



The Nepenthe News

Board Works on 2014 Budget

At the September 25 open session, the Nepenthe Board of Directors unanimously approved the Reserve Studies updates provided by Browning Reserves Group.

Robert Browning, principal of Browning Reserve Group attended the meeting to explain the purpose of the reserves and describe the process by which the studies are created and subsequently updated.

One of the subjects discussed was the concept of "percent funded" which is one means of describing the overall health of an association's reserve funding plan. When we say that an association is 100% funded we are saying that should every component in the community need to be replaced right now, the funds are there to do so.

Currently Nepenthe is 24%

funded. The general matrix for evaluating this percentage is:

- 0-30% funded, poor
- 30-70% funded, fair
- 70-100% funded, good.

There are some experts that advise home buyers to ensure that any association they are considering purchasing in be 30% or greater funded.

Robert addressed this issue by pointing out that another factor potential home buyers should be aware of is the level of increase in each year's reserve contributions. For most associations, this increase is approximately 2%. Because historically Nepenthe has been under funded and has many components which it is responsible for replacing, his studies call for a 3.5% increase each year.

By following this recommended rate of increase, Nepenthe can be assured of having the funds it will need in the future without the risk of calling for a special assessment.

For 2014, this 3.5% increase translates to a dollar amount of \$250.84 per owner each month which is \$8.49 higher than the 2013 contribution. The Board of Directors, after much discussion with Bob Browning and each other, made the decision to not only approve this recommended increase, but to further raise the reserve contribution to \$256 per owner.

The Private Streets Reserve Study update calls for an increase of \$.22 per owner which the Board approved as recommended.

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Inspector Says Roofs Need Repairs

Recently the Board entered into contract with IMS (Integrated Maintenance Systems) for the inspection of all roofs in Nepenthe minus those in Zone 1 which were last inspected in 2012.

IMS submitted their findings in September. The

reports and photos indicate what seems to be a large number of missing nails, displaced nails, damaged or missing flashings and instances of temporary repairs using winter sealants.

The Board has directed management to have the work verified by an inde-

pendent roofing consultant. Once this has been done, an action plan for the repairs will be created.

The level of work called out for in the report came as something of a surprise to the Board and management...*continued on Page 3*

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Did you know...

- that Nepenthe is organized into seven zones? Each Friday morning, management, a "Zone Steward" from the Grounds Committee and the manager from GP Landscape walk a zone to evaluate its overall condition and to identify any areas of concern. As you may surmise, we walk the zones in order. In October we will be in zones 3, 4, 5 and 6. Greet us as you see us, won't you?

Nepenthe's Year-to-Date Cash Flow as of August 31, 2013

Sources / Uses	Operations	General Reserves	Private Streets
Beginning Balance 1/1/2013	354,215	3,158,799	224,354
Plus Income	2,128,194		
Reserve Investment Income		8,615	1,496
Contributions to Reserve		1,143,912	11,360
Variance (research)	(5)		
Less Operating Expenses	(678,464)		
Reserve Funding	(1,155,272)		
Reserve Expenses		(548,637)	(15,035)
Pending Reserve Transfer	(4,547)		
Ending Balance 8/31/2013	640,508	3,766,302	222,176

August Budget Report

Actual year to date income of \$2,138,305 versus year to date budgeted income of \$2,000,496 produced a positive year to date income variance of \$137,809.

Actual year to date operating expenses of \$678,464 versus year to date budgeted expenses of \$629,136 produced a negative year to date operating expenses variance of (\$49,328).

The two combined variances produced a positive year to date variance of \$88,482.

Other Information:

Unpaid Assessments at August 31, 2013 were \$25,425, prepaid Assessments at August 31, 2013 were \$113,504.

Tree Work Starts in October

At the August executive session, the Board of Directors approved two contracts for the care of our unique urban forest.

The first contract is with Arborwell for the annual pruning work. This year the focus will be on Tulip, Tallow, Pine, Mayten, Locust, Bay Laurel and Oak trees— general maintenance, crown cleaning and end weight reduction. Arborwell will begin work the second week of October.

The second contract is with Valley Crest who will proceed with the tree removals.

46 trees will be removed this year. While that may seem like a lot, it's important to note that this represents only 5% of the more than 2,000 trees in Nepenthe. Removing a portion of the trees will allow the remaining trees more room and more light, resulting in healthier trees overall.

There is also a possibility one or all five of the sugar pine trees at the Dunbarton Cabana may be removed. The pool deck is slated for replacement once the clubhouse renovations are complete. The pool deck will be negatively impacted by a couple of the sugar pines. The Board is expected to review the issue on the 23rd.



