



**ARROYO ROBLE RESORT COUNCIL OF CO-OWNERS  
BOARD OF DIRECTORS MEETING  
MINUTES – January 18, 2023**

Board Members present: Dave Brown, Sharon Trischan, Tom Canepa, Randy McGrane, and Scott Klarkowski. General Manager Ralph Woellmer hosted the meeting

Prior to the actual meeting start, Mr. Woellmer gave a 5 minute Biography on his work history and time at the Arroyo Roble Resort for the two new Board Members. This was requested so that all the BOD members were aware of Mr. Woellmer' qualifications and background.

Mr. Dave Brown called the meeting to order at 12:17 pm.

1. The minutes of the November 2, 2022 Board of Directors Meeting were reviewed and discussed. Ms. Sharon Trischan made a motion to accept the minutes with one change in item #6 of the minutes which indicated that Mr. Larry Hanken seconded the motion when it was Ms. Trischan. Mr. Woellmer apologized for the error and will make the adjustment.
  - a. Motion: Accept as presented – Mr. Sharon Trischan
  - b. Second: Mr. Randy McGrane
  - c. Approved: Unanimous
2. The minutes of the November 2, 2022 Annual Membership Meeting of the Arroyo Roble Resort Council of Co-Owners meeting were reviewed and discussed.
  - a. Motion: Accept as presented – Ms. Sharon Trischan
  - b. Second: Mr. Randy McGrane
  - c. Approved: Unanimous
3. Mr. Woellmer presented the BOD with the final financial statements for year-end 2022. The BOD reviewed and discussed various GL accounts, during the discussion Mr. Woellmer gave a historical perspective of the various G/L accounts and accounting information to the BOD members. No motion needed.
4. 2023 Financials Report
  - a. Mr. Woellmer discussed the year-to-date maintenance fees collections. YTD as of 1/15/2023 = \$2,117,866 (62%) vs. 2022 YTD = \$1,933,500 (59.2%)
  - b. Mr. Woellmer discussed the completed capital improvements for 2022 and the in-process capital improvements for 2023. Mr. Woellmer discussed potential changes to the 2023 Cap Exp. The discussion revolved around the issues the resort has had since November with the property

sewer/septic pumping system and its connection to the City of Sedona sewer lines. There has been a failure of multiple pumps in the holding tanks as well as a problem or plug in the main line to the city system. The resort had to do almost daily or multiple times per day pumping of the holding tanks while waiting for replacement parts to be delivered and installed between November 15, 2022 and until the first of the replacement parts arrived in February 2023. (The spare pumps kept on-site also failed as a result of the pressure issues and needed to be replaced as well) As a result of these issues, Mr. Woellmer asked the BOD members to consider a one-time revision to the 2023 capital expenditures budget. The discussion items are listed on a separate sheet as outlined and discussed with the BOD members during the meeting. Mr. Woellmer will email a revised version of the 2023 Capital Expenditures to all the BOD members showing the changes discussed. Please note that the discussion revolved around postponing some items to 2024 in order to cover the unexpected costs of the sewer line replacements and not increasing the anticipated total Cap Exp. Costs for 2023. The Cap Ex breakdown is attached with the changes per the BOD.

The other items discussed regarding changes in the Capital Expenditures Schedule for 2023 are as follows:

**Discussion considerations for Cap Exp. budget 2023 changes.**

1. Cap Exp. Item # 1: **Flooring in villas: ~\$90k budgeted for in 2023**
  - a. Replace living room area only with LVT Planks = \$3,347 per = \$217,500 – do ½ in 2023 = ~\$110,000.
  - b. Replace living room area only with Tile = \$4,504 per = \$292,760 – do ½ in 2023 = ~\$146,400.
  - c. Replace living room area only with new carpet = \$2,931 per = \$190,500 – do ½ in 2023 = \$95,258
  - d. Discuss samples in office and options – the Housekeeping breakroom/bathrooms will be installed with the new LVT flooring to use as an example of the product and the BOD will have the opportunity to see the product for potential use in the villa's lower levels.
2. Cap Exp Item # 2-3: **Vanity Counter Tops MB/GB: \$195k budget** – no progress on item as of 1/10/2023 (Currently working on costs/budget)
3. Cap Exp. Item # 4: **Hot Water System /Rec Bldg: \$28k budget** - System deemed to be fine per inspection and will reassess in 3 years. Changed out control valve.
4. Cap Exp. Item # 5: **Reupholstery:** in progress – cost is less than budgeted due to repair/replacement cost.
5. Cap Exp. Item # 6: **Renovations to Housekeeping office and break room:** In progress
6. Cap Exp. Item # 7: **Pool area upgrades: \$7,200 budget:** Postpone to 2024
7. Cap Exp. Item # 8: **Roca Room Furniture: \$15.5 budget:** In Progress
8. Cap Exp. Item # 9: **Property Generator: \$21k budget** – Final Bid cost \$45k (\$24k over budget)
9. Cap Exp. Item # 10: **Front Gate Replacement: \$10k budget:** Postpone to 2024
10. Cap Exp. Item # 11: **Property Signage: \$13k budget:** Postpone to 2024
11. Cap Exp. Item # 12: **Roof Repairs: \$33k budget** – In process
12. **The Kicker! – Unanticipated Cap Exp. Item: Septic Pump Grinder/Pumps Replacement: carryover from 2022 disaster. Cost to date over \$65k and another \$15k – 30k possible. I will explain at the meeting the situation and resolution.**
13. The net result of the changes to the Cap Exp budget for 2023 will be No additional costs as a result of the changes.
  - a. Motion: Approval of the Postponement and changes to the Capital Expenditures budget for 2023. Accept as presented – Mr. Dave Brown
  - b. Second: Ms. Sharon Trischan
  - c. Approved: Unanimous

5. New/Unfinished Business:

- a. The BOD discussed various options moving forward for Pet Policy Changes. No change planned for this year.
  - b. The BOD requested that Mr. Woellmer look at separating the Operational and Capital Expenditures Budgets into two separate budgets for approval each year instead of having only one budget. Mr. Woellmer will move forward with the process and present options to the BOD members at an upcoming 2023 meeting.
  - c. Mr. Woellmer discussed the progress on the reservations system in development and will have another version for the BOD members to assess soon.
  - d. Electric Vehicle discussion. Mr. Woellmer discussed options for a future EV station on the property. Currently the resort does not have the electrical capacity or the parking spaces available to put in an EV station. The costs to install a commercial grade system run approximately \$60,000 and is not cost effective for the 15 – 20 homeowners that currently have EV vehicles. The resort will continue to look at options as the technology matures and the costs become less. There is information available for local EV charging stations at the front desk for our homeowners to utilize.
6. Adjourn: The meeting was adjourned at 2:15 pm.
- a. Motion: Mr. Dave Brown
  - b. Second: Ms. Sharon Trischan
  - c. Approved: Unanimous

2023 Arroyo Roble Resort BOD Meeting Schedule – Tentative!

All meetings are scheduled for 12 noon unless noted

Wednesday – May 3, 2023

Wednesday – August 9, 2023

Wednesday – October 11, 2023

Wednesday - November 1, 2023 – Annual Meeting – 1 pm

***\*Please check your calendars to confirm the dates/times will work for you\****

Submitted by:

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Mr. Ralph Woellmer, General Manager

Approved by:

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Mr. Tom Canepa, Secretary