

PORA - Property Owners and Residents Association

Executive Director's Report September, 2013

Administration

- The air filters have been changed throughout the building.
- Sun Cities Publishing performed a web training seminar with instruction for updating the white pages of the Sun City West telephone book. Ellie, Karen, Coleen, Lynn, and I sat in on the presentation. Coleen worked on the white pages a few hours on a Saturday and she will train volunteers to maintain the white pages going forward.
- I am working closely with Monique Lightner, M&M Events, to coordinate the Farmers Market to be held at PORA on the second Saturday of every month. The first event will be October 12th from 9:00 a.m. until 1:00 p.m. and will run through April 2014. The Posse will be available to direct traffic. We will need volunteers to set up a PORA table at the event.
- We have completed the TORCH PowerPoint presentation that will be held at PORA on October 17, 2013.
- The annual backflow test for the irrigation system has been completed by Sun City Mechanical and passed by EPCOR.
- If the Board decides to participate in the Open Houses for the RCSCW chartered clubs which begin in October, we will need volunteers to set up a PORA table at each event (please see the attached agenda) from 10:00 a.m. until noon.
- I met with the Vice President of Corte Bella, Bob Rosenberg, to discuss an article that he will be publishing in Corte Bella's monthly magazine describing the various benefits of PORA that are available to their community.
- I am working with Terry Wallace at Grandview Terrace on a plan for the annual PORA/Rec. Centers Board Christmas dinner.

CC&Rs

- The CC&R Department investigated 176 properties in July and 160 properties in August. The follow-up correspondence and investigation keeps them very busy. The coordinators were interested, and will proceed, with Director Poling's suggestion to update the neighbors surrounding a problem property to keep them aware of the progress, if any, on the status of that property.

Membership

- Front office had 860 calls and walk-ins in July and 974 calls and walk-ins in August. September and January are the biggest renewal months for members so we should see increased traffic for membership renewals as well as fall classes which also begin in October.
- We received \$310 in donations in July, that were included with member renewal payments, and \$515 donations in August.
- The front office continues to call on members that do not renew.

Consumer Services

- Consumer Services received 666 calls and walk-ins in July and 739 calls and walk-ins in August. The potluck lunches sponsored by Janie and staff continues to be a big hit every summer.

Visitors Center

- There were 517 visitors for the month of July and 571 visitors for the month of August.
- The brochures and information sheets have been inventoried and brought up to date.
- 68 Homes were sold in Sun City West in July and 90 homes were sold in August.
- To date the income collected from realtor room rentals is \$1,590.

Marketing

- Karen Bertelsen, our traveling coordinator, has accepted the vacant position in the Marketing Department.
- Overall income for Business and Professional services was a bit less, but comparable to August of last year. Thus far, the Marketing income from July and August is approximately \$21,000, which is about \$5,000 more than the same period last year.
- Marketing is promoting the PORA Farmers Market.
- The annual Vendor Expo has been scheduled for Saturday, March 1, 2014.

PORA Adult Learning

- We have a new employee in Adult Learning by the name of Tamie Jones and unfortunately she became ill after working the first week. Hopefully she will return on Monday the 16th.
- Online registration opened softly on August 15th and \$2,295.00 was processed by August 31st. Comments about ease of use have been positive.
- A full report will be given by Director Poling.

PRESIDENT HANSEN'S ANNUAL REPORT

Sept. 16,2013

We have just concluded another successful year, showing a membership gain for the second time during the past 5 years, albeit modest. We had another strong fiscal year, with our average net earnings running close to a \$100,000. to be added to our monetary reserves which are beginning to approximate our annual budget.

Several divisions of PORA engaged in exemplary work which should enhance our image among the local residents and I call your attention to the following accomplishments.

TRAFFIC & WATER: There was significant street resurfacing throughout the community, golf cart safety brochure was published, Phase I of an initial \$850,000. was expended on Noise Wall barriers north of the expansion area, & key intersections were provided with passenger crossing lights-included one at the hospital & one where the new entrance to Fry's will occur. Burdensome work on the community sign for Bell and El Mirage still remains elusive.

ADULT EDUCATION: The explosive growth of this program has been astronomical over the past 3 years, growing from some 400 classroom hours to over 1700, and course offering striding by the 80 mark. Also the addition of summer programs and on line registration, (which is being aggressively utilized) all stand out as hallmarks of a highly successful program destined for even greater achievements.

