

**RIVIERA GARDENS HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
October 16, 2023
MINUTES**

Upon proper notice duly given, a meeting of the Board of Directors of the Riviera Gardens Homeowners Association was held on the date stated above, at 10:00 a.m. via teleconference. A quorum of members was present, and business was conducted as outlined herein.

MEMBERS PRESENT:

Deirdrie Wade	President
Mike Tull	Secretary
Jim Busch	Treasurer
J.D Baker	Director

ALSO PRESENT:

Johny Perez, CCAM, representing Personalized Property Management

ABSENT:

(Randall) Scott Daniels Vice-President

CALL TO ORDER:

President Wade called the meeting to order at 10:02 a.m.

HOMEOWNER FORUM

There were nineteen homeowners present during the meeting. The topics discussed were as follows:

- Thanks for addressing the graffiti.
- Pool railing cover replacement – light timer near building 4.
- Compliments to Board and committee members for the outstanding job
- Gate access issues.
- Pool survey – disagreement on the proposed pool heater schedule.

SECRETARY’S REPORT:

The Board reviewed the minutes dated September 28, 2023. After further discussion, a motion was made by Secretary Tull and duly seconded by Treasurer Busch to approve the minutes dated September 28, 2023, as presented. Director Bake and President Wade voted yes. The motion passed unanimously.

OLD BUSINESS

- A. 2024 Reserve Study- Treasurer Busch held a conversation on the 2024 reserve study – Kevin Leornard from Associates Reserve was on site and provided 3 drafts of the reserve study. He asked several questions regarding different items throughout the community. Also, an analysis was prepared by Treasurer Busch back to 2012 to identify past reserve expenditures.

Key results – Three key results of the 2024 Reserve study were identified in the report:

- 1) Development of a component list that serves as the foundation of the reserve study. A significant increase of \$2.8 million in the aggregate current replacement value of all components compared to the 2023 reserve study were identified including \$1.8 million in additional components and \$1.0 million representing an understated value of components included in the 2023 reserve study.
- 2) Determination of the reserve fund strength. This is a measurement of how well the reserve fund has kept pace with the properties' physical deterioration. Based on the latest draft, the reserve is 16.5 percent funded and considered weak based on National Reserve Study Standards. Less than 30 percent funded is considered weak. This means the HOA should have at minimum \$1,276,000 rather than the projected \$728k projected for January 1, 2024.
- 3) Association Reserves prepared a multi-year funding plan intended to avoid future special assessments.

Association Reserve Recommendation – Increase the monthly contribution to the reserve account by 35% in 2024. In addition, the HOA must consider a special assessment of \$1,105,000 to cover future required expenditures for common area updates such as main electrical panels, elevated surface inspection, and roof repairs that need to be addressed over the next few years. The cost of roof repairs to buildings and carports alone is estimated to be \$1,075,000.

Budget Summary – Treasurer Busch provided information on the budget summary prepared by Association Reserves. The HOA is projected to have a \$330k shortfall of available funds on January 1, 2024, to complete the proposed repairs estimated at \$1,057,510 next year. Also, information and explanations were provided on the reserve allocation for the next 30 years. Secretary Tull inquired about the special assessment and dues increase of 35% as well as the insurance premium. Treasurer Busch clarified that the dues will not increase by 35%, but 19.5%. The 35% increase is related to the portion of our monthly HOA income that we will transfer into our reserve account, monthly, to gradually build up our reserves.

Proposed Special Assessment – Treasurer Busch provided an explanation on this matter and informed the Board about the proposed amount per unit type as follows; -

- Studio – \$3,774.34 for a total of \$203,814.56
- One bedroom - \$5,136.88 for a total of \$133,558.93
- Large one-bedroom \$5,148.20 for a total of \$350,077.93
- Two-bedroom \$7,069.35 for a total of \$240,357.76
- Bungalow \$7,492.07 for a total of \$292,190.82

As a result, the total combined amount is \$1,220,000.

