

**November 2017**

**Nepenthe Association**



LARGE ASSOCIATION OF THE YEAR NORTHERN CALIFORNIA

# THE NEPENTHE NEWS

## President Reports on Budget

At its meeting on Wednesday of this week your board of directors approved the operating budget for next year. Key numbers are assessment revenue of \$3,455,052 or \$488 per unit per month, an increase of \$19 or 4.1percent from this year. For the last eight years, those since the 2008 special assessment of \$5,000, our average compound annual increase in the monthly assessment has been only 2.05 percent. What is behind this unusually large increase? Much of it comes from factors beyond our control. Here are the details.

At the board's October meeting it approved the reserve study. It calls for an increase to the reserves to \$2,111,892, or \$298.29 per unit per month. That is 3.5 percent, or \$10.29 per unit per month over this year's number. Percentagewise it's comparable to the increases of recent years. It is extremely important that we keep up our property. higher than the 2017 budgeted amount of \$249,372. Unfortunately the federal government sets the premiThat was not done in the years leading up to 2008, when the special assessment became necessary. We do not want to go down that road that again!

*(Continued on page 4)*

## Family Holiday at Nepenthe



**Date:** December 1, 2017

**Time:** 4pm-7pm

**Place:** Nepenthe Clubhouse

**Meet and greet with Santa!!**

Wine, hot cocoa, nibbles, kids crafts, etc....



This year, in conjunction with the holiday party, Nepenthe will be partnering with the Mustard Seed School. The Mustard Seed School is a program under Loaves and Fishes. It was started in 1989 and has served over 4500 individual children since the school began. It is a free, private school for children 3-15 years old which provides a safe, nurturing and structured environment, a positive learning experience, happy memories, survival resources of food, clothing and shelter referrals, medical and dental screenings, immunization updates, counseling for children and their parents, and assistance entering or reentering public schools. Loaves & Fishes is a private charity; it neither solicits nor accepts government money, but relies solely on private donations to support its work of feeding the hungry and sheltering the homeless.

**Watch for an E-blast next week on how you can participate**

# Nepenthe Architectural Modifications

1587 University	Solar Tubes
1527 University	Exterior light fixture- alley
1509 University	Patio improvements- floral trellis and stone wall
607 Elmhurst	Solar Tubes

The improvements listed were approved by the Board of Directors on November 1st. If you wish to make any exterior changes to your unit that are visible to the community, could impact drainage or interior changes that impact the roof, you must submit an architectural application for review and approval by the Architectural Committee and Board of Directors prior to commencing any work to your unit. Applications are to be turned into the Nepenthe office by the Wednesday prior to the Architectural Committee Meeting. The Architectural Committee will next meet on

**Tuesday, November 14th at 5:30pm in the Clubhouse Lounge**



## September Budget Report

Actual year-to-date income of \$2,551,701 versus year-to-date budgeted income of \$2,510,226 produced a positive variance of \$41,475.27.

Actual year-to-date operating expenses of \$836,089 versus year-to-date budgeted expenses of \$979,848 produced a positive variance of \$143,759.

The two combined variances produced a positive year-to-date variance of \$185,234.

## September Cash Flow Report

Sources / Uses	Operations	Reserves
<b>Beginning Balance 1/1/2017</b>	<b>303,773</b>	<b>5,552,488</b>
Prior year due to Ops from mgmt	52	
<b>Plus Income</b>	<b>\$2,551,701</b>	
Reserve Investment Income		\$36,143
Contributions to Reserve		\$1,530,378
<b>Less Operating Expenses</b>	<b>(\$863,089)</b>	
Reserve Funding	(\$1,530,378)	
Reserve Expenditures		(\$1,077,172)
Receivable from Management	(0)	
<b>Ending Balance 9/30/17</b>	<b>\$488,958</b>	<b>\$6,041,836</b>

# Holiday Décor Policy

Members may place seasonal holiday decorations (from the weekend before Thanksgiving until January 7) on the immediate front entrance, garage door surrounds, gutters, alley ways, including shrubs, bushes, and trees immediately adjoining a Member's property to a maximum height of fifteen feet. By doing so, Member assumes all responsibility for any damage caused by Holiday Decorations to the Common Area or Common Facilities and any damage or injury to persons or property.

Decorations may not interfere with health or safety of the public or create a risk of injury or damage to persons or property by encroaching upon alleys or walkways or present a trip hazard in areas normally traveled by pedestrians. Decorations may not obscure address plaques or Common Area lighting. No electrical seasonal decorations shall be placed on or in any Common Area or Common Facility light fixture.

Members are unrestricted in placing holiday decorations in the interior of their property visible to the exterior.

Decorations may not be placed upon roofs, and no person shall access the roof for installation.

