



Where Does Your Money Go?

This will be the first in a series of short, newsletter articles explaining Nepenthe's finances. The most basic thing that one must understand about our finances is that expenditures are divided into two budgets. The first is the operating budget, which pays recurring expenses such as utilities, insurance, contract management, and grounds maintenance. The second is the reserve budget. This is essentially a savings account, required by law, to pay for the ongoing repair and replacement of the common assets, such as the clubhouse and pools, alleys, private streets, sidewalks, siding, roofs, trees, irrigation systems and equipment.

Each year the Board, with input from the finance committee, must approve both budgets for the coming fiscal year. Operating expenses are projected with the assistance of the manager using the prior year's expenses modified by any known new costs, any projected savings developed during the budget process, and any projected future income. Past Boards have achieved significant savings in such areas as insurance and security. On the other hand, inflation in labor costs, flood insurance, utilities and other areas have offset many of these savings.

The reserve budget is largely driven by the yearly reserve study, mandated by law. This

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President's Report

Water concerns continue to dominate the issues being acted upon by the Board of Directors. The Board approved requesting the City of Sacramento to install individual water meters at each home, the same as in single family subdivisions. (This deals with domestic water supplied to each home and does not include common area irrigation, which will be a separate operation.) The alternative would be for the City to install

master meters, which would require Nepenthe to install individual meters and get in the meter reading and billing business. The City website has a map of the *Accelerated Meter Program* which shows Nepenthe's area being scheduled for meter installation during 2016 and 2017.



The ad hoc irrigation committee is compiling cost data on the various components of conversion to drip irrigation so that we'll have a better handle on costs as we go forward. The committee is also working with a grant specialist at the City to see if funding assis-

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Nepenthe Home Listings

Address	Price	Beds/Baths	Square Feet	Model
1384 Commons Drive	\$329,000	3/2.5	1,731	4000
302 Dunbarton Circle	\$459,000	2/2	1,586	2300
502 Elmhurst Circle	\$364,400	2/2.5	1,748	4400
504 Elmhurst Circle	\$494,900	3/2.5	2,137	5500
702 Elmhurst Circle	\$399,000	2/2.5	1,748	4400
710 Elmhurst Circle	\$434,000	3/2.5	2,137	5500
1170 Vanderbilt Way	\$289,000	2/2.5	1,547	3000

July Budget Report

Actual year-to-date income of \$1,856,221.71 versus year-to-date budgeted income of \$1,846,642 produced a positive year to date income variance of \$9,579.71.

Actual year-to-date operating expenses of \$527,967.41 versus year-to-date budgeted expenses of \$564,704 produced a positive year to date operating expenses variance of \$36,736.59.

The two combined variances produced a positive year to date variance of \$46,316.30.

Other Information:

Unpaid Assessments at July 31, 2015 were: \$31,716 Prepaid Assessments at July 31, 2015 were: \$91,333.

July Cash Flow Report

Sources / Uses	Operations	General Reserves	Private Streets
Beginning Balance 1/1/2015	317,845	4,245,229	101,805
Prior year due to Ops from mgmt.	211		
Plus Income	1,856,222		
Reserve Investment Income		4,735	6
Contributions to Reserve		1,092,168	11,928
Less Operating Expenses	(527,967)		
Reserve Funding	(1,104,096)		
Reserve Expenditures		(823,080)	(0)
Receivable from Management	(0)		
Ending Balance 7/31/2015	\$542,206	\$4,519,052	\$113,739

SAVE THE DATE: Saturday, October 24

Community Forum: Nepenthe Orientation

Everything you ever wanted to know, but didn't know who to ask.

- Do I need to purchase extra insurance?
 - What is being done about security?
- What is a *work request* and when do I use it?
- Which changes to my residence require pre-approval? ...and more

Especially for new homeowners, but everyone is welcome, including renters!

When: Saturday, October 24, 10:00 AM – 12:00 noon

Where: Nepenthe Clubhouse

Details to follow in October newsletter

Spare the Water Workshop at Nepenthe

The City of Sacramento Department of Utilities offers the following rebates to residents:

- \$250 for installing weather based “smart” sprinkler controllers
- \$250 for irrigation upgrades (drip or high-efficiency sprinklers)
- \$150 for rain barrels (\$.075 per gallon captured)
- Up to \$125 for replacing old inefficient toilets with ones that use less water per flush

Clothes washer rebates are also available from SMUD and the Sacramento Regional County Sani-

tation District. In order to qualify for the rebate, a representative from the City needs to make an onsite inspection of each resident requesting a rebate.



The City offered to meet with interested Nepenthe residents explaining their rebate program, answer questions, and make the necessary qualifying inspections. Their hope was to expedite the process by inspecting several sites at one time.

