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PEPPER TOWNEHOMES HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
SEPTEMBER 5, 2017
MINUTES

The Meeting was called to order by the Association President at 6:40 p.m. in the office of Professional HOA Consultants, Inc. 8181 Mission Gorge Road in San Diego, CA 92120.

Directors Present:	Robert Reed	President
	Mike Dayton	Vice President (teleconference)
	Jim McCorkle	Treasurer
	Ashley Borja	Secretary
	Carrie Barong	Director

Directors Absent:	Tina Wick	Director
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Also Present:	Joseph G. Apparito, CCAM	Community Manager
	Three (3) Unit Owners	

OPEN FORUM

It was announced that Rhonda Bellavia was no longer on the board. The Board appointed Ashley Borja as Secretary.

Members were present to discuss and ask questions regarding tree trimming requests and vehicle parking rules/issues. Also noted was increased rodent activity due to the construction on the condo project across the street. Mt. Helix Pest Control will be instructed to increase rodent baiting in these areas. All questions were answered to the full satisfaction of all Members present. Members remained to observe the remainder of the meeting.

APPROVAL OF PREVIOUS MEETING MINUTES

The Board reviewed the Open Session Meeting Minutes of July 12, 2017. A motion was made, seconded and carried to approve the Minutes as presented.

The Board reviewed the Executive Session Meeting Minutes of July 12, 2017 in which homeowner correspondence was reviewed, the violation log was reviewed and the delinquent account file was reviewed. A motion was made, seconded and carried to approve the Minutes as presented.

FINANCIAL REPORT

Period Ending 6/30/2017

The combined reserve account balance is \$160,541.04. The operating account balance is \$74,699.93. The accounts receivable total is \$6,202.78. Income for this period is \$60,183.00 with expenses of \$66,981.00. The total assets for this period is \$261,443.75. A motion was made, seconded and carried to approve the Financial Report as presented for filing pending Independent Financial Review.

Period Ending 7/31/2017

The combined reserve account balance is \$177,308.39. The operating account balance is \$74,365.79. The accounts receivable total is \$8,696.96. Income for this period is \$58,210.00 with expenses of \$58,545.00. The total assets for this period is \$260,371.14. A motion was made, seconded and carried to approve the Financial Report as presented for filing pending Independent Financial Review.

The board may vote at the next scheduled meeting to open a new CD using \$50,000 of current funds. All forms required to open the CD will be provided at the next meeting.

2017 Draft Reserve Study Review

The Board has spent the past months reviewing a draft 2017 reserve study report provided by Barrera & Company with recommended amendments provided by the Treasurer. After further review and discussion a motion was made, seconded and carried to approve the 2017 reserve study as submitted. The reserve study indicates that the Association's reserves are approximately 20% funded at this time.

2018 Draft Proposed Budget Review

The Board of Directors has spent the last several months working on next year's budget. During this process, the Board took into consideration the month-to-month operations of the Association and the strength of its reserve funds, increasing utility and water costs, termite treatment and the aging infrastructure of the community. After careful consideration, a motion was made, seconded and passed with 3 ayes and 1 nay to approve the 2018 budget with an increase in the monthly assessment by \$5.00 per unit per month. The primary reason that the dues are increasing by \$5/month is the projected continuing increase in water rates and to build up the reserves so that the Association has long term financial viability. The new monthly assessment will be \$350.00 per unit per month beginning 1/1/2018.

Association Credit Card

The Board of Directors completed portions of the credit card application which will be submitted by Management when complete. This allows for easier payment for products or services for the Association.

Assessment Lien Approval

Upon a motion made, seconded and carried, the Board has resolved and authorizes that a Lien be recorded on the property with Assessor Parcel Number 386-300-36-09 in the event payment is not received by the deadline imposed in the Intent to Lien Letter.

COMMITTEE REPORTS

Architectural

7819-I Patio Pergola: The unit owner requested approval to install a free standing pergola structure in their patio area. The owner must provide page 3 of the form completed and signed. The owner must provide the dimensions of the new structure. The new structure must match the color scheme of the building.

Landscape

A walk-thru inspection of the Community was conducted on 8/18/2017 with the Landscape Supervisors and the Community Manager. A report was provided for review. A walk-thru of the Community is scheduled once every month meeting in front of the 1st level pool. The previous months Walk-Thru Report is reviewed at each successive scheduled walk-thru to determine if all items have been addressed. The water schedule has been increased for the summer months and the irrigation inspected for proper operation and operating times. The shrubs along the sidewalk on the side of the 7857 building will be trimmed back off of the sidewalk. New mulch will be applied in the area in front of the 7889 building to cover the drip tubing around the large trees. A palm tree near the 7879 building between level 3 and 4 will be inspected for needed maintenance.

Maintenance

A walk-thru inspection of the Community was conducted on 8/18/2017 by the Community Manager. A report was provided to the Board for their review. No further action was taken or needed at this time.

Pool

There are no major issues or concerns to report this period.

UNFINISHED BUSINESS

Earthquake Insurance Discussion

The Board previously reviewed a proposal from Farmers Insurance to provide earthquake insurance coverage with a deductible of 5% per building. The total annual premium would be \$19,482.40 or \$10.28 per month per unit. A non-binding poll of the members will be taken to determine if the members want the Association to obtain earthquake insurance.

Visitor Parking & Fire Lane Discussion

After much discussion, the Board has agreed to contact Western Towing or any other capable vendor to provide guest parking tags and provide parking enforcement between the hours of 1:00 a.m. and 4:00 a.m. If service is available a notice will be drafted to all residents regarding the enforcement of parking rules including red zone parking enforcement.

Two (2) reserved parking spaces near the end of building 7857 on level 3 have been added. These 2 spaces have acted as a trial to determine if residents have any issues with the additional parking spaces. There was one comment received to date. Notice will be issued to all residents that the 2 reserved spaces will be available for \$75.00 per space per month. Applicants will be entered into a random drawing. Notices will be issued upon enforcement services contracted with a capable vendor.

Painting Update Buildings 7879, 7889 and 7899

PrimeCo has reported that the painting project is complete. A final walk-thru inspection will be scheduled to verify completion prior to payment. Management as well as members of the Board will be in attendance.

NEW BUSINESS

Common Lighting Repair Proposal

The Board reviewed a proposal from Kennedy Electric to run common electrical to an exterior light on the side of the 7827 building. The project will require trenching. After further review and discussion, a motion was made, seconded and carried to approve the proposal with the replacement of the current light fixture with an LED fixture. Work will be scheduled immediately.

ADJOURNMENT

With no further business to come before the meeting, a motion was made, seconded and carried to adjourn the meeting at 8:06 p.m. to the Executive Session to review correspondence, the Violation Log and the Delinquency Report.

Secretary

Date

The next meeting of the Board of Directors is scheduled for 11/8/2017