



Somerset Owners Association FINANCE MEETING RECAP

September 11, 2017

Page 1 of 3

MEMBERS PRESENT: Ray Lee, Ron Sobrero, Ryan Burns, Tony Fakonas, and Joe Fadrowsky (via phone)

HOMEOWNERS PRESENT: Glenda Powell, Tom Fitzgerald, Marianne McKinley

STAFF PRESENT: Tracy Carter, Bernadette Rodas, Brittany Felix

1. Call to Order and Introductions for the Monthly Finance

Ron Sobrero called the meeting to order at 5:00pm

a) **Seth's Failure Estimate Document Discussion**

Management noted that final bids are expected Monday 9/18 and will be reviewed at the special meeting for consideration of approval. We estimates range from \$2,170,000 - \$2,470,000.

The Committee reviewed and discussed the Common Reserve Funding spreadsheet, along with consideration of how to pay for the repairs, special assessment or get a bank loan. If the committee considers a special assessment, it will require homeowner approval. Committee also discussed borrowing from reserve account for a short period, about 12 months in a worst-case scenario.

Glenda Powell discussed that a group of owners from HOA and SGCC met last week and it was not a productive meeting. Glenda reached out to Pat Gasglow, they agree that this work needs to be done now and it cannot be put off while we find out who is responsible. Pat indicated that he felt the board would be open to signing easements so we can get in and do the work. They have approximately \$39,000 right now. The maximum annual payment they could make is between \$10-20,000. Pat asked about extending the lease back up to 50 years. Current equity membership is \$225 and they need to increase to \$300 in order to meet their goals. They have let their general manager and membership sales person go. They want a forensic study done of the rock walls to determine whose responsibility they are. That will cost another \$10,000. They did soil borings but they may not have enough data to do a forensic study. Landscaping fees would go up because they would need to go through the properties all over again.

2. Approval of the Meeting Recap for August 11, Finance Meeting

MOTION: Ron Sobrero made a motion to approve August 21st meeting recap. Ray Lee seconded. Motion carried unanimously.

3. Homeowner Comments for Items on the Agenda: IN accordance with the Associations Parliamentary Procedures, please limit comments to a maximum of 3 minutes per unit.

None at this time.

4. Overview of July 2017 Financials

a. **Manager's Report and response to previously provided questions of committee members on possible out of line conditions**

- Ray Lee noticed the balance sheet item, about \$112,000 deduction of deposits for the current month and wanted to know why. There have been a lot of refunds in the last two months. Bernadette will verify.



Somerset Owners Association
FINANCE MEETING RECAP

September 11, 2017

Page 2 of 3

- CCR Transfer fees are not being accounted for properly.
- Landscaping service and irrigation repairs should be coded to the reserves and the amount should be moved over. Bernadette advised that there have been small, miscellaneous repairs that come from the operating budget but most of it comes from reserves. Ray Lee said to put items to reserves first and then into operating.
- The snack bar revenue for non-alcoholic items exceeds the cost – we have to consider inventory and expiration.
- There are not any checks and balances for our invoices. It is on us to create a system.

b. Approve July 2017 Financials – subject to audit

Ryan B. noted that his questions that were sent via email to management have been addressed.

MOTION: Ron Sobrero made a motion to recommend approval of the June and July financial statements to the Board, subject to audit and corrections. Ryan Burns seconded. Motion carried unanimously.

5. Old Business-“Business that will impact 2018 Budget”

a. Assessment of the benefit of having access to a Certified Irrigation specialist available and in the future would a certified Arborist be beneficial to consider?

Management noted that an arborist is part of the RFP. It is on the same line item but with separate contracts for overall landscaping. A one-year contract for an irrigation specialist would be about \$40,000.

6. New Business-“Business that will impact 2018 Budget or is of major importance”

a. How many Cross Walk Flashing lights will be installed in 2017 and how many in 2018?

Two crosswalk signs and five additional radar signs will be installed in 2018. We will probably need multiple vendors for these things with an electrician being the most expensive part.

b. An assessment of the condition of our walkways alongside of Somerset Parkway

We are going to have to start spending money on correcting the issues with the walkways. We are simply discussing Somerset Parkway, not out on trails. Maintenance is in the middle of marking the rough spots along the parkway. Seth is doing inspections now to get a big picture. It is a liability and we don't want to procrastinate. Please let Tracy know if you see any other issues.

c. Potential reduction of water overspray with Somerset Parkway

Defer to next meeting – Ryan Dominguez

d. Joe Fadrowsky discussed 2225 Pepperwood and looking into clearing title for the HOA to move forward on the sale of the lot.



Somerset Owners Association
FINANCE MEETING RECAP

September 11, 2017

Page **3** of **3**

7. Committee Member Comments, Questions, and Items for Next Meeting Agenda

Tony Fakonas asked about the budgeting process. He asked if there would there be any educational presentations for homeowners. Ron S. noted that there may not be one this year. The last time there was a presentation; there were more committee members than homeowners present.

Tony also asked what is the reasoning for the 12-15% increase in landscaping cost. Reno Green was asked to lower prices and they did, and now they need to get it back up. They agreed to a lower profit margin and to hold that amount steady for two years. The contract goes out for bid again in February 2018.

8. Homeowner Comments: In accordance with the Association's Parliamentary Procedures, please limit comments to a maximum of 3 minutes per unit.

None at this time.

9. Adjourn Finance Committee Meeting

MOTION: Ron Sobrero made a motion to adjourn the finance portion of the meeting at 6:20pm. Ray Lee seconded. Motion carried unanimously.

10. Open 2018 Budget Meeting