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PEPPER TOWNEHOMES HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
JULY 6, 2022
MINUTES

The Meeting was called to order by the Association President at 6:00 p.m. via electronic audio and video.

Directors Present:	Robert Reed	President
	Jim McCorkle	Treasurer
	Ashley Borja	Secretary
	Tina Wick	Director
	Rhonda Bellavia	Director
	Anthony Evans	Director

Also Present:	Rachael Robenolt	Owner: 360 Management
	Joseph G. Apparito, CAI	Community Manager
	Nineteen (19) Unit Owners	

OPEN FORUM

Members present asked questions regarding proposed governing document amendments and balloting as well as information to be posted on the community website in a timely manner. Members commented on insurance related matters. A member advised that his dryer vent was very full and recommended to others to have the dryer vent inspected and cleaned. A member requested that the board consider additional lighting in areas of the community. A member requested that address letters be placed on the front of the units to identify more easily. Members remained to observe the remaining board meeting.

APPROVAL OF PREVIOUS MEETING MINUTES

The Board reviewed the Open Session Meeting Minutes of May 4, 2022. A motion was made, seconded, and carried to approve the Minutes as presented.

The Board reviewed the Executive Session Meeting Minutes of May 4, 2022, in which homeowner correspondence was reviewed and the delinquent account log were reviewed. A motion was made, seconded, and carried to approve the Minutes as presented.

The Board reviewed the Executive Session Meeting Minutes of May 11, 2022, in which the Board discussed community insurance, and proposed governing document amendments. A motion was made, seconded, and carried with one abstention to approve the Minutes as presented.

FINANCIAL REPORT

Period Ending 4/30/2022: The operating account balance is \$39,085. The combined reserve account balance is \$874,713. The accounts receivable total is \$12,224. Income for this period is \$66,544 with expenses of \$61,167. The total assets for this period are \$926,022. A motion was made, seconded, and carried to approve the Financial Report as presented for filing pending Independent Financial Review.

Period Ending 5/31/2022: The operating account balance is \$37,029. The combined reserve account balance is \$878,441. The accounts receivable total is \$12,800. Income for this period is \$59,028 with expenses of \$208,460.

The total assets for this period are \$780,894. A motion was made, seconded, and carried to approve the Financial Report as presented for filing pending Independent Financial Review.

Upon the recommendation of the Treasurer, a motion was made, seconded, and carried to approve the purchase of a 6 month CD in the amount of \$150,000 with Morgan Stanley. The funds will be transferred from the money market account at Morgan Stanley.

Insurance Payment and Reserve Loan: The Board was presented with an emergency vote, to either use reserve funds to pay the substantially increased insurance premium in full, or to pay over the policy term, and incur finance charges of just over \$6,400. Robert moved to pay the entire amount for one year of insurance coverage for \$147,376 by paying with funds from the Reserve account. Ashley seconded, vote was all ayes, motion carried."

The total borrowed from the reserves to pay for the insurance was \$147,376.00. Jim moved to approve the following repayment plan: The total funds received to date by August 15, 2022, (from the \$328.00 per unit special assessment) will be paid back to the reserves by August 31, 2022. If the governing document amendments pass, the existing insurance policy will be cancelled and the refund from the cancellation will be used to pay off the remaining reserve loan balance. If the amendments do not pass, there will be an additional special assessment due October 1, 2022, in the amount of \$610.00 per unit, and the funds received to date by December 15, 2022 will be used to repay the reserves by December 31, 2022. Any remaining balance on the reserve loan will be repaid to the reserves by May 31, 2023. Ashley seconded, vote was all ayes, motion carried.

REPORTS

Architectural: The owners of 7885-A were present and requested approval to replace the windows on their unit that includes grids. After review and discussion, a motion was made, seconded, and carried to approve the request as submitted.

Landscape: A walk-thru inspection of the Community landscape was conducted on 6/16/2022 with the Association Secretary, the Community Manager, and the Landscape Supervisor present. A report was provided to the Board for their review. Green Horizons was instructed to continue to monitor water use and conserve wherever possible.

Maintenance: A walk-thru inspection of the Community was conducted on 6/16/2022 with the Association Secretary and the Community Manager. Maintenance is performed under agreement for 14 hours per month with safety issues as a priority and any other maintenance related matters pushed off to the following month in order to stay in budget. The damaged brick column and pole light next to the 7879 was removed and replaced with a new pole and fixture to the satisfaction of the board.

The Board reviewed a proposal from Alpine Fence to remove and replace approximately 70 lineal feet of damaged wood fencing located between buildings 7883 and 7887 carport areas with new almond colored vinyl fencing. A motion was made, seconded, and carried to approve the proposal as submitted for a cost of \$3,950.00.

UNFINISHED BUSINESS

Proposed Governing Documents Amendments: The Association has begun the process of amending the governing documents with ballot materials distributed to the membership. To date, eighty-six (86) ballots have been received.

The Treasurer moved to approve an extension of the governing document amendment voting to August 29, 2022, as well as approve the 2nd special assessment for the insurance, in the amount of \$610.00 per unit, due on October 1, 2022, if ballots from less than 85% of the homeowners have been received by the current deadline of July 28, 2022. The motion was seconded and carried.

2022 Painting Project Review: Pilot Painting is complete with the 2022 painting project which includes all stucco, hardiboard and wood trim on buildings 7879, 7889, and 7899. A final inspection was performed, and all work completed to the satisfaction of the board. Metal balcony railings will be inspected and maintained by the maintenance company in between the regularly scheduled 5 year painting rotation.

Laurel Heights Development: The project involves the construction of 80 condominium units on a 7-acre portion of a 10 acre property at 7739 Mission Gorge Road. Padre Dam will be scheduling water pipe connections on level 5 in the coming months. Management will follow up with Padre Dam and Cornerstone to coordinate scheduling and notifications.

2022 Annual Meeting of Members and Election: The Annual Meeting & Election is scheduled on 9/7/2022. There are three (3) board seats up for election with a term of three (3) years. The candidate submission deadline has expired with three (3) candidate forms received. Per CA Civil Code, if, at the close of the time period for making nominations, there are the same number or fewer qualified candidates as there are board positions to be filled, the Board may seat the qualified candidates by acclamation without balloting. Management shall notify HOA Elections of California that their services will not be required.

NEW BUSINESS

Balcony Inspections Proposal : A new statute to the Davis Sterling Act adds a requirement for Associations to perform inspections of balconies the Association has an obligation to maintain. The inspections have been performed by Southern Cross Property Consultants the week of 6/27/2022. There are 37 balconies counted in the community. A written report will be made available in approximately 2 weeks.

Pool Area Furniture: The board discussed replacing some of the pool furniture on level 3. After further discussion, a motion was made, seconded, and carried to approve an amount not to exceed \$600.00 to purchase replacement furniture as well as umbrellas. The Association President shall purchase the furniture with the community credit card.

ADJOURNMENT

With no further business to come before the meeting, a motion was made, seconded, and carried to adjourn the meeting at 7:24 p.m.

Pepper BOD

Date

The next meeting of the Board of Directors is scheduled for 9/7/2022