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PEPPER TOWNEHOMES HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
NOVEMBER 4, 2020
MINUTES

The Meeting was called to order at 6:30 p.m.

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|---------------------------|-------------------------|-------------------|
| Directors Present: | Robert Reed | President |
| | Mike Dayton | Vice President |
| | Jim McCorkle | Treasurer |
| | Carrie Barong | Director |
| | Rhonda Bellavia | Director |
| | Tina Wick | Director |
| Directors Absent: | Ashley Borja | Secretary |
| Also Present: | Joseph G. Apparito, CAI | Community Manager |

OPEN FORUM

There were no Members present for this meeting.

APPROVAL OF PREVIOUS MEETING MINUTES

The Board reviewed the Open Session Meeting Minutes of September 2, 2020. A motion was made, seconded, and carried to approve the Minutes as presented.

The Board reviewed the Executive Session Meeting Minutes of September 2, 2020 in which homeowner correspondence was reviewed, the violation log was reviewed, and the delinquent account log was reviewed. Issues regarding the recently completed paint project were also discussed. A motion was made, seconded, and carried to approve the Minutes as presented.

The Board reviewed the Executive Session Meeting Minutes of September 9, 2020 in which the Board met with legal counsel regarding pool opening issues during the pandemic. A motion was made, seconded, and carried to approve the Minutes as presented.

FINANCIAL REPORT

Period Ending 8/31/2020: The combined reserve account balance is \$654,537. The operating account balance is \$26,329. The accounts receivable total is \$8,480. Income for this period is \$57,590 with expenses of \$61,704. The total assets for this period are \$689,346. A motion was made, seconded, and carried to approve the Financial Report as presented for filing pending Independent Financial Review.

Period Ending 9/30/2020: The combined reserve account balance is \$659,675. The operating account balance is \$18,837. The accounts receivable total is \$7,669. Income for this period is \$56,320 with expenses of \$63,812. The total assets for this period are \$686,182. A motion was made, seconded, and carried to approve the Financial Report as presented for filing pending Independent Financial Review.

Upon a motion made, seconded, and carried, the Board has approved purchasing a \$100,000 CD through Morgan Stanley for a 1 year term at .05%.

Draft 2021 Reserve Study: The Association Treasurer provided a brief summary of the 2021 draft reserve study. The Association has successfully addressed 3 large projects this year – roof maintenance, current year scheduled paint project and asphalt repair and replacement. A motion was made, seconded, and carried to approve the draft contingent upon the reserve allocation amount approved with the 2021 budget.

Draft 2021 Budget: The Association Treasurer provided a report on the 2021 draft budget. Two options were presented to the Board for consideration. Option 1 called for no increase in the monthly assessment and Option 2 called for a \$10 per month increase. After further review and discussion, a motion was made, seconded, and passed with 4 ayes and 2 nays to approve the 2021 budget with a \$10 per unit, per month increase.

2020 Financial Review Proposals: The Board reviewed several proposals to perform the 2020 Financial Review and prepare the 2020 Federal and State Income Tax Returns. After further review, a motion was made, seconded, and carried to approve the proposal from Newman CPA's for a cost of \$895.00.

COMMITTEE REPORTS

Landscape: A walk-thru inspection of the Community landscape was conducted with the landscapers on 11/20/2020 with the Association President, the Community Manager, and the Landscape Supervisor present. A report was provided to the Board for their review

The Board reviewed a proposal from Green Horizons to install gravel/stone along the vinyl fence behind the 7819 building. A motion was made, seconded, and carried to approve the proposal as submitted for a cost of \$450.00.

The Board reviewed a proposal from Green Horizons to remove all the dead and dying Acacia along the sloped hillside behind the 7897 garages. A motion was made, seconded, and carried to approve the proposal as submitted for a cost of \$2,976.00.

Maintenance: A walk-thru inspection of the Community was conducted on 10/16/2020 by the Association President and the Community Manager. No other action was taken or needed at this time.

New light fixtures were installed on all of the garages on the 7893 and 7897 buildings to the full satisfaction of the residents. Twenty (20) additional light fixtures are approved for purchase on the community credit card.

UNFINISHED BUSINESS

Damaged Asphalt Repair/Replace Review: Eagle Paving has completed the asphalt project. A final inspection has been performed to confirm all work has been completed. Several items noted during the inspection have been completed.

Asphalt Sealing and Restriping: The sealing of the asphalt will be scheduled some time in April/May of 2021 to allow time for the new asphalt to fully cure.

Management shall attempt to contact the owners of the well water facility at the adjoining property for use of the lot for parking during the sealing of the asphalt.

2020 Painting Project: The 2020 painting project is tentatively completed except for issues with 2 old patio covers blocking the completion of the 7891 building. 360 Maintenance is tentatively scheduled to remove both patio covers during the 1st week of December. Moving forward, patio covers will be inspected at the start of each annual paint project to allow sufficient time for unit owners to respond to any concerns regarding their patio cover and access for the painters.

NEW BUSINESS

Pool Area Access: The pool areas shall remain closed until such time that the Association is able to meet the County Health Guidelines.

Balcony Inspection Legislation: A new statute to the Davis Sterling Act effective 1/1/2020, adds a requirement for Associations to perform inspections of balconies the Association has an obligation to maintain. The inspections are to be performed by a licensed structural engineer or architect. The first inspections must be completed by the end of 2024 and be re-inspected on a 9 year cycle. A list of balcony locations has been provided to the Board. There are 33 balconies counted in the community. Proposals for balcony inspections will be obtained for board review.

Vehicle Charging Station Review: As electric vehicles become more common, there will eventually be a need for unit owners to install charging stations. The Board and Management shall work on drafting proposed rules and guidelines for this.

Insurance Renewal Discussion: The Association's master policy expires on 2/4/2021. Management will attempt to obtain competing bids for review at the next Board meeting.

Pool Resurface Proposals: The Board reviewed competitive proposals to resurface the level 3 pool with plaster as well as options for resurfacing with fiberglass. After further review and discussion, a motion was made, seconded, and carried to approve the proposal from Aquaspecs to resurface with fiberglass for a cost of \$17,090.00.

ADJOURNMENT

With no further business to come before the meeting, a motion was made, seconded, and carried to adjourn the meeting at 7:16 p.m. to the Executive Session to hold a due process violation hearing, to review correspondence, and to discuss violation and collection matters.

Secretary

Date

The next meeting of the Board of Directors is scheduled for 1/6/2021