

NEPENTHE ASSOCIATION

Open Session Nepenthe Board of Directors

October 5, 2022 6:00 PM
Nepenthe Clubhouse
1131 Commons Drive
Sacramento, 95825

MINUTES

Directors Present

JOHN BAKER - President
MARKUS DASCHER TTEE - Vice President
ASHLEY TANGERAAS - Member at Large
JACQUELYN GREBITUS - Treasurer
CHERYL NELSON - Secretary

Directors Absent

None

Additional Attendees

Betsi Ledesma, CMCA, AMS, General Manager, FirstService Residential

I. CALL TO ORDER

The meeting was called to order at 6:04 pm.

II. EXECUTIVE SESSION ACKNOWLEDGEMENT/ANNOUNCEMENT

In accordance with Civil Code Section 4935(a) the Board met in Executive Session on September 28 and October 5, 2022 in order to consider litigation, matters relating to the formation of contracts with third parties, member discipline, personnel matters, or to meet with a member, upon the member's request, regarding the member's payment of assessments, as specified in Civil Code.

III. COMMITTEE UPDATES

The directors reviewed the minutes and reports from the committees.

IV. REPORTS

Communication

- The Nepenthe News was last published on September 9, 2022. The next newsletter will be published on October 7, 2022. Topics to be covered include:
 - ◊ Water Meter Billing
 - ◊ Financial Reports
 - ◊ Budget and Reserve Study update
 - ◊ Upcoming Events
 - ◊ Board Report

- ◊ Contract approvals

Administration

- As of October 1, 2022, the rental rate in Nepenthe is 16%
- The part-time reception position is open again. A requisition is open for the position. Until it is filled, weekend hours at the Clubhouse are suspended.

Facilities

- Proposals for wrought iron fencing at 1425 and 1443 University. Those proposals
- The jets at the Dunbarton spa were repaired on September 9th
- Clubhouse Pool Deck Shower. We are still working with our Elite handyman, Mike to replace the vandalized shower.
- Phase I Siding, Fencing and Painting update: Project manager Paul Reeves to meet with the Board in Executive Session. In future months, Paul will submit a report to be included in each Board packet.
- Breault Asphalt completed the asphalt repairs on September 26 and 27. They will return in the Spring to complete the crack filling and seal coats on the alleys. Management recommends that the Board consider contracting to seal coat the two private streets at the same time to minimize the number of disruptions to the homeowners by seal coat projects.

Financial

- Browning is working on second draft of Reserve Study based on input from the Finance Committee and the Board.
- Budget draft is attached to this report. At the September 28 Executive Session, the Board adopted the recommendation of the Finance Committee to adopt a revised budget later in 2023 when it is time to begin assessing the water cost to the homeowners. Insurance costs have been updated to reflect actual renewal costs- see below.
- Commercial and hazard insurance policy presented by Russo Insurance renewed on October 1. The Board bound the insurance on September 30 by an email vote, removing Employment Practices Liability Insurance which is not needed as the Association is not a direct employer. The Board also agreed to raise the property hazard deductible from \$10,000 per occurrence to \$25,000. The final premium for this package is \$142,870, an increase over last year's renewal of \$32,870.
- Flood insurance is in the process of being quoted, but the anticipated cost to renew 590 residential policies plus the clubhouses is \$377,000 based on the enclosed actuarial table provided by Russo.
- Reserve Spending (Going forward, I will add the table below to the newsletter if this is acceptable to the Board):

Component	2022 Allocation	Spent/Committed YTD
Siding, Fencing and Painting	\$1,542,827	\$1,353,865
Roofing	\$59,778	\$19,680
Clubhouses- Physical Components plus Pools	\$95,926	\$3,779
Pole Lights/Electrical	\$12,928	\$9,659
Underground Utilities/Plumbing	\$51,404	\$74,525
Paving/Concrete	\$109,168	\$178,188
Landscape: Tree Care, Irrigation and Planting	\$809,315	\$1,040,585

Disclaimer: These are not based on accounting actuals. This represents a compilation of Board actions to date. Some expenses have not been invoiced yet.

Operations

- Securitas has provided mobile patrols throughout September. Reports are reviewed by management

daily, recapping the rounds and interactions of the officers on duty. The Securitas leadership team reports that staffing has been difficult in recent months due to high turnover.

V. HOMEOWNER FORUM

The following homeowners spoke during the open forum period. Views expressed by the homeowners are their own and may not reflect the views of the Board of Directors:

1. Margaret Flynn, 815 Dunbarton: Homeowners should buy their own flood insurance. Gardners are needed on Grounds Committee.
2. Nancy Arndorfer, 704 Dunbarton: Advises the Board to consider a transition to homeowner-purchased flood insurance in 2023, but not for the renewal coming up.
3. Ricardo Pineda, 1013 Dunbarton: Discounts on Flood Insurance that should apply to Nepenthe are not showing in the preliminary correspondence. There is lot to discuss in regard to the flood insurance. Levee is not currently certified by the Army Corps of Engineers.
4. Peter Pelkofer, 1101 Dunbarton: A group of homeowners got together and created an alternate budget for the Board's review. The budget would decrease the dues to \$510 per owner per month.
5. Bonnie Jacobsen, 2267 Swarthmore: When her expenses go up, she looks for a place to cut back. What can the Association cut back- maybe the 4-day a week janitorial contract?
6. Lynne Goldsmith, 2243 Swarthmore: Questions about flood insurance- says "lower floor only". Was informed that this refers to the contents. Wants to encourage the Association to not plant any grass.
7. Ricardo Pineda, 1013 Dunbarton: When will shower on pool deck be fixed?

