 2013 Financial Reports and the motion carried unanimously.*

BALLOT NOMINEES Robbie Kaufman (Lot 180), Bob Spangler (Lot 34), Tony Gaipa (Lots 118/120), and Mark Nicholls (Lot 169) introduced themselves and gave brief bios of themselves. Candidate William Chiles (Lot 200) was absent. The Board members also gave brief bios of themselves. Ms. Ward proposed that starting next year candidates write up their bios and state their issues, which statements would be included with the annual meeting ballot package to members.

## **PAST PROJECTS**

Gate repairs were done this past year, in addition to painting the trash enclosures. Someone hit one of the bridges, which was repaired. Dog stations were installed, and the grounds are being well maintained.

## **PROPOSED PROJECTS**

We continue to have problems with the key pad at the gate, so we will be upgrading that system soon. Otherwise, the gate is working well.

## **RENTAL ISSUES**

Ms. Lancaster has spent a lot of time putting together a proposal package regarding rules in general and rental property guidelines based on feedback she has received from many owners. A work session to discuss the feedback was held on April 7, 2014 and was attended by several owners who were given two minutes to speak. The work session was held to gather additional feedback, so no conclusions or decisions were made. We will continue to discuss these issues before putting a vote out to the membership.

### *MEMBER COMMENTS:*

Noise issues were the main topic, with several owners stating that noise offenses do not only come from renters, but also from some owners, and everything can't be blamed on the renters.

Many owners need to rent their properties for financial reasons, and that most people who rent do not cause problems. We don't need a bunch of rules, rather a voluntary effort to get good people to rent their properties. There are problems with some owners and their kids, and renters don't have golf carts, so the problems with golf carts are not a renter issue.

It would be a financial hardship if unable to rent their properties, and that a compromise is needed to solve some of these problems.

Ms. Furnell stated that the rules are not focused solely on renters—all homeowners are involved in rule compliance. Hotel rooms have posted rules and guidelines, and similar notices need to be posted in rental houses as a matter of courtesy and respect. She stated that renters do bring off-road vehicles into the Keys. Rentals have increased to almost 55 properties on 6 streets, which average 8-9 rentals per street, which rentals result in multiple people, vehicles, boats and trailers,

and we need to figure out where they can all park. Everyone should be respectful of their neighbors, and we are not just talking about renters.

This is a vacation area, and rentals keep property values up. Owner's rental agent, Ms. Faulkner, screens his renters well, and the homeowners need the same standards for their guests. There needs to be a reasonable balance and expectation for all.

There was a report of dog problems with two, non-rental, owner neighbors.

Ms. Wilson talked about two serious accidents in the Keys last year, one involving kids, a skateboard and a golf cart, with one kid being flown out to the hospital. There was an altercation that started on a golf cart with licensed drivers, and Ms. Wilson said that all golf carts should have lights on during nighttime operation.

In California 11 p.m. is quiet time, but in Arizona there is no specific time frame for noise reduction. The rules should be for everyone, not just renters. The non-rental owners cause more wear and tear on the roads with their vendors and the trash trucks. Also, the Association can't tell owners how many guests they are allowed to have at their house at one time.

Lack of proper security and that anyone can get in the Keys, and it was bothersome that people can look inside his garage; better control of who comes into the Keys needs to happen.

One rental owner with two rental properties stated that she already has rental rules and guidelines in place at her house, which Ms. Furnell just referenced. She also said that when she got back from the work session on the 7<sup>th</sup>, a non-rental owner neighbor of hers was 'going off'.

Ms. Ward said that people are here for different reasons, and that older people like quiet, and younger people like to party. She lives across from Circle K, so they are outside the gate, but they pay for security like everyone else. She said that a lot of the content in Ms. Lancaster's packet was already in place, including the rental security deposit, and white line rules inside the gate area, and there are certain things already addressed in the CC&R's. She said we are trying to please everyone, but it is not an easy job.