GOVERNMENTAL AFFAIRS: For the 6th. consecutive year, we have defeated effort to confiscate our parking authority. Further, the persistent Legislative antagonist finally conceded the war & altered to her bill to apply only to new HOA's after 2014. We thwarted new invasive measures in stopping other aspects of HOA control through a constitutional technicality. We were also blessed with good fortune when the Corporation Commissioners decided to suspend future debate on the De-Regulation issue that could have adversely impacted homeowners' electric rates.

LUKE AIR FORCE BASE: PORA is extremely fortunate to have a former Luke pilot who conducts tours, but beyond that he sits on our Board of Directors. This unique perspective few organizations can offer.

BINGO: Again continues a successful operation, providing funds for local charitable operations as well as PORA needs. Director Trent has now taken over the bookkeeping tasks related to it.

MEMBERSHIP: As previously mentioned, we showed a membership gain for the second time in 5 years, though modest in size. Our rate of new member gain has been exceptional and we will miss Flo Capps & Chuck Reot who did exceptionally recruiting at new resident events.

FINANCIAL: For the past 3 years our Treasurer & Executive Director have worn the best "green shades" of any accountant around, as we have averaged retained earnings close to \$100,000. This takes skilled budgeting and parsimonious performance...both of which they delivered to ensure that PORA has a healthy financial footing.

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I thank and congratulate all of our Directors, as well as our Executive Director for their dedicated services. I could add many other items, but I tried to highlight the exceptional ones. All added to making PORA a stronger organization.

THE NEW FISCAL YEAR- FY 2014

As we begin another new fiscal year, we're mindful that the successes of last year were notable and NOT gifted. They came about as the result of hard work and dedication-but most importantly because of planning. Failing to Plan is planning to fail! For that reason, I'd like to inspire your minds with some thoughts I think can bolster PORA's performance even more. I toss out these thoughts as foundational concepts for each of you to build on and refine.

I. MEMBERSHIP: Our # one goal remains membership, for we're mindful it is the life blood of our organization, especially with a volunteer membership. For the past two years, we have struggled over this item, most recently with the "Welcome Wagon" concept which involved a lot of planning but fell on its face simply because it no longer interests our residents. I'll take the blame for that but former advocates of the program had convinced me it would work once more. WRONG.

Since that time, I've done a lot of introspection and subsequently spent the entire month of August conducting a 5 year study of membership trends in PORA that had never been done before. I became convinced we had to start at "Ground Zero" and take a whole new perspective on it. I presented the results of that research for your consideration at the end of August: reviewing, analyzing, organizing what I considered to be salient facts from which to build a new program. For the first time now, we have specific data on;

1. what's happening with general membership
2. what's happening with regular membership
3. what's happening with associate membership
4. what's happening with new members
5. what's happening with renewal membership

We can now look at those things over an entire 5 year prism, so as to exclude some momentary whimsical aberration. We can also study the interrelationship to see if one class of membership follows another or goes in an opposite direction.

Flowing through the mass of statistical evidence, including prior year data-one learns;

PORA's membership peaked 18 years ago

Today, we're at 75% of that level

We've had nothing but "yo-yo" years since 1996 involving 7 gain years & 12 loss years

TENTATIVE CONCLUSIONS

- 1st.: The initial observation which I made in August, that PORA never had seriously contended with another Board until 1993, when Del Webb finally empowered the Rec Board as a full-fledged Facility Board. Now there were two Boards... not just PORA.
- 2nd. Again, this is repetitious, but our most obvious membership problem is in the decline of membership renewals have

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plummeted over 5 years from 4.8% to 16.1% That is partially due to the increasing real estate turnover, which exceeds 1,500 residents a year as our community continues to advance in average age. Secondly, it behooves us to monitor our renewal process and we're taking steps in that direction already:

1. our message needs to change
2. our style needs to change
3. our process needs to change to implement the above

To that end, our Executive Director has been working with our new IT person to see if we can return a significant part of our renewal process to in-house production and supervision. Simultaneously, we will continue to monitor with more detailed reports to Board sessions on monthly or quarterly transactions.

* 3rd. We're not going to spend a lot of time on Associate members-though it is currently advancing-because it is a totally different approach and handled through our marketing department in sales to commercial clients. Also, they only make up 2% of the total membership volume. However, we will encourage Marketing to place greater emphasis on additional associate members as they are a strong revenue producer.

