



ARROYO ROBLE RESORT COUNCIL OF CO-OWNERS
38th Annual General Membership Meeting
Minutes – November 3, 2021

The 38th Annual Meeting of the Membership of the Arroyo Roble Resort Council of Co-Owners, Inc., was held at 1:00 p.m., Wednesday, November 3, 2021, in the Rojo Roca Room of the resort's recreational building located at 100 Arroyo Roble Road, Sedona, Arizona.

Board members present were President, Mr. Dave Brown; Vice-President, Ms. Sharon Trischan; Secretary/Treasurer Mr. Larry Hanken; and Director Mr. Scott Klarkowski. Director Grant Nassif was unable to attend in person due to Covid-19 travel restrictions.

Staff members present were Mr. Ralph Woellmer, General Manager/Director of Resort Operations; Department Heads: Ms. Diane Randel, Director of Accounting; Ms. Esther Goff, Director of Owner Services; Mr. Pat Craft, Director of Maintenance; Mr. John Boore, Assistant Director of Maintenance; Mr. Cesar Larrazolo, Director of Housekeeping; and Mr. Randall Richardson, Director of Grounds and Landscaping.

President of the Board of Directors, Mr. Dave Brown, called the meeting to order at 1:02 p.m. There were 21 homeowners present.

President Dave Brown gave a short introduction and thank you to all the veterans in the audience and asked them to please stand so those in attendance could thank them for their time in service to the United States. Each veteran stood up and introduced themselves and their branch of service. We thank all our veteran homeowners for their service.

The minutes of the previous Annual Meeting held November 4, 2020, were reviewed and approved with no corrections.

Mr. Brown announced that the Board of Directors will serve as the nominating committee for the year 2022 election.

Mr. Brown - (on behalf of Nominating Committee) announced the results of the Board of Directors elections for the year 2021 - 2022. There were four candidates on this year's ballot for two vacancies. Mr. Dave Brown received the most votes and will serve a three year term on the Board of Directors. Mr. Larry Hanken received the second highest number of votes and will serve a two year term. Mr. Brown also announced that Mr. Scott Klarkowski (who received the third highest number of votes in the election) was asked by the BOD to fill in the remaining term of Ms. Candice Mann – who resigned from the BOD in August. Mr. Klarkowski will serve until the next election in 2022. Mr. Brown and the BOD thanked everyone for their participation in the election and all that were willing to run for a position on the BOD.

Mr. Brown reminded all present that the Board of Directors is actively looking for owners who might be interested in running for a position on the Board of Directors. Any homeowner that might be interested in running for a position on the Board of Directors is asked to contact Mr. Ralph Woellmer, General Manager, at the resort.

Mr. Dave Brown and Mr. Woellmer then gave an update on the many changes at the resort over the past year since the last homeowners meeting.

Mr. Brown then turned the meeting over to Mr. Ralph Woellmer, General Manager/Director of Operations, to discuss the manager's report.

Mr. Woellmer started the manager's report by introducing all the Arroyo Roble Resort Department Directors present.

Mr. Woellmer then discussed the year 2021 projected year-end financials. All categories overall are expected to finish the year within budget.

The Capital Expenditures for 2021 have been completed with the exception of a new fiber optic line to the resort which will give the resort a true ability for high speed internet access. The construction of the fiber optic line is estimated to be completed by January 2022.

The Board of Directors has established that the maintenance fees for the year 2022 will be **\$890.00**, which is a \$41.00 increase from 2021, representing a 4.9% increase. The annual CPI increase for the United States for the period of Sept 2020 – Sept 2021 is currently at 5.4%.

Mr. Woellmer discussed some of the increasing pricing pressures that have necessitated the increase. Those items include supply costs which have increased by over 23.5% in the past month and will be increasing again before the first of the year. Wages in the Sedona area have been increasing over the past year as well and the Arroyo Roble Resort is currently over 10 employees short of full staffing. The wages for the employees will be raised at the first of the year in order to help keep our current employees and give us the opportunity to hire additional staff. This is an unprecedented time in the Sedona area (and throughout the United States) with the area being over 450 employees short in housekeeping employees alone and over 2000 employees short for the hospitality industry in general. Much discussion ensued regarding opportunities to retain the resorts employees and the suggestions will all be taken into consideration.

Mr. Woellmer then discussed the current Y-t-D financial numbers for 2021 and the budgeted numbers for 2022. There will be a cost of living increase in resort staff wages and salaries and continuing capital expenditure changes as outlined below.

The major capital expenditures for 2022 tentatively include the following:

- ◆ Pool area upgrades to include a pool cover for winter and possible to a salt water system
- ◆ Replacement of guest and powder room toilets with "Comfort Height" toilets
- ◆ Replacements of vanity faucets and various lighting upgrades in the villas (LED conversions)
- ◆ Adding floor fans, vacuums and additional hair dryers to villas
- ◆ Continuation of roof replacement project

A question and answer session was then chaired by Mr. Dave Brown – President of the Board.

Suggestions by the attending homeowners present at the meeting will be looked at and addressed over the next year. Mr. Woellmer also discussed the preliminary plan for future renovations that the Board of Directors will be finalizing over the next few months.

Mr. Brown then thanked all in attendance for their constructive comments. He assured all that the homeowner suggestions will be discussed and used as a basis for any changes during the upcoming year.

*Please remember that the billings for the **2022 Maintenance fee** will be sent out to all homeowners during November 2021 and are due by **January 1, 2022**. Maintenance fees are delinquent after January 25, 2022, and mandatory late fees will apply after that time, per the Arroyo Roble Resort CC&R's.*

The 2022 Maintenance fee will be \$890.00 per interval per the BOD.

The next annual meeting will be held on Wednesday, November 2, 2022 at 1:00 p.m. in the Rojo Roca Room.

There being no further business brought before the Board of Directors by the general membership, the meeting was adjourned at 2:49 p.m.

Submitted by:

Ralph Woellmer

Ralph Woellmer, General Manager

Approved by:

Dave Brown

Dave Brown, President