Decorations may be installed on exterior walls and fences by plastic or metal clips so long as they do not cause damage to the Common Area or Common Facilities. Clips may be left in place for use seasonally. Any such clips that are not made of clear plastic will be painted the same color as the siding. The Association is not responsible for maintenance or removal of said clips, except that the Association may remove the clips to perform maintenance on any fence or building and will not be responsible for damage to or loss of clips, nor for replacing or reinstalling the clips.

Sound effects and flashing lights, twinkling lights and inflatable decorations in the Common Area are prohibited. Decorations or electrical connections which pose a safety hazard or which expose the Association to increased insurance costs are prohibited. Electrical decorations shall be installed pursuant to manufacturer's recommendations.

Compliance with this policy is exclusively reserved by the Association. Association reserves the right to disconnect, relocate or remove Holiday Decorations not in compliance with this policy. Association will make reasonable efforts to notify a member and request compliance. Association will not be responsible for damage to any Holiday Decoration it disconnects, relocates or removes.



## Brief Reminders

- There is a doggy waste station provided for you. It is located at the corner of Commons and Vanderbilt. Please be respectful of the community and dispose of your dog waste at this location or in your personal trash receptacle.
- Garbage is picked up on Thursdays. Leave cans out after 5:00 p.m. Wednesday. Empty garbage cans may not be left in the common area.
- Leaves, clippings, etc. from your patio may be bagged and left on the street where it meets your alley only after 5:00 p.m. Sundays for pickup Monday mornings.
- Maintain your patio shrubs and trees so that they have a neat appearance from the common area. They cannot interfere with maintenance of the roof, siding, fence or any part of the common area.
- Park your vehicles in your garage instead of on the street. You may not store so many belongings in your garage that your vehicles cannot be parked in it.



# President Reports on Budget cont.

*(Continued from page 1)*

Major increases in the operating budget follow:

This year flood insurance for residences cost us \$298,375. That was much um and we have to pay it. We are advised by our insurance agent that the premium will not increase further for 2018, so while the budget for 2018 will exceed this year's budget, it will not be more than this year's actual. The increase per unit per month is \$6.16.

The next largest increase comes in contract landscape service. I stated in my July article for this newsletter that the California minimum wage is currently \$11.00 per hour. That will rise to \$12.00, or 9 percent, in 2018 and grow by dollar increments each year until it reaches \$15.00 in 2021. That creates cost pressure not only for our contractor, GP, but all California landscape contractors. That is because that industry is highly impacted by labor costs. We have budgeted a 6.77 percent increase in this account for 2018, or \$23,196, or \$3.28 per unit per month.

Bettsi and her staff do an excellent job for us. We want that to continue, so it's important that our compensation remain competitive with the market. For that reason we have budgeted an increase of \$21,396 for staff salaries and benefits for 2018. That equates to \$3.02 per unit per month.

The cost of gas, as supplied by PG&E, has risen dramatically in the past year, so we are budgeting \$6,000 more for 2018. That's \$0.85 per unit per month.

The sum of the above monthly per unit cost increases is more than the \$19 overall increase. That is because we have decreased the budgets of other items. Examples are electricity, refuse collection, backflow testing, special security, janitorial, and collection expense.

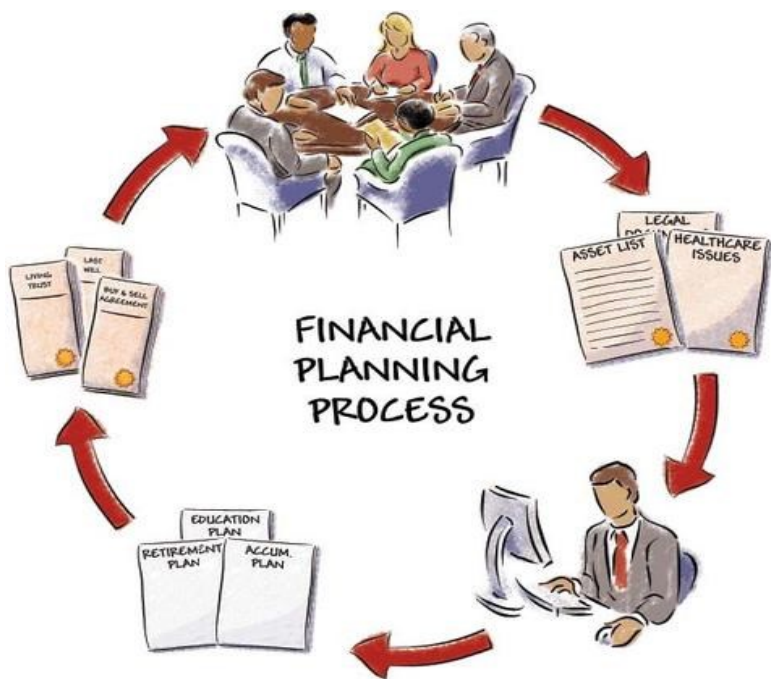
What about future years? Can we keep costs in line with general inflation, as we have since 2008? After all, we are at the mercy of the government when it comes to flood insurance premiums. And the California minimum wage will keep increasing, impacting the cost of landscape services, no matter what company we deal with.