Director Baker stated that there is a limit on the amount the Board can approve for a special assessment without requiring a vote of the membership. In addition, a discussion was held regarding the community electrical panels and whether it could be classified as an emergency. After further discussion, a motion was made by Secretary Tull and duly seconded by Treasurer Busch to approve the 2024 Reserve Study as presented. Director Baker voted no; President Wade voted yes. The motion carried 3 to 1.

- B. Budget 2024 – Treasurer Busch held a conversation on this matter – Treasurer Busch gave details on each item in the proposed budget for 2024. Also, information was provided in the monthly cash projection to December 2024. After further conversation, Treasurer Busch proposed an increase of the HOA dues for fiscal year 2024 of 19.5%. The 19.5% increase can be attributed to increased insurance premiums (7.7%), reserve fund contributions (8.2%), and general inflation (3.6%). Therefore, the Increase by units is as follows; – studio \$293.91, One bedroom \$400.01, Large one Bedroom \$400.89, two bedrooms \$550.49, and bungalow \$583.41, for a total annual revenue monthly contribution of \$1,140.025.

In addition, Secretary Tull inquired about whether the landscape expenses such as tree trimming should be charged to the reserve account rather than the operating account. Treasurer Busch provided an explanation on this matter and stated that the plan is to move those expenses to the operating account in 2025 as the expenses are annual expenses rather than capital improvements. After further discussion, a motion was made by Treasurer Busch and duly seconded by Secretary Tull to approve the 2024 budget as presented. President Wade yes, Director Baker abstained from voting. The motion passed 3 to 1.

- C. Entry Gate Security Issue – Paul Roggenkamp – held a conversation regarding this matter. Paul informed the Board that a meeting has been scheduled to meet with Allied Universal Security to discuss points to enhance the security in the community. Also, he held a phone conference with Big Sky regarding the proposals submitted for the gate system update.

The committee's intention is to determine a comprehensive solution for all accesses and overall security rather than a piecemeal program. Because this project is a security issue and the information received was incongruous and non-comparable, the committee performed a need and wants analysis to determine exactly what is needed and wanted by our HOA to properly control access, provide for heightened security, and provide reasonably easy access for all homeowners and guests.

The results of the analysis are: Underlying Assumptions - Requirement for homeowners to have cell phones. Effective control of all remote devices and keys is imperative. All access should be authorized in RG CC&Rs and individual receipt of remotes, codes, cards must be recorded and managed. Consider the use of key fobs, cellphones, and codes for both vehicle and pedestrian access.

Needs and Wants:

- a. Reasonably easy Owner Access at vehicular gates as well as pedestrian gates.
- b. Approved Vendor access through vehicular gates. Can be either unattended or homeowner-assisted access.
- c. Emergency Response access: Fire, police, and medical response vehicles.
- d. Renter(non-owner/tenant) and Guest Access

The Long-term Planning and Implementation Committee requests in-person meetings with the board of directors to explain all aspects of this project, answer questions, and clarify any misunderstandings or differences in philosophy. The Board agreed with the HOA Needs and Wants identified by the committee. The committee will prepare and process RFP among security/gate access control companies to obtain proposals on exactly what is best for Riviera Gardens

NEXT MEETING:

The next meeting is scheduled for November 30, 2023, at 10:00 a.m.

ADJOURNMENT:

At this time with no further business presented to the board, the board director adjourned the meeting at 12:46 p.m.

Respectfully submitted
Johny Perez, CCAM®, Community Manager
Personalized Property Management

CERTIFICATE OF SECRETARY

I certify that I am the duly qualified and acting secretary of the Riviera Gardens Homeowners Association a California incorporated association. The foregoing is a true and correct record (minutes) of the meeting held by the Board of Directors of the Association and entered in the Minutes Book.

DATED: 12/1/2023

Riviera Gardens Homeowners Association
A California Corporation

DocuSigned by:
BY: Mike Tull
Secretary or Director