4th. The brightest spot in membership growth rests with new members which has produced over the past 5 years a growth rate increase from 2.7% to 14.7%. Obviously, new residents see high merit in joining PORA.

5th. Over the next 5 years, we've got to trim our renewal loss by 50%, cutting back that 16.1% loss, and a significant part of that was discussed in the 2nd. section. We want to continue to maintain a 10 to 15% growth in new members, especially with the high homeowners' attrition rate.

6th. To accomplish this will take a high priority pledge by this board and dedication to these objectives. It will also take specific revision in our approach to the problem.

For that reason, I'm recommending we pursue a non-board member, with strong selling-skills background or experience in membership programs, to revitalize our PORA program, as chair of this committee under a totally new banner. We would encourage that person to form a small committee for assistance and guidance-then once this new process is in place, assign a Director to oversee this venture.

II.A process we began this spring needs further attention and refinement which involves the reassessment of our professional providers and other vendors who play a significant role in our operations.

- A. We opted for Independent legal Counsel, and the current crisis with Holmes case illustrates the wisdom of that move
- B. Our property & liability insurance program has been found lacking, with deductible options not explored, and worse-a void in coverage on volunteers
- C. Our out-sourcing of our bookkeeping and record keeping has imposed a crimp in our membership changes of program, so we are further studying that aspect

III. We will be expanding our liason activities and Director Gervenack will be providing the appropriate expertise for dealing with neighboring communities or cities, legislators, corporation commissioners or relating to the Rec Board.

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- IV. Our marketing department can utilize the expertise of Director Gooltz, who has a wealth of background in promotional activity. Our brochures, press releases, and promotional policies all could use review.
- V. Our fiscal policies will necessarily have to tighten as we face for the first time the loss of the telephone book revenue, which accounted for over 10% of our revenue. The significant surpluses that averaged around \$100,000. the last 3 years are long gone and for the first time we are operating on a ZERO BASED tolerance, so there is no wiggle room in the budget. Every department and every Director that influences expenditures must ponder that reality. We can not handle budget excesses such as we saw in two departments last year.
- VI. We must work to burnish the image of PORA within Sun City West. For too long we have lingered in the shadows of public perception inspite of program production, member services, and liason successses with our Board of Supervisors, the Legislators and Corporation Commissioners. Many of these things are within the exclusive purview of PORA and no other entity within the Sun City West Community is equipped to handle today. Yet there is either an unawareness of the multiple areas of our service or a disconnect on crediting PORA with accomplishments. As long as our membership harbors at less than 50% of our residents, we have fallen short in conveying our worth to the community. On this, we must not only ponder, but produce.
- VII. We are in the early stages of studying whether the future holds in its place the prospect of a new structure to house the unbelievable growth in our Adult Education program. We have retained an architect and as our thinking begins to crytalize more definitively, the Board will be discussing this in greater detail. It would be premature to take it much farther than that at this juncture.

CONCLUSION

These are stimulus prognosications for every board member individually, as well as collectively, to raise as we ponder how we can heighen both the performance level and perception of PORA. We already have the qualified staff plus the overwhelming gift of generous volunteers, as well as a committed Board of Directors to provide the skills and direction to make PORA a success.

If this Board is willing to shoulder the true burden that the mantle of office presupposes, we can climb mountains! But at all times, and under all circumstances, we need to reflect on a statement attributable to former President Woodrow Wilson-when he uttered, "To be a good President, and I would parenthetically add- Board Director or President-your ear must always ring with the voice of the people." Just ask a neighbor or friend, "what do you think of PORA?" It might help us gain invaluable insight. I can't thank you enough for your service, Board members, staff and Volunteers as well as supportive members!

PORA Financials
August 2013

The numbers below reflect 2 months into the new fiscal year. Below is a snapshot of the top sources of income, total expense and net income vs. 2012 numbers.