SMUD Causes a Stir in Nepenthe by Bettsi McComb, General Manager

Wednesday, September 18th started peacefully enough. I was in the office early to prepare for my weekly meeting with Board President Otis Turner.

As I reviewed my notes, the lights flickered...once...twice...and then out! I exited the Dunbarton Cabana to investigate and met a homeowner who informed me that there had been a brief explosion just around the corner.

We hurried to the location and found a good size group at 201 Dunbarton. The report there was that flames had shot out of the ground under a group of shrubs outside of the patio fence. A paint contractor working in a nearby home quickly put out the fire with a garden hose. Fire-

fighters were called and responded quickly. Fortunately, no one was hurt and within a few more minutes, SMUD trucks came to assess the damage and begin repairs.

Some parts of Nepenthe had power restored in just a few hours while others had to wait overnight. Even when all areas were restored, SMUD informed us that these were only temporary repairs and asked residents to conserve power while repairs on the larger issues progressed.

All of this would have been disruption enough, but also on Wednesday, SMUD hit a water line which necessitated a call to a plumber and took eight hours to

repair. Two days later, on Friday, SMUD hit a PG&E gas line. While frightening, Sac Metro Fire was able to determine that the danger to Nepenthe homeowners and property was minimal. Nevertheless, they stayed on hand while the repairs were made.

By the 23rd—Monday, the repairs were completed, but the memory lingers on! SMUD has taken full responsibility for the restoration work required to our irrigation systems and landscape. My staff and I will oversee the work to that it is completed to Nepenthe's standards. Please get in touch with us if you have any questions or concerns.

Burglary Prevention Tips from Stonegate Protection

Make your home look occupied, and make it difficult to break in.

Lock all outside doors and windows before you leave the house or go to bed. Even if it is for a short time, lock your doors.

Leave lights on when you go out. If you are going to be away for a length of time,

connect some lamps to automatic timers to turn them on in the evening and off during the day.

Keep your garage door closed and locked.

Don't allow daily deliveries of mail, newspapers or flyers build up while you are away. Arrange with the Post Office

to hold your mail, or arrange for a friend or neighbor to take them regularly.

Check your locks on doors and windows and replace them with secure devices as necessary.

Pushbutton locks on doorknobs are easy for burglars to open. Install deadbolt locks on all your outside doors.

Year Round Exterior Decor Permitted

Nepenthe residents may now display decorative items, such as wreaths or banners, on their front doors and gates on a year round basis. Short lived event décor, such as balloons and streamers, are also allowed as long as it is compatible with the community standards and it is removed upon completion of the event.

Homeowners are still liable for any damage caused to the siding, fences, and common areas, and assume the cost of repairing said damage. Please bear in mind that exterior walls, including patio walls, may not be penetrated by anything bigger than a nail or screw without first obtaining permission from the Associa-

tion. The Association assumes no responsibility for any lost, stolen, or damaged items. Homeowners may request a variance from the Board if they feel complying with these rules would create a hardship for them or would otherwise be unreasonable.

Inspector Says Roofs Need Repairs (continued from page 1)

This is because the roofs in question were installed between 6-10 years ago. This was the first inspection conducted since they were installed and the reports call for over \$130,000 in repairs.

One of the reasons the Board called for a roof inspection is because of reports of moss growing on some of the roofs. The IMS report does confirm the presence of moss.

John Cummings from IMS met with the Board and explained that the growth of moss is not surprising given the shade and level of leaf debris that are inherent in Nepenthe. He explained that there are methods for removal that should not be harmful to the roofs.

He also surmised that the workers conducting the annual roof cleaning could be contributing to some of the damage noted

on the roofs.

Copies of the reports are available at the Nepenthe office for homeowner review or can be emailed to any interested homeowner. Once the independent roof consultant has completed their inspection, a course of action can be identified and addressed.

Homeowners can expect further information as it comes available.

Ingredients for Beautiful Grounds: Standards, Practices and Vision

What is the right landscape for Nepenthe? This subject comes up time and time again, but to date, the community has not embraced a definitive plan.

There are a few dedicated individuals that are looking to achieve just that and they hope you will participate in the process.

On September 6, 2013, Chair of the Grounds Committee, Pam Livingston; Board President, Otis Turner; Board Member-at-Large, Ivan Gennis; General Manager, Betsi McComb; and the two representatives from GP Landscape and Valley Crest Tree Services met for a productive meeting on the standards, practices and overall design scheme that will best serve the Nepenthe Association.

