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**PEPPER TOWNEHOMES HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
MAY 10, 2017
MINUTES**

The Meeting was called to order by the Association President at 6:30 p.m. in the office of Professional HOA Consultants, Inc. 8181 Mission Gorge Road in San Diego, CA 92120.

Directors Present: Robert Reed President
Jim McCorkle Treasurer
Ashley Borja Director
Tina Wick Director (teleconference)

Directors Absent: Mike Dayton Vice President
Rhonda Bellavia Secretary
Carrie Barong Director

Also Present: Joseph G. Apparito, CCAM Community Manager
Three (3) Unit Owners

ASSOCIATION INSURANCE REVIEW

Michael Berg from Farmers Insurance was present to review and discuss earthquake insurance and the master insurance policy. Members present were allowed to ask questions as well. All questions were answered to the full satisfaction of all Members present. Management shall forward a siding project scope of work to Farmers to determine if any discounts may be applied.

OPEN FORUM

Vehicle parking rules were discussed as well as rain gutter maintenance, utility door maintenance and rodent control. Members remained to observe the remainder of the meeting.

APPROVAL OF PREVIOUS MEETING MINUTES

The Board reviewed the Open Session Meeting Minutes of March 8, 2017. A motion was made, seconded and carried to approve the Minutes as presented.

The Board reviewed the Executive Session Meeting Minutes of March 8, 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 2/28/2017

The combined reserve account balance is \$149,204.42. The operating account balance is \$74,579.17. The accounts receivable total is \$5,042.86. Income for this period is \$55,156.00 with expenses of \$42,927.00. A motion was made, seconded and carried to approve the Financial Report as presented for filing pending Independent Financial Review.

Period Ending 3/31/2017

The combined reserve account balance is \$150,012.93. The operating account balance is \$80,582.61. The accounts receivable total is \$2,253.66. Income for this period is \$55,242.00 with expenses of \$53,609.00. 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 transferring \$20,000.00 from the operating account into the money market reserve account.

Upon a motion made, seconded and carried, the Board approved closing the reserve money market account at Pacific Western and opening a reserve money market account at Synchrony Bank.

2016 Independent Financial Review

A draft of the 2016 Independent Financial Review prepared by Terry J. Tagwerker, CPA was provided to the Board for their review. This report provides the reader with an analysis of the Association's financial transactions covering the period from January 1, 2016 through December 31, 2016. After further review and discussion, a motion was made, seconded and carried to approve the 2016 Independent Financial Review and Representation Letter as presented for mailing to the Membership as a required Annual Disclosure.

2017 Draft Reserve Study Review

The Board reviewed a draft 2017 reserve study report provided by Barrera & Company with recommended amendments provided by the Treasurer. After further review and discussion, this item will remain on the agenda for further discussion and approval.

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 386-300-36-02 in the event payment is not received by the deadline imposed in the Intent to Lien Letter.

Association Credit Card

Upon a motion made, seconded and carried, the Board approved opening a credit card with Alliance Bank which is the primary bank of the Association. The card will be used for needed common purchases only with a limit of \$5,000.00.

COMMITTEE REPORTS

Landscape

A walk-thru inspection of the Community was conducted on 4/21/2017 with the Landscape Supervisors, the Community Manager and 2 Board Members present. 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. 60 flats of Purple Rosea ground cover to replace the dead and dying Red Apple ground cover at the level 1 slope area in front of building 7835 has been planted to the full satisfaction of the Board.

Maintenance

A walk-thru inspection of the Community was conducted on 4/21/2017 by the Community Manager and 2 Board Members. A report was provided to the Board for their review. No further action was taken or needed at this time.

The Board reviewed proposals for roof maintenance provided by Paradise Roofing. Management has been instructed to have the roof peaks inspected by Paradise Roofing and to submit a proposal for repairs. This item will remain on the agenda.

Pool

There are no major issues or concerns to report this period. The Board reviewed six (6) competitive bids for monthly pool maintenance. This item shall remain on the agenda to the next meeting so additional board members may be present to discuss and vote.

UNFINISHED BUSINESS

Visitor Parking & Fire Lane Discussion

The Association Treasurer has been in contact with the Santee Fire Marshall to obtain information on adding additional parking spaces around the community. The Fire Marshall has approved proposed additional parking areas on levels 3 and 4. A motion was made, seconded and carried to add 2 reserved parking spaces near the end of building 7857 on level 3. These 2 spaces shall act as a trial to determine if residents have any issues with the additional parking spaces. Two board members shall utilize this space on a temporary basis during the trial period. A walk thru inspection of the community is scheduled for 5/26 at which time the 2 parking spaces will be marked off.

Towing Service Agreement

The Board reviewed a proposed agreement with Western Towing in which board members and management are authorized to sign for vehicle removal. If vehicles are found to be parked in red curb fire lanes, the agreement allows Western to tow these vehicles immediately. After further review and discussion, a motion was made, seconded and carried to approve the proposal as submitted to be effective immediately. Management will inquire if Western provides any type of monitoring service.

West Property Line Fence Replacement

The Board reviewed a proposal from Alpine Fence to replace approximately 739 lineal feet of damaged chain link fencing along the west side of the community with 6 foot tall almond colored vinyl fencing. Management attempted to contact the adjoining property owner to share in the cost of fence replacement with no success. A motion made, seconded and carried to approve the proposal as submitted for a cost of \$24,387.00.

Level 1 Damaged Wood Fencing

The Board reviewed a proposal from Alpine Fence to replace approximately 30 feet of damaged wood fencing alongside building 7839. After review and discussion, a motion was made, seconded and carried to approve the proposal as submitted for a cost of \$1,700.00.

Community Lighting Repair Proposal

The Board reviewed a proposal from Kennedy Electric to run common area electricity to the exterior light located on the side of building 7883-E which is currently on the same electric meter as unit 7883-E. After further review and discussion, a motion was made, seconded and carried to approve the proposal as submitted for a cost of \$931.00.

NEW BUSINESS

Community Newsletter Review

The Board reviewed a spring 2017 Community Newsletter prepared by Management. A motion was made, seconded and carried to approve the draft with 2 minor date corrections. The newsletter shall be distributed to all residents and all off-site unit owners.

Common Building Painting Proposals

The Board reviewed competing proposals to prep & paint the wood and wood trim and the metal balcony rails on the buildings and carports of 7879, 7889 and 7899. After further review and discussion, a motion was made, seconded and carried to approve the proposal from Pro-Tech Painting for a cost of \$10,800.00.

2017 Annual Meeting of Members & Election

The Association’s Annual Meeting and Election is scheduled for September 5, 2017. The Meeting will be held at 6:30 p.m. in the office of Professional HOA Consultants, Inc. located at 8181 Mission Gorge Road, Suite C San Diego, CA 92120. The purpose of this meeting will be to elect two (2) Members to the Board of Directors. The two (2) Members elected shall serve for terms of three (3) years. 51% of the Membership (81 Members) must be represented in person or by secret ballot in order to proceed with the Annual Meeting and Election. The Community Management Company shall act as Inspector of Election.

September Board Meeting Reschedule

Due to the unavailability of Board Members, the September Board Meeting has been rescheduled to Tuesday 9/5/2017 at 6:30 p.m. meeting in the offices of Professional HOA Consultants, Inc.

ADJOURNMENT

With no further business to come before the meeting, a motion was made, seconded and carried to adjourn the meeting at 8:25 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 July 12, 2017