All those interested in taking advantage of the City's rebate program should contact the Nepenthe office by email, crystle.rhine@fsresidential.com, right away.

-Marty Henderson, Chair Ad Hoc Committee Irrigation.

Managers Report

What a busy month at Nepenthe! As usual, there is a lot going on. The **siding repair and painting** is finishing up in Phase I (Dunbarton Circle) and has begun in Phase II (Elmhurst Circle). James E. Williams is providing the siding repairs and Progressive Painting will be doing the power washing and painting. Phase II is estimated to take a year and the final area, Phase III will begin next summer. Phase III encompasses the homes on University, Swarthmore Drive east of Commons, and all areas north of Swarthmore Drive. At that point we'll have a little break before the cycle repeats in 2020 or 2021.

There are some changes happening in the **main clubhouse**. At this month's Board meeting the Directors authorized Judy Brewington to select and purchase a piece of art for the north wall of the main lounge. This is the wall the projection screen is housed on and it has looked pretty bare since the clubhouse re-opened last year. If you don't know Judy, she is a longtime homeowner and interior designer who was instrumental in making some of the most critical design choices during the remodel such as the excellent carpet tile system we have in place in the lounge. We look forward to seeing what she finds!

In landscaping news, 267 of our 499 **redwoods** are receiving supplemental watering through a number of soaker hoses, buckets and drip irrigation installations. I believe that

many of the remaining trees are being watered, but have not been reported to the office. I am enlisting the Grounds Stewards' help in reaching out to the owners near the remaining trees and hopefully, in short order, every redwood will be receiving some kind of supplemental watering.

Speaking of **trees**, there have been some losses this summer. A Liquidambar at 2312 American River, a Tupelo at 1112 Dunbarton, a Chinese Pistache at 1242 Vanderbilt and most recently, a Dogwood at 1342 Vanderbilt have all expired due to various stresses and will soon be removed. If you see a tree that looks stressed, please make a note of the tree tag number and the nearest address and let us know. We will have an arborist evaluate the tree and if we can provide some treatment to the tree, we will.

Lastly, if you missed the last Jazz series this year, it was another huge success. Linda Cook, the chair of the Social Committee reports that, once again, there was a shortage of seating on the pool deck- now that's success! The Outreach Committee has been busy as well- they are facilitating the design of our new website and will unveil it at the **October 24th Residents Informational Forum**. This year's forum looks to be full of interesting information, good fellowship and possibly some drawings for prizes! To learn more, be sure to drop by the Coffees in the Clubhouse held every Saturday morning at 10:00 am.

Presidents Report Cont.

tance can be obtained. Two grant programs may be available; one for drip conversion, and another for turf removal, sprinkler replacement and replacement with low water use plantings. Grant applications will require plans of the projects to be prepared.

Irrigation of trees is another major concern. Our highly drought-sensitive Redwood trees are receiving supplemental irrigation, both from volunteers and from temporary drip lines installed by our landscape contractor. A more sustainable solution will be

required when water meters are installed since most supplemental irrigation is supplied from home faucets. This also brings into focus the status of Redwoods in our landscape. These magnificent trees are prized for their height and for the woody atmosphere they bring, and they have been largely exempted from pruning and removal efforts. They make effective screens along Howe Avenue and along the American River levee. However, some of the downsides of Redwoods are these; a) they are very heavy water consumers, b) they grow huge root systems that damage infrastructure, and c) they

drop heavy leaf litter throughout the year into patios and on walks and roofs. Some selective thinning of Redwoods close to structures may be in our future.

Irrigation of other tree species during the drought is also important, and will be addressed both in the drip conversion areas and by providing some type of supplemental irrigation in other areas. Volunteer cooperation in tree irrigation is gratifying, and is most appreciated.

-Ivan Gennis, President

Where Does Your Money Go?

study estimates the cost of maintaining our common assets over the next 30 years. The study is done by an experienced professional on contract. Contributions to the reserve fund build that fund to cover future projected expenses. These projects are based on tri-annual physical inspections of all assets utilizing consultation from a variety of experts. For instance, a paving consultant working for the reserve study contractor estimates the future life of all pavement, another consultant makes estimates on siding.

In the past, Nepenthe allowed its reserves to fall below the level needed to complete roofing and siding repairs, which resulted in the 2008 special assessment of \$5000.00.



Since that time, Boards have ensured that the contributions to the reserve fund are adequate so this event will not re-occur.

The existing reserves are not an expenditure, but a common asset. They allow Nepenthe to maintain the quality and value of common assets. As an example, the remodel and upgrade of the clubhouse and pools was entirely paid for with reserve funds. Potential sellers and buyers need to recognize the value of this asset to every homeowner.