Mr. Baker said that he's never been an advocate for the rental security deposit; he wasn't at that meeting in 2004 and was shocked when he later found out that it came up. He referenced the potato gun incident as being what started a discussion about the homeowners wanting to impose a security deposit. He said we have never had to use a security deposit to pay for any Association damages.

Ms. Harsch said she understands everyone's needs, and that the last 12 sales in the Keys have been for rental purposes. She and Carla work hard to keep renters in line and are trying to find peace between the rental owners and the non-rental owners.

The purpose of the rental security deposit is not to protect homeowners. Again, the security deposit has never been used.

Ms. Lancaster said we have come a long way since 2004, and we are getting better each year, including parking issues.

More on noise, how do you control someone starting a boat or a Harley, or dogs barking for three hours? There are lots of noise issues, but it's subjective, and everyone considers noise differently.

Everyone should be proactive about noise nuisances; get to know your neighbors and go to them if there are problems, and a lot of these issues can be resolved and will take care of themselves.

About unauthorized vehicles, Ms. Lancaster said we have no guest parking, even for non-rental owners. Homeowners need vehicle stickers, and we are attempting to control the number of vehicles that each property can handle. People should not be parking in front of others' properties without permission. Everyone has either a sticker or a pass for guests and renters. The stickers and passes show the lot number so that other people know which property the vehicle belongs to should there be a parking problem with a vehicle. Ms. Wilson has stickers and passes, and if anyone needs more, she should be contacted.

Ms. Faulkner said she has an eight-page rental contract that shows the name of every person who will be staying on site, along with the license numbers of all vehicles and trailers they are bringing in. She has been doing rentals in the Keys for 10 years, and her contract went from two pages to eight pages, from large print to small print, and each page must be initialed. The renters get the rules and regulations. Question was raised on how to police that, and Ms. Furnell said there is no policing unless a report is made by a neighbor. Mr. Coon said that renters often don't cooperate when you ask them nicely to follow the rules. Ms. Wilson said she gets calls mostly about noise, and she will go over to investigate, or security will follow up. Mr. Baker said that what we are trying to do is have the authority to enforce compliance, and the Sheriff's Office or the General Manager should be called. Ms. Lancaster said we have put together these proposals, but we currently don't have any additional fines, and the proposals apply not just to renters, but to homeowners who also violate parking rules, make noise and cause nuisance.

Mr. Baker said we have approximately fifty rentals, and we haven't been set up to fine on some of these issues; that there are typically no problems with families, it's the rentals with 25-30 kids. He said he's in a catch-22 because he's been chairman of Parker Tourism for years. He said we can work with the non-rental owners on a longer-term basis, but the renters come and go before problems can be dealt with.

Ms. Wilson said intoxicated people don't cooperate, so she calls the Sheriff's Office to deal with them. A suggestion was made that Ms. Wilson keep a log on complaints and incidents (which she does in her monthly report to the Board). She said that some rentals are owner managed, and in that case where the owner is absent and there is no local property manager to call, she must deal with the complaints.

Mr. Baker said we can't make up fines without member approval. Ms. Wilson said the fines should be higher than \$25 or \$50 to discourage offenses, maybe \$100. Ms. Lancaster explained that the procedure on collecting fines on professionally managed rentals is to collect the fine from the agent's rental trust account which has the tenant's security deposit. Mr. Baker said that ultimately the property owner is responsible for paying fines.

Question was raised about sleeping in RV's, and it was explained that we have a rule prohibiting it, with a fine. All lots are designated single-family residences.

Ms. Ward talked about the guy who became belligerent when called out for trespassing onto their property when returning from Circle K. She got his CF number, reported it, and the guy was later

found and arrested. She suggested people use their smart phones to video such incidents and report them to the Sheriff's Office.