The goals are to conceive and execute a

design vision for the Nepenthe landscape, to lower maintenance costs and to implement a 30-year funding plan for future replacements.

We discussed what general improvements are needed in the landscape and what basic standards of care are required. The consensus at the meeting was that the Urban Forest that makes Nepenthe so special should be the guiding force in making future design decisions.

Other issues that were discussed were the need for uniform standards of care and for waterwise practices.

It was also decided at the meeting that an important next step in this process would be to hear what

homeowners want to see happening for the landscape. Look for more news in future newsletters.



Sierra Campbell and Pam Livingston discuss landscape practices.

2014 Budget (continued from Page 1)

There are two main reasons the Board chose to increase the level of reserve funding:

First, the Association will become that much closer to attaining the 30% funded level.

Second, following the inspection of our roofs this summer, it may be necessary to increase the budget for roof maintenance.

The question of most interest to homeowners, of course, is "How much of an increase in my monthly assessment can I expect?"

The good news is that it will probably be less than anticipated in spite of the in-

crease to the reserves contribution.

At this juncture, the draft 2014 budget assumes a monthly assessment of \$429. The Board is expected to act on the budget at its October 23 meeting. It is possible that other adjustments may be necessary, but currently, \$6 is the increase homeowner can expect for the 2014 fiscal year.

While inflation is always a concern in estimating the operating expenses, the average of actuals for the past twelve months and our discussions with our vendors indicate that we can continue to ex-

pect a similar level of spending in the coming year.

Additionally, the Association continues to benefit from its revenue sharing agreement with AT&T. This income runs \$1,300 monthly and combined with the estimated clubhouse rental income, provides a nice \$3 monthly offset for the homeowner assessment.

A copy of the draft budget has been included with this newsletter. We urge all homeowners to review it and make suggestions to management, the Finance Committee or the Board.

"How much of an increase in my monthly assessment can I expect?"

Board Approves Security Door Models

Over the last ten years the Nepenthe Board of Directors has approved a number of screen door models for homeowner installation. At the September meeting, the Committee proposed three models of Security Screen Doors. These are the first security doors to be approved by the Board. All three models are manu-

factured by Unique Home Designs and are available at Home Depot. The first one, Cottage Rose, is permitted in the Black finish only. The second, Meridian, is permitted in the Copper finish only and the final model, the Arcada in either Copper or Silverado.

Homeowners can submit their ARC applications to the management office for approval. Color photos of each of the doors is attached to this newsletter.

October 2013

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2 <i>Outreach Committee</i>	3	4	5 <i>Architectural Review Committee</i>
6	7	8	9	10 <i>Grounds Committee</i>	11	12
13	14	15	16	17	18	19
20	21 <i>Finance Committee</i>	22	23 <i>Board of Directors Meeting: 5:00 PM Campus Commons Club- house</i>	24	25	26
27	28	29	30	31  Happy Halloween!		



**NEPENTHE MANAGEMENT
OFFICE**

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Sacramento, CA 95825

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Office Hours:
Monday—Friday 9:00 AM to 6:00 PM
Saturday—Sunday (Winter) 9:00 AM 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

Sierra Campbell, Associate Community Manager, sierra.campbell@fsresidential.com

Sarah Liebman, Administrative Assistant, sarah.liebman@fsresidential.com

Roger Work, Facility Administrator, nepenthe@fsresidential.com

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

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

Other Important Contacts:

Stonegate Protection (patrol): 1-888-774-0035 or security@stonegateprotection.com

Power Outages: 1-888-456-SMUD

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

Board of Directors:

Otis Turner, President, otisturner@hotmail.com, 916-927-3575

Bo Grebitus, Vice-President, bogrebitus@gmail.com, 916-923-0733

Marcia Britton-Gray, Secretary, mcbmd@comcast.net, 916-929-3858

Will Vizzard, Treasurer, vizzardw@gmail.com, 916-923-9308

Ivan Gennis, Member-at-Large, ivan.gennis@gmail.com, 916-564-3007

Committees of Nepenthe

Architectural Review—Ken Luttrell

Meets 9:30 AM on the 1st Saturday of the month

Elections—Yvonne Del Biaggio

Finance—Gregory Crissman

Meets 6:30 PM on the 3rd Monday of the month

Grounds—Pamela Livingston

Meets 4:00 PM on the 2nd Thursday of the month

Insurance, Legal & Risk Management—Bill Newbill

Meets ad hoc

Outreach—Nancy Arndorfer

Meets 6:00 PM on the 1st Wednesday of the month

Contact the office for the locations of the committee meetings.



*Autumn, the years last,
loveliest smile.*

-William C. Bryant