In upcoming articles, I will address how Nepenthe expenses have related to various inflation indexes and the changing value of Nepenthe real estate as well as the major cost centers and their role in shaping our budget.

-Will Vizzard, Chair Finance Committee.

Jazz By The Pool A Big Success

Our second year of summer Jazz concerts has concluded and the Social Committee is already beginning to plan for JAZZ at the POOL, 2016. Our community has made this series of outdoor concert a huge success!



Jazz By The Pool August 30th

There were over 300 tickets sold for the outdoor concerts, about 130 cases of wine opened and consumed, a

whole bunch of artichokes from CICHY Food Truck, and lots of new friendships and social connections formed. I met so many wonderful and interesting members of our community, and so many of you offered assistance with set-up and clean-up..."It takes a Village".

June 28 Jazz was our very own resident and Committee member, Valerie Weinberg, with the Valerie V Vibe! Great sounds of smooth jazz and favorite oldies and goodies.

July 26 Jazz brought the Dean-o-holics, with members of the "Rat Pack" providing a little levity along with the sounds of Frank Sinatra and a glimpse of Marilyn Monroe. What fun!

August 30 Jazz was provided by the Rio Americano High School Jazz Ensemble. WOW! Can you imagine where these young musicians will be in a few years?

THANK YOU to all of the volunteers and committee members who pitched in to help each month by setting up chairs and tables, opening wine bottles, arriving early and leaving late, and helping to clean up. THANK YOU to the Nepenthe Board of Directors for allowing us to try something new and their on-going support. THANK YOU to our neighbors in the Campus Commons areas for your support and help. THANK YOU to the Nepenthe Office Staff for all their help with signage, notices, and ticket sales. THANK YOU to all the residents and neighbors and guests who made summer JAZZ at the POOL a big success! I am so very proud to be a homeowner and member of this community!

-Social Committee Members:
Linda Cook, Valerie Weinberg, and
Paige Tiffany



**NEPENTHE MANAGEMENT
OFFICE**

Nepenthe Office
1131 Commons Drive
Sacramento, CA 95825

Phone: 916.929.8380
Fax: 916.929.1773

E-mail: nepenthe@fsresidential.com

Office Hours:

Monday—Friday 9:00 AM to 6:00 PM
Saturday-Sunday (Winter) 9:00AM to 1:00 PM
Saturday—Sunday (Summer) 12:00 PM to 4:00 PM

We're on the web!

NepentheHOA.com

Management Staff:

Betsi McComb, General Manager, betsi.mccomb@fsresidential.com

Crystle Rhine, Assistant Community Manager,
crystle.rhine@fsresidential.com

Roger Work, Facility Administrator, nepenthe.hoa@fsresidential.com

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

PayLease (Auto pay assessments): 1-866-729-5327 or sup-port@paylease.com

Other Important Contacts:

Lyons Security Service: 916-844-2912 or

sacramentosecuritycompany.com

Power Outages: 1-888-456-SMUD

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

Board of Directors:

Ivan Gennis, President, ivan.gennis@gmail.com, 916-564-3007

Steve Huffman, Vice-President, steve@huffmanstrategy.com, 916-333-2143

Marcia Britton-Gray, Secretary

Melanie Herman, Treasurer, nepenthemelanie@gmail.com, 916-837-5673

Pamela Zanze, Member-at-Large

Committees of Nepenthe

Architectural Review—Ken Luttrell-

See Calendar

Elections—Yvonne Del Biaggio

Finance—Will Vizzard- *See Calendar*

Grounds—Pamela Livingston

*Meets 3:00 PM on the 2nd Thursday of the month
in the Dunbarton Cabana*

Insurance, Legal & Risk Management—
Bill Newbill

Meets ad hoc

Outreach—Gerry Gelfand

Meets 6:00 PM on the 3rd Wednesday of the month

Social Committee—Linda Cook

Meets 6 PM on the 1st Monday of the month

*All meetings are held in the main Clubhouse unless
otherwise noted.*

Outreach Committee

More residents are discovering the Saturday morning Coffees. Such a great way to meet a few neighbors! We meet at 10am every Saturday. As a result of this success, an evening Social has been added. Put the 1st Thursday of the month on your calendar. September 3rd is the date of the next Happy Hour Social. Bring Your Own Beverage, and, if you wish, a snack to share 5 – 7 pm.

Another date for your calendar is October 24th. The Outreach Committee will be hosting an Informational Resident Forum at the Nepenthe Clubhouse. The new Nepenthe website will be presented. Plan to attend so that you can learn how much information will be available on the new site.

The Committee meets on the third Wednesday of the month at 6pm in the clubhouse. Feel free to join us and/or let us know if you have any comments or suggestions.

-Gerry Gelfand, Outreach Committee Chair