<u>Source</u>	<u>2013 Actual Income</u>	<u>2012 Actual Income</u>	<u>% Increase/Decrease</u>
<i>Revenue:</i>			
Bingo	\$31,494	\$33,630	- 6.4%
Membership	\$11,384	\$10,900	+4.4%
Business Services	\$16,996	\$14,005	+21.4%
Adult Learning	\$ 5,435	-0-	
Total Revenue	\$83,380	\$75,183	+10.9%
<i>Expense:</i>			
Total Expense	\$84,083	\$81,051	- 3.7%
<i>Net Income</i>	(\$703)	(\$5,868)	+88.0%

Additionally Total Revenue vs. budget is running \$2,306 above plan expectations and Total Expenses vs. budget is running with a positive variance of \$12,404.

Cash Assets:

BMO Harris Operating Account	\$ 23,617.84	
BMO Harris Money Market Sav's	61,536.25	
Mutual of Omaha Sav's	85,179.06	
BMO Harris CD's (4)	183,888.08	
US Bank CD	31,996.70	
Mutual of Omaha CD	88,047.63	
BMO Harris Bingo Account	32,212.03	
Total Cash Assets	\$ 506,477.59	2012 Cash Assets \$435,637.60

Susan Lewis,
Treasurer
09/07/201

**Bingo Report
August-13**

Number of Weeks Played 4
Number of Players 1249 Avg: ~ 312

Total in Checking Account as of: 7/31/2013 \$ 30,303.48

Income: 18190.00

Total Card Sales 17970.00

Total Supply Sales 220.00

Expenses: 16281.45

Total Prizes Awarded 13813.00

Inducements Paid Out 980.00

Other Expenses

Maintenance 75.00

Rent 900.00

Lecturns 492.76

Volunteer 20.69

Total in Checking Account as of: 8/31/2013 \$32,212.03

Respectfully Submitted,



Mike Trent, Director
Bingo Proceeds Coordinator

**Bingo Report
July-13**

Number of Weeks Played 3
Number of Players 915 Avg: ~ 305

Total in Checking Account as of: 6/30/2013 \$ 35,395.22

Income: 13304.00

Total Card Sales 13150.00

Total Supply Sales 154.00

Expenses: 18395.74

Total Prizes Awarded 9910.00

Inducements Paid Out 730.00

Other Expenses

Tax - License 892.11

Rent 675.00

Supplies 1739.00

Office Supplies 92.45

Promotion 225.00

PORA Chairs 4132.18

Total in Checking Account as of: 7/31/2013 \$30,303.48

Respectfully Submitted,



Mike Trent, Director
Bingo Proceeds Coordinator

**Bingo Report
June-13**

Number of Weeks Played 4
Number of Players 1184 Avg: ~ 296

Total in Checking Account as of: 5/31/2013 \$ 34,703.39

Income: 17291.00

Total Card Sales 17105.00

Total Supply Sales 186.00

Expenses: 16599.17

Total Prizes Awarded 13804.00

Inducements Paid Out 940.00

Other Expenses

Bingo Supplies 949.00

Rent 900.00

Name tags 6.17

Total in Checking Account as of: 6/30/2013 \$35,395.22

Respectfully Submitted,

Mike Trent - Director
Bingo Proceeds Coordinator

September 16, 2013

Governmental Affairs Report

Bill Hansen

We avoided the enactment of some detrimental sections of S.B. 1454 that were dumped on a bill during the late-night closing session of the legislature. The House Chamber tacked on provisions that would have precluded Homeowners Association from:

- 1) Obtaining disclosure from landlords on their renters.
- 2) Made changes in absentee voting within HOA's. In order for the Senate to gain passage of their Election Law Bill, they were forced to take the House amendment. However, Arizona Constitution, like most states, forbids passage of more than one area of subject matter in a given bill. Legal action was pursued and the Legislators agreed it was a violation so the two sections were struck.

I have previously reported that after six consecutive wins in defeating the infamous parking bill, which would have stripped away our authority on parking, the sponsor dropped her pursuit and introduced a new bill that would only apply to new HOA's started after 2014. Thus, after seven years, we have an ultimate and permanent win which should stand as a testament to future Legislators..."Sun City West Never Gives Up!"

Through no activity on our part, the petition drive to thwart the expansion of Medicaid coverage in Arizona has fallen short of the 186,000 signatures required to put it on the ballot this fall. However, in the meantime the Goldwater Institute is going to court to contest the measure.

We are still concerned about the implications of the Fire District Board's action on annexing the Peoria Island area due to the agitation this has caused in the City of Peoria. Troubling for us is the fact that four of the legislators from the two Sun Cities reside in Peoria.