

**NEPENTHE ASSOCIATION
BOARD OF DIRECTORS MEETING
September 7, 2016, 5:30 PM**

Nepenthe Clubhouse | 1131 Commons Drive | Sacramento, CA 95825

OPEN SESSION MINUTES

I. CALL TO ORDER @5:37pm

Present	Board Member	Positon
X	Ivan Gennis	President
	Steve Huffman	Vice President
X	Linda Cook	Secretary
X	Will Vizzard	Treasurer
X	Joan Haradon	Member at Large

II. ANNOUNCEMENTS

- a. Executive Session Disclosure** In accordance with Civil Code Section 4935(a), the Board met in Executive Session on September 7, 2016 in order to consider matters relating to personnel, member discipline, legal matters and the formation of third-party contracts.

Items of discussion include:

- Accounts Receivable Reports
- Violation Follow up
- Minimum Wage Increase

III. COMMITTEE REPORTS

- a. Ad Hoc Committee on University Ave. Lots-** Verbal report provided at meeting. Minutes provided to Board in their packet.
- b. Architectural Review Committee-** Verbal report provided at meeting. Minutes provided to Board in their packet.
- c. Finance Committee-** Verbal report provided at meeting. Minutes provided to Board in their packet.
- d. Grounds Committee-** Verbal report provided at meeting. Minutes provided to Board in their packet.
- e. Insurance, Legal and Safety Committee-**No report.
- f. Outreach Committee-** Verbal report provided at meeting. Minutes provided to Board in their packet.

IV. MANAGEMENT REPORTS

- a. Operations Report-** Manager provided report in writing to the Board. Items of note include:
- Tennis/Pickleball Court sealing has begun.
 - Phase II Siding and Painting is completed.
 - James E. Williams has prepared an estimate to remove the decommissioned sauna and turning the space into a regular storage closet. The main purpose will be to store the chaise lounges and chairs during the winter months.

- At the August 3, 2016 Board meeting the following trees work was authorized:
 1. Tulip 101 on Howe Ave. berm near 27 Adelphi, \$3,100.00
 2. Locust 756 at 811 Dunbarton, \$840.00
 3. Plum 411 at 2265 Swarthmore, \$470.00
 4. Birch 899 at 1333 Commons, \$840.00
 5. Birches 1990 & 1991 at 1025 Vanderbilt, \$1,350
 6. Birch 1521 at 1113 Vanderbilt, \$840.00
 7. Locust 1566 at 1161 Vanderbilt, \$840.00
 8. Liquidambar 371, Crown reduction to subdue co-dominant stem.
Weight reduction pruning, \$2,720
- The Board will be reviewing Paul Dubois's 8/2/2016 report and recommendations at the September 7th meeting. He is recommending the following tree work:
 1. Remove and stump grind Tulip Tree 1258 at 516 Dunbarton, \$2,400.00
 2. Prune Tulip Tree 1436 at 215 Elmhurst, \$980.00
 3. Prune Crabapple 1390 at 601 Elmhurst, \$420.00
 4. Prune Deodar Cedar 1785 at 606 Elmhurst, \$1,200
 5. Prune Deodar Cedar 1369 at 705 Elmhurst, \$1,200
 6. Prune Deodar Cedar 2049 at 1533 University, \$1,200
 7. Provide Deep Root Watering Injections to Redwoods 1808, 1809, 1810 and 1811 at 504-506 Elmhurst in August, September and October, \$780.00
 8. Provide Deep Root Watering Injections to Cedars 1785, 1369, 2059 located at 606 and 705 Elmhurst and 1533 University in August, September and October, \$780.00
 9. Annual maintenance pruning for Zone 1. Specifically, this work will provide 40% pruning in the form of crown thinning and reduction for excessive end weight on lateral limbs as needed throughout canopies with 1" and larger cuts to improve branch spacing or to improve branch structure. All dead, dying, diseased and decayed branches will be removed as will water sprouts and suckers. Trees will be cleared 3-5 feet away from buildings and 5-7 feet away from roofs. Trees will be cleared away from all signage and lights by 3-5 feet. Trees will be cleared to provide an 8 foot canopy over walkways and 14 foot canopy over parking and roads. Visible, hazardous branches will also be removed. Priority will be given to trees over buildings, structures, streets and sidewalks while trees over open green spaces will have lesser priority. \$12,000
- Since the last Board meeting, there were a total of 24 violation notices placed on vehicles in the community by the security patrol. There were 2 vehicles towed during this time. Reports are reviewed by management daily, recapping the rounds and interactions of the officers on duty.
- Since the last Board meeting, management sent 1 compliance notice regarding unsightly items visible from Common Area.

b. Master Calendar Report- Manager Bettsi Ledesma reviewed the calendar with the Board.

- V. **HOMEOWNER CORRESPONDENCE** Board reviewed correspondence received:
- a. Homeowners expressed concern with the University/Elmhurst tennis courts being considered for other purposes.

VI. **HOMEOWNER FORUM-** A number of Homeowners addressed the Board on various issues. Management made note of the concerns for possible Board action on a later agenda.

VII. **CONSENT CALENDAR**

Motion: Director Will Vizzard

Second: Director Linda Cook

Vote: All in favor

The Board approved Consent Calendar items A to D as presented excepting therefrom the item removed by unanimous consent: 1 architectural application as indicated below.

- 716 Elmhurst Circle, window replacement, will be approved contingent upon completion of application. The Board President is authorized to give final approval once ARC Committee has approved application.

VIII.

