

## "THAT'S A FACT, JACK"

All through the years – 2000 until 2007 it was proposed that ALL the Villas be painted in the year 2008. The board of directors (developer AND resident), took money from every Villa owner to be set aside to accomplish the proposed painting in the year 2008.

It was revealed in the 2007 budget (slide #28), that there was not enough money to accomplish the proposed 2008 Villa painting expenses, because Del Webb had not contributed any money to the reserve fund in 2005 as State law mandates. In fact the four Villa neighborhoods were only funded at a level between 10.7% (lowest) and 41.4% (highest).

The board of directors then made a decision to raise the necessary reserve money from the 162 Villa residents, instead of approaching Del Webb to fund the deficit. The board in their great wisdom raised the annual dues of every Villa owner by \$500 to generate an additional \$81,000 that was supposed to all ready be there if only Del Webb had complied with the law in 2005.

Despite the ADDITIONAL revenue coming from the pockets of the 162 Villa owners, and a "negotiated agreement" that provided additional (inadequate) funds from Del Webb, it was still not enough to accomplish the painting schedule that had been planned from the years 2000 until 2007. As a result only 90 of the Villa units will be painted in 2008 and the remaining 72 Villas are on a "deferred maintenance" schedule to be painted in 2009.

This mismanagement of our (Villa owner's) money is one of the most disgraceful examples of fiscal irresponsibility that I have ever witnessed, and now Mike Dixon, Roz Berman, Jack Troia, and their merry band are covering up the facts by producing a blizzard of numbers to "snow job" every Villa owner into believing that "deferred maintenance" was in the cards all along. That is simply not true. We can prove it.

Deferred maintenance can be the result of bad fiscal policy and planning. Instead of relying on the skills of a competent LOCAL reserve specialist, the current board of directors is going to continue to employ a reserve

specialist Del Webb/Pulte hired to produce the 2000 and the 2006 reserve studies.

The Del Webb/Pulte/SCA Board reserve specialist, Diversified Facilities from Laguna Niguel, California, committed many errors in both reserve studies, and they have been documented by the reserve task force that is currently working on straightening out this mess. Despite the errors, and despite the past mistakes made by Diversified Facilities (Del Webb's choice for reserve specialist), the current board of directors (with the exception of Bob Frank who voted no to renewing the contracts), wants to continue to use their "services".

Why – you ask? Well, in my opinion, DFS is a "go along to get along" company that is more prone to accept the numbers provided by management than logical numbers that may tend to prove some thing the management may dislike.

It seems every price in a reserve study is dictated by a combination of sources. RMI, through bids that we never get to see, often dictate what a given item costs in the reserve report, and also the estimated "life time" of the item are routinely discussed and decided on a phone call.

This is some thing like "the hand shake" deals that plague our third rec. center and the co-generation contract deal for \$1.375 million.

It's unfortunate for everyone one in Sun City Anthem, but that's a fact – Jack (...Troia?)

Norm McCullough  
Villas Neighborhoods Representative