VI. HOMEOWNER CORRESPONDENCE

Carol Loew, 101 Dunbarton: Compliments to Critical Path Reconstruction

VII. CONSENT CALENDAR

Resolved

The Board approves Consent Calendar Items A to C as presented, excepting therefrom Item B. Financial Statements which is tabled.

A. APPROVAL OF MINUTES

Resolved

The Open Session Minutes dated September 7, 2022 are approved as presented.

B. FINANCIAL STATEMENT

Resolved

The Board accepts the Association's income statement for August 2022, comparing actual results to budget, reserve statement, bank statements and reconciliations, check history report and general ledger as presented, subject to an annual audit. The report reflects a year to date net operating income of **-\$123,973** and year-to-date reserve funding of **\$1,786,298** compared to the year-to-date reserve funding budget of **\$1,500,937**. The actual year-to-date operating expenses were **\$1,091,971**. The budgeted year-to-date operating expenses were **\$1,117,112**. The association has **\$324,538** in operating funds, which represents **.99 months** of budgeted expenses and reserve contributions. The association has **\$11,003,267** in reserve funds.

C. ARCHITECTURAL APPROVALS

Resolved

The Board confirms the recommendations of the committee as noted below:

716 Dunbarton Circle	HVAC System	Approved-Emergency
1012 Dunbarton Circle	HVAC System	Approved-Emergency
1012 Dunbarton Circle	Whole house fan	Approved

D. COMMITTEE APPOINTMENT - PAUL SERAFIMIDIS

Resolved

The Board appoints Paul Serafimidis, a homeowner in good standing, to serve on the Architectural Review Committee for the remainder of the current governance year ending May 26, 2023.

VIII. UNFINISHED BUSINESS

A. IMPROVED SECURITY AT 1425 AND 1443 UNIVERSITY

Resolved

The Board approves the proposal from Critical Path Reconstruction in the amount of \$2,427.02, payable from Reserves.

Motion: MARKUS DASCHER TTEE

Second: JOHN BAKER

▶ **Resolved**
The motion passed unanimously

IX. NEW BUSINESS

A. HOMEOWNER REQUEST - HOLIDAY ART SUPPLY DRIVE

Resolved

The Board of Directors permits Broad Room to set up a holiday donation drive in the Nepenthe Clubhouse between the dates of November 1, 2022 and December 31, 2022.

B. LANDSCAPE PROPOSALS

Resolved

The Board approves the following proposals as presented: Tree remediation at 1563 University for \$4,725.00.

Motion: JOHN BAKER

Second: MARKUS DASCHER TTEE

AYEs: JACQUELYN GREBITUS, CHERYL NELSON, JOHN BAKER, MARKUS DASCHER TTEE

NAYs: ASHLEY TANGERAAS

▶ **Resolved**
The motion passed

X. SECOND HOMEOWNER FORUM

Christina George, 328 Elmhurst: Does the Board want the Grounds Committee to not conduct Zone Walks? Vice President Dascher stated that they appreciate the work being done by the Grounds Committee. Stated that more clarification from Carson may be needed. At this point, it is about tabling the work to put together a different approach for next year. Secretary Nelson said these proposals are deferred

for the current time. Christina George said that as Chair of Grounds Committee, she is looking for guidance. Director Tangeraas spoke to wanting to see the process streamlined. She is preparing a spreadsheet that may help save time. President Baker confirmed that the committee should continue with the walks and work on ranking the proposed work and that it's important not to lose track of them. May ask for recommendations from the committee, but not necessarily for proposals.

Will Vizzard, 324 Elmhurst: Recommended sending the proposed alternate budget be sent to the Finance Committee for review. If possible, note significant changes when sending it over.

Jerry Dunn, 716 Elmhurst: If the Board is planning to move ahead for purchasing the flood insurance, recommend that they increase the deductible.

Don Ellwanger, 1221 Vanderbilt: Landscape proposals appear to be grossly inflated.

Ricardo Pineda, 1013 Dunbarton: Standard help from FIMA for non-insured homeowners is \$75,000 for repairs and \$7,000 for contents.

Jim Shaw, 608 Elmhurst: Will there be an opportunity for homeowners to have input on purchasing flood insurance. President Baker will look at making changes to flood insurance process for purchasing after the first of the year. For this year, insurance will renew as it has in the past.

XI. NEXT BOARD MEETING

The Association's next open Board meeting will be Wednesday, November 2, 2022 at 6:00 pm.

XII. ADJOURN

Meeting adjourned 7:32 pm.

APPROVED

DATE