Begin Consent Calendar

a. **Approval of Minutes August 3, 2016 Open Session**

Proposed Resolution: The Open Session minutes dated August 3, 2016 are approved as presented.

b. **Financial Statement: July 2016**

Proposed Resolution: The Board accepts the July 2016 interim financial reports and bank reconciliations as presented, subject to annual review. The report reflects a positive year to date variance of \$190,165.44 and reserve funding of \$1,168,017 compared to the reserve funding budget of \$1,146,362. The reserves are funded through July 2016. The Association has \$457,211 in operating funds, which represents 1.68 months of budgeted expenses and reserve contributions. The Association has \$5,387,850 in reserve funds.

c. **Lien Resolution**

Per the enclosed Resolution dated August 17, 2016, Management is requesting authorization to place liens on the following accounts should the delinquent assessments not be paid within the time period established in the Intent-to-Lien letter.

Account Number	Past Due Amount
2484-02	\$951.00
2509-03	\$914.00

d. **Architectural Applications**

The Architectural Review Committee met on August 8, 2016 to review the enclosed applications.

Resolution: The Board confirms the decisions of the committee.

<i>Address</i>	<i>Application for</i>	<i>Decision</i>
716 Elmhurst Circle	Window Replacement	No action taken
710 Elmhurst Circle	Burglar Alarm	No action taken
2232 Swarthmore	Trellis/Pergola	No action taken
2261 Swarthmore	HVAC Replacement	Emergency approval granted
1109 Dunbarton	HVAC Replacement	Emergency approval granted

End Consent Calendar

IX. UNFINISHED BUSINESS

a. Bench Locations

Motion: Director Joan Haradon

Second: Director Linda Cook

Vote: All in favor

Resolution 1: The Board approved the placement of a bench Northwest of 1236 Vanderbilt for the enjoyment of the community.

Motion: Director Joan Haradon

Second: Director Linda Cook

Vote: All in favor

Resolution 2: The Board chose the bench location West of 500 Dunbarton Circle in place of 1455 University from the Approved Standards and directed management to set signage in place to solicit member comments.

b. New Pool Rules

Motion: Director Will Vizzard

Second: Director Joan Haradon

Vote: All in favor

Resolution: The Board approved the presented pool rules as stated and directed management to publish the rules and have new signs created for the three Nepenthe pools.

X. NEW BUSINESS

a. 2017 Reserve Study Update

Motion: Director Joan Haradon

Second: Director Will Vizzard

Vote: All in favor

Resolution: The Board approved the Browning Reserve Group draft reserve

study for the fiscal year ending 2017 as presented. The reserve study recommends an annual reserve contribution of \$2,039,869 (\$278 per owner, per month) based on projected reserve funds balance of \$5,946,950 as of December 31, 2016. The Board directs management to adjust the unfunded reserve balance consistent with the actual reserve fund amount and with the reserve analyst’s projection of that balance as of December 31, 2016, if any.

b. 2017 Draft Budget

Management has prepared a draft budget for Board review. Further adjustments may be necessary in anticipation of the minimum wage increases beginning in 2017. The Board should anticipate that contractors may need to increase their contracts for next year. At the present time, the budget calls for an increase to the monthly assessment of \$10, from \$457 to \$467. Below is a table of increases over the past 10 years:

Year	Assessment	Year	Assessment
2007	\$387	2012	\$408
2008	\$387 + \$5,000 S.A.	2013	\$424
2009	\$399	2014	\$430
2010	\$403	2015	\$440
2011	\$403	2016	\$457

Action: No action taken.

c. Insurance Renewal

Motion: Director Joan Haradon

Second: Director Will Vizzard

Vote: All in favor

Resolution: The Board accepted the renewal offer from Farmers in the amount of \$93,561 to be paid monthly from operating funds.

d. Proposal to Convert Existing Cabana Sauna to Storage Closet

Motion: Director Will Vizzard

Second: Director Joan Haradon

Vote: All in favor

Resolution: The Board approved the proposal from James E. Williams for the conversion of the Sauna in the amount of \$1,567.48 to be paid from miscellaneous reserves which has a remaining 2016 allocation of \$7,175.

e. Proposals for Tree Work

ITEM 1:

Motion: Director Will Vizzard

Second: Director Joan Haradon

Vote: All in favor

Resolution: The Board approved the removal and crown reduction as proposed by Grove Total Tree Care for the amount of \$11,000, payable from Reserves which has a remaining 2016 allocation for tree work of \$94,454 +/-.

ITEM 2:

Motion: Director Joan Haradon

Second: Director Linda Cook

Vote: All in favor

Resolution: The Board approved the proposal from The Grove Total Tree Care for annual maintenance pruning of all Zone 1 trees for a fee of \$12,000 to be paid from Reserves which has a 2016 allocation of \$69,526.

Motion: Director Will Vizzard

Second: Director Joan Haradon

Vote: All in favor

Resolution: The Board of Directors authorized the Board President, with recommendations of Manager and Grounds Committee, to approve annual maintenance pruning proposals for Zones 2-7 as the work progresses for a fee not to exceed \$20,000 for any one zone, payable from Reserves.

XI. Director Haradon moved to appoint an ad hoc committee at the next board meeting to consider fence designs and make recommendations

Second: Director Will Vizzard

Vote: All in favor

XII. Director Vizzard moved that the Board of Directors direct the ad hoc committee on the University Lot shall focus on the portion of the lot exclusive of the tennis courts.

Second: Director Linda Cook

Vote: All in favor

XIII. HOMEOWNER FORUM- A number of Homeowners addressed the Board on various issues. Management made note of the concerns for possible Board action on a later agenda.

XIV. NEXT MEETING: Wednesday, October 5, 2016 at 5:30 pm in the Nepenthe clubhouse

XV. ADJOURN@7:18pm