## **ELECTION RESULTS**

Ms. Thomson announced the election results with the following persons being elected to the Board:

	<u># of Votes</u>
Jack Sweeney	94
Chris Chambers	92
Laura Lancaster	83
Ryan Shubin	76
Christie May-Ward	70
Chuck Baker	59
Kit Furnell	55
Mark Nicholls	53
Tony Gaipa	51

## **ADJOURNMENT**

The meeting adjourned at 11:20 a.m.

Submitted by Sue Thomson, Recording Secretary  
APPROVED BY BOARD OF DIRECTORS JUNE 2, 2014

**LAKE MOOVALYA KEYS, INC.**

**12/31/13 Balance Sheet**

**ASSETS**

Current Assets	
Checking/Savings	
General Account	37,611
Savings	20,319
CD	108,630
Capital Improvements Reserve	60,316
Security Deposits	51,746
Total Checking/Savings	278,622
Accounts Receivable	
Accounts Receivable	74
Total Accounts Receivable	74
Other Current Assets	
SCF Workers Comp Prepaid	28
Inventory Asset	637
Petty Cash - Gen'l. Mgr.	200
Total Other Current Assets	865
Total Current Assets	279,561
Fixed Assets	
Capital Impr./Bldgs.	5,200
Capital Impr./Bridges	342,239
Capital Impr./Gate	44,364
Capital Impr./Streets	208,340
Accumulated Depreciation	-407,809
Land	23,000
Office Equipment	2,461
Total Fixed Assets	217,795
<b>TOTAL ASSETS</b>	<b>497,356</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Deposits	51,746
Total Other Current Liabilities	51,746
Total Current Liabilities	51,746
Total Liabilities	51,746
Equity	
Retained Earnings	424,302
Net Income	21,308
Total Equity	445,610
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>497,356</b>

	<u>2013 Income &amp; Expenses</u>	<u>2014 Budget</u>
Ordinary Income/Expense		
Income		
Clickers	1,225	1,200
Dues	154,275	151,800
Fines	1,875	1,800
Interest Income	288	275
Late Fees	823	800
Transfer/Disclosure Fees	1,800	1,500
Trash (VDMA)	1,850	1,850
Total Income	<hr/> 162,136	<hr/> 159,225
Cost of Goods Sold		
Gate Clickers/Cards	1,364	1,300
Total COGS	<hr/> 1,364	<hr/> 1,300
Gross Profit	160,772	157,925
Expense		
Accounting	3,500	325
Attorney Fees	483	1,000
Bank Charges	-8	
Equipment Rental	336	336
Fuel	2,400	2,400
Gate Cards & Clickers	-291	-275
Insurance - Liability/Property	4,048	4,100
Insurance - Workers Comp.	1,272	1,400
Interest - Security Deposits	72	75
Licenses & Permits	10	10
Office Expense	11	100
Office Supplies	966	1,200
Outside Services		
Bookkeeper	13,800	13,800
General Manager	22,200	22,200
Grounds/Landscape	9,450	10,000
Security Guards	9,904	10,000
Website Maintenance	210	210
Total Outside Services	<hr/> 55,564	<hr/> 56,210
Postage	665	735
Repairs & Maintenance		
Bridges	785	1,000
Gate & Guardhouse	2,405	4,000
Miscellaneous	397	1,000
Streets	3,801	1,000
Trash Enclosures	1,708	500
Total Repairs & Maintenance	<hr/> 9,096	<hr/> 7,500
Storage	248	250
Taxes		
Income Tax	149	250
Property Tax	2,435	2,450
Total Taxes	<hr/> 2,584	<hr/> 2,700
Tools & Equipment	209	750
Utilities		

Electric	19,584	19,800
Telephone	1,867	2,000
Trash	31,182	32,000
Water	3,176	3,200
Total Utilities	<u>55,809</u>	<u>57,000</u>
Total Expense	<u>136,975</u>	<u>135,816</u>
Net Income	23,798	22,109
Less annual transfer to Reserve A/C		<u>-7,562</u>
Available cash flow after transfer		14,547

2013 CAPITAL EXPENDITURES were ZERO