

NEPENTHE HOMEOWNERS ASSOCIATION

BOARD OF DIRECTORS MEETING

5:00 p.m. Wednesday, October 26, 2011

Nepenthe Clubhouse, 1131 Commons Drive, Sacramento, California 95825

WELCOME

Thank you for attending. This is a business meeting, open to members of the Nepenthe Association and guests of the Board. The primary purpose of the meeting is to ensure that the Association is meeting its responsibility to maintain the property and to serve homeowners.

Members may comment or ask questions about any agenda item during the two homeowner forums (Items III and XII). Please address all comments or questions to the chair. Due to time restraints, the Board will be unable to accept comments or questions from the floor during its deliberations

Two brown 3-ring binders with supporting documentation for agenda items are available in the room for homeowner use. Please share them. The packets are always available in the office at least four days prior to Board meetings. They are also posted on meritconnect.com/Nepenthe Association.

Please silence all electronic devices. These proceedings may be recorded to assist with the preparation of minutes. The Board appreciates your cooperation.

AGENDA

- I. **CALL TO ORDER** – 1 min.
- II. **ANNOUNCEMENTS** (Chair) – 2 min.
- III. **HOMEOWNER FORUM** – 15 min.
- IV. **COMMUNICATION**- 5 min.
- V. **TREASURER'S REPORT** (Chief Financial Officer) – 5 min.

Motion to accept the September 30 financials showing:

- Operating cash of \$178, 768
- Reserves of \$2,491,804
- Receivables of \$110, 390
- A positive budget variance of \$162,612

General and Private Street Reserve Accounts:

- Beginning balance of \$1,582,411
- Total contributions YTD \$1,227,987
- Total interest YTD \$24,538
- Total expenditures YTD \$156,187

- Current balance \$2,626,387

VI. **MANAGER'S REPORT** (General Manager) – 2 min.

VII. **MASTER CALENDAR** (Chair) – 2 min.

VIII. **CONSENT ITEMS** – 1 min.

A. Motion: That the minutes of the Sept. 28, 2011, Board open meeting be approved.

B. Motion: That the minutes of the Sept. 28, 2011, Board executive session be approved.

C. Motion: That the following recommendations of the Architectural Review Committee be approved:

- 700 Dunbarton – Window Replacement
- 1312 Vanderbilt – Electric Furnace & Air Conditioner
- 312 Elmhurst – Gas Fireplace Insert
- 2314 American River – Window Replacement
- 1326 Commons – Window Replacement

D. Motion: That the manager and the Grounds Committee be asked to independently review the draft landscape master plan prepared by Wood Rogers, Inc., to advise the Board as to whether the plan is comprehensive and adequately funded for the next 30 years and to offer suggestions for improving the plan, and further

That the manager and Grounds Committee be asked submit written reports no later than Feb. 29, 2012.

E. Motion: That the Grounds Committee be provided a list of all fall plantings and all trees to be pruned or removed, that the committee be asked to inspect the work upon completion, and that the committee report to the Board on the suitability of the work.

F. Motion: That contractors report only to the manager, who is responsible for their performance, and further

That contractors take instruction only from the manager and not from Board members, committee members or any other homeowners.

- IX. **COMMITTEE REPORTS** (Committee Chairs) – 10 min.
- A. Architectural Committee
 - B. Grounds Committee
 - C. Finance Committee
 - D. Insurance Committee
 - E. Outreach Committee

- X. **UNFINISHED BUSINESS** -- 60 min.

ITEMS B, C, D AND E ARE SET FOR SPECIAL ORDER AT 6:00 P.M.

- A. Motion: (Collections) That the Board authorize management to record a lien on the separate interests/accounts listed below on behalf of the association.

- Account #2237-BO \$1,808.77
- Account #2518-BO \$2,478.44

- B. Motion: That the Board approve the revised General Reserve Study as prepared by Browning Reserve Group and recommended by management, projecting:

1. A total replacement cost of \$23,088,072 for all components
2. A 2.5% inflation rate and interest rate for the next 30 years.
3. A 2012 beginning balance of \$1,862,736
4. 2012 contributions of \$1,657,847 to the fund
5. 2012 interest income of \$48,944
6. 2012 expenditures of \$1,467,836
7. A one-time transfer of \$30,991 to the Private Streets Reserve Fund
8. A 2012 year-end balance of \$2,101,690
9. 2.1% increase in contributions to the fund, or \$4.83 per unit per month, beginning January 1, 2012.
10. A total monthly contribution of \$234.16 per unit.

C. Motion: That the Board approve the revised Private Streets Reserve Study as prepared by Browning Reserve Group and recommended by management, projecting:

1. A total replacement \$351,015 for all components
2. A 2.5% inflation rate and interest rate for the next 30 years
3. A 2012 beginning balance of \$48,596
4. 2012 contributions of \$17,040 to the fund
5. 2012 interest income of \$1,623
6. 2012 expenditures of \$15,411
7. A 2012 year-end balance of \$82,839
8. A 25 % increase in contributions to the fund, or \$1.00 per unit per month, beginning January 1, 2012 (284 units accessed by Dunbarton and Elmhurst).
9. A total monthly contribution of \$5.00 per unit (284 units accessed by Dunbarton and Elmhurst).

D. Motion: That the Board approve renewal of flood insurance policies to cover all buildings on the property, effective Dec. 14, 2011, for a period of one year, at a cost of \$219,027, each unit being insured for \$250,000 and each unit's contents being insured for \$100,000, a \$1,000 deductible being payable by the homeowner, and further

That, in keeping with recent Board practice, the representing broker be the same as the representing broker for the associations property and casualty insurance.

E. Motion: That the Board approve the 2012 operating budget as recommended by the manager, projecting:

- 1) Gross i ncome of \$2,901,705
- 2) Contributions of \$ 1,657,847 to the General Reserve Fund
- 3) Contributions of \$ 17,040 to the Private Streets Reserve Fund
- 4) Operating expend itures of \$1,243,858
- 5) Net income of \$ 0

6) A 1.49% increase in homeowner assessments, or \$6.00 per unit per month, beginning January 1, 2012.

7) A total monthly assessment of \$409 per unit plus a monthly Private Streets assessment of \$5 for 284 units.

F. Motion: That the Association acquire a functional, wireless, conference communication system (e.g., a Polycom 2W) for use in the Nepenthe Clubhouse by the Board, its committees and management at an installed cost not to exceed \$1,000, and further

That purchase and installation be completed no later than November 23, 2011, and further,

That the cost be expensed to the GL 19295-Onsite Office Supplies which has an annual budget of \$7,572 and expenditures of \$3,055.

G. Motion: That the Board approves the fall/winter landscape maintenance plan as recommended by Fernandez Landscape Services and management.

XI. **NEW BUSINESS** – 30 min.

A. Proposed disclosures to be mailed to homeowners in December. Board will approve November 23, 2011.

B. Board discussion: Farmers Insurance guidelines for loss prevention. Set for discussion and possible action November 23, 2011.

C. Board discussion: Wording of the Welcome notice at the top of Board agendas

XII. **HOMEOWNER FORUM** – 10 min.

XIII. **SUMMARY** (Chair) – 1 min

XIV. **NEXT MEETING** – 1 min.

5:00 p.m. Wednesday, Nov. 23, 2011

Agenda items:

XV. **ADJOURN TO EXECUTIVE SESSION**

For the purpose of discussing vendor contracts and delinquent accounts.

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BOARD OF DIRECTORS MEETING
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