

**KNOLLWOOD TERRACES HOMEOWNERS
ASSOCIATION**

Post Office Box 1227 ❖San Luis Obispo, California 93406 ❖(805) 545-7600

BOARD OF DIRECTORS MEETING

Knollwood Clubhouse

August 20, 2013

6:30 pm

Minutes - Draft

- I. CALL TO ORDER – The meeting was called to order at 6:30p.
- II. ESTABLISHMENT OF QUORUM – Quorum of the meeting was established by the presence of David Mittleberger, Brian McIntyre, Lisa McGrath and Mark Macaulay. Bobbi Primo and Kristen Ontiveros were present on behalf of Aurora Property Services.
- III. MINUTES OF JULY 16TH MEETING REVIEW – Minutes were approved as written.
- IV. TREASURERS REPORT
 - A. Filing of 2011-2012 Tax Returns - The tax returns for 2011-2012 year have been filed and are completed.
 - B. Status of 2011-2012 Financial Review - The financial review for 2011-2012 year has been completed and is available for members. It was emailed to all board members on August 20th, 2013. In order to save postage costs, Aurora would ask that this be mailed out with the budget for 2013-2014. The board agreed.
 - C. List of documents from 2011-2012 Tax Year for storage - The board being presented with a box of past financials including bank statements, deposits, records and checks related to embezzlement, financial review, HPM financial reports delivered to the board. This box will reside in HOA storage area and is responsibility of board.
 - D. Status of 2005-2010 Financial Reviews from previous association accountant - Aurora Property Services has contacted Susan Jones to retrieve any previous financial reviews. The association currently has received the tax returns for 2010-2011, the financial review for 2010-2011 and the Quick books CD ending in 9/30/11 that was used to prepare the financial review. All of these documents are located in the box presented today. Susan has stated that she has no other records available for the association. After phone calls and emails, property management has made an effort to secure past records. If the association wishes to further research this issue, Aurora Property Services would recommend hiring an attorney to secure this data. Past

reviews were provided from Mark Macaulay and Don and Judy Horton. The association still is missing 2007/2008/2009 reviews.

- E. Aurora Property Services financial responsibilities - Kristen read Attached Statement to be entered into minutes. Please see attached.
- F. Request for Bids for 2012-2013 for completion of tax returns and financial review to be presented at September 2013 Meeting. Aurora Property Services will present bids at the September Meeting. Aurora would like to get an estimate from the CPA who completed the books this year since they have all of the current association information. The board was asked if they had any recommendations of CPA's to get bids from.
- G. 2013 Reserve Study Update Review - A complete reserve study with site visit is required every 3 years. This is an update year done without a site visit. Complete Reserve study with an inspection would be completed next year and these numbers will be looked at again and adjusted accordingly. The Association currently has cash reserves representing 22.5% of depreciation of all reserve component assets. This estimate most often used as measure of strength of reserves relative to the depreciation of assets.
It is the ratio of \$226,362 reserve balance versus the \$1,005,907 life to date depreciation schedule.
Reserve Company recommends increasing reserves amount from \$148,428 to \$166,982 for Year 2013-14, \$186,264 for Year 2014-15, \$191,851 for Year 2015-2016 based on optimized 30 year cash flow analysis. The budget proposed by Aurora Property Services includes the \$166,982 recommendation
- H. YTD Budget vs. Actuals for 2012-2013 -

First Bank Operating Account	\$ 20,103.16
Coast Hills Savings Reserves Account	\$184,103.11
Coast Hills Checking Reserves Account	\$29,515.00
Total	\$233,721.27

- At the July Executive Meeting the board signed five liens with Sunrise Assessment Services approving to further the collection process of delinquent homeowners.
- At the July Executive Meeting the board approved two payments plans.
- The board will discuss delinquent association dues at the executive meeting which is down to \$52,681.73
- Four owners are still currently in collections. One owner paid off their collections in July in the amount of \$7,823.25. All other collections are paid off and current payment plans are paying as agreed.
- In the July budget comparison, the association is over budget in landscaping by \$9,018.07, over budget in swimming pool by \$1,568.80, over budget in repairs/maintenance by \$6466.76, under budget in utilities by \$2932.05 and under budget in administrative costs by \$3307.33.

V. OLD BUSINESS

- A. Pool chairs – Most of the pool chairs have been completed. One more roll of vinyl needs to be ordered to finish the chairs.

- B. Parking in Fire Lanes – The board approved having Ramsey Asphalt do striping of Fire Lanes – No parking in the fourplexes so that cars can be towed per the towing contract if they park in front of the garages.
- C. Pool Security – Bomar Security is still doing four patrols a week. So far they have only had to ask one group of people to leave the premises.
- D. Board Vacancy – There is still a board vacancy.
- E. 1160 Sumner, #C – Work Order Request for New Fence – The board approved to have Creative Fencing replace this fence and have No Limit Services paint the fence.
- F. Proposed 2013-2014 Budget – The budget was approved which will involve a 10% increase in dues to owners. With the rising cost of work and utilities this was approved.
- G. Hudson Property Management and Status of Criminal Case – Aurora Property Services had been asked by a board member why owners haven't been informed of HPM embezzlement case. A letter was sent out to all homeowners on January 18, 2013 with information about the Aurora Property Services and then an attachment of what was read at the January 2013 meeting prepared by the former board regarding the embezzlement. Jodi Hudson is currently serving time in jail and has a restitution hearing scheduled for August 22, 2013.

VI.

NEW BUSINESS

- A. Request from a board member to create job descriptions for board members based on job titles in addition to CC&Rs. Aurora Property Services was asked by a board member to prepare job descriptions for board members based on their job title.
- B. Board Communication with Aurora Property Services - In order to help streamline the process between the Board and Aurora Property Services, Aurora asked to have the board president or Vice President to be the primary point of contact between the board and APS. This is typically how all other large associations work. How it would work for KT is that if a board member has a questions or concerns, items it would like to see on the agenda, it would direct all questions to the board liaison. The board liaison will either respond to that board member or will forward the items onto APS. APS will then respond back to the board liason. This eliminates a lot of email chains, etc and helps streamline the process so that management doesn't have 5 bosses offering direction. Brian, the vice president agreed to be the main contact for communication.

VII.

OPEN FORUM FOR MEMBERS

An owner stated that to save on water costs that rock or gravel can be put in where there is currently grass.

An owner stated that the association needs to address tree tripping on Foster. The trees are growing and getting on the rooftops. The board discussed that December/January when the trees are dormant is the best time for trimming.

VIII.

ADJOURNMENT – the meeting was adjourned at 8:07pm.