In a past year we were able to add to revenue by leasing an easement to AT&T. We've reduced the costs of security and held the line for insurance premiums other than for flood insurance.

The big items we pay for, both in reserves and operations, are siding, painting, fences, roofing, landscape, staff and insurance. It's amazing to me that we need to replace much of our siding every six years, but experience tells us that waiting more than six leads to greater expense. Our siding is T1-11, and it usually lasts much longer. What is it about our structures? Unlike most, ours have no eaves, so the siding ages much more quickly. One possible solution is to replace the panels that are most exposed to deterioration with a more durable material. The unit cost is more than for T1-11, but if it lasts longer, there could be savings. One residence will get that siding as a test in January.

The conversion to drip irrigation should reduce the damage to fences and siding from spray fixtures. And drip will reduce future water bills when the City charges more, which it surely will.

The challenge to this board of directors and future ones will be to find new ways to reduce costs without degrading service to residents and the quality of our buildings and grounds.





Nepenthe Association  
1131 Commons Drive  
Sacramento, CA 95825

Phone: 916-929-8380  
Nepenthe.HOA@FSResidential.com

Office Hours:  
Monday–Friday 9:00 AM to 6:00 PM  
Closed for lunch, 1:00 to 2:00 PM  
Saturday–Sunday (Winter) 9:00AM to 1:00 PM  
Saturday–Sunday (Summer) 12:00 PM to 4:00 PM

[www.NepentheHOA.com](http://www.NepentheHOA.com)

### *Management Staff:*

Bettsi Ledesma, General Manager, [bettsi.ledesma@fsresidential.com](mailto:bettsi.ledesma@fsresidential.com)

Crystle Rhine, Assistant Community Manager [crystle.rhine@fsresidential.com](mailto:crystle.rhine@fsresidential.com)

Danielle Davis, Administrative Assistant, [danielle.davis@fsresidential.com](mailto:danielle.davis@fsresidential.com)

Roger Work, Facility Administrator, [roger.work@fsresidential.com](mailto:roger.work@fsresidential.com)

FirstService Residential Customer Care Center: 1-800-428-5588

PayLease (Auto pay assessments): 1-866-729-5327 or [support@paylease.com](mailto:support@paylease.com)

### *Other Important Contacts:*

**Lyons Security: 916-844-2912 or [sacramentosecuritycompany.com](http://sacramentosecuritycompany.com)**

**Power Outage: 1-888-456-SMUD**

**Nepenthe Insurance: Farmers Insurance, Ryan DeShong, 916-636-0115**

**City of Sacramento (garbage, recycling, city street parking enforcement, etc.): 3-1-1**

### *Board of Directors:*

Steve Huffman, President, [steve@huffmanstrategy.com](mailto:steve@huffmanstrategy.com), 916-214-4500

Joan Haradon, Vice-President, [joanh3860@gmail.com](mailto:joanh3860@gmail.com), 916-993-5344

Christina George, Treasurer, [cjadot@comcast.net](mailto:cjadot@comcast.net), 916-921-2793

Linda Cook, Secretary, [linda\\_cook@att.net](mailto:linda_cook@att.net), 916-847-8996

Frank Loge, Member at Large, [fjloge@outlook.com](mailto:fjloge@outlook.com), 916-920-0752

## Committees

**Board of Directors Open Session Meeting**  
**5:30pm in the Clubhouse on the**  
**1st Wednesday of every month.**

### Committee Meetings:

Times, dates and locations of meetings can be found on the website at <http://nepenthehoa.com/event-calendar/> or on the bulletin board outside of the Clubhouse.

#### **Architectural Review Committee**

Chair: Jenny Smith

#### **Elections Committee**

Chair: Yvonne Del Biaggio

#### **Finance Committee**

Chair: John Baker

#### **Grounds Committee**

Chair: Pamela Livingston

#### **Insurance, Legal and Safety Committee**

Chair: Nancy Arndorfer

## The Holidays are Already Here?

The holiday season is a prime time for residential fires. Please take a moment to review the following cautionary items concerning holiday lighting.

- Replace light sets that have cracked, frayed cords or loose connections
- Do not overload outlets or run extension cords under carpets, across doorways or pinched behind furniture
- Unplug all decorative lights before leaving home or going to bed
- Never use electric lights on a metallic Christmas tree

