

**VILLA ANTIGUA HOMEOWNERS ASSOCIATION
ANNUAL HOMEOWNERS MEETING**

MINUTES OF APRIL 24, 2019

ANNUAL MEETING No. 41

President Jan Whitacre called the Forty First Annual Meeting of the Villa Antigua Homeowners Association to order at 7:04 p.m. on April 24, 2019, at the Villa Antigua HOA Clubhouse, 5844 Menorca Drive, San Diego, CA.

BOARD MEMBERS PRESENT: The following Board members were present: Jan Whitacre, Kathy Townsend, Maureen Ruchhoeft and Marla Fee. In addition, the HOA General Manager and 20 unit homeowners were present.

The General Manager, Clover Ericson, was selected to serve as the inspector of elections for Villa Antigua Homeowners Association and was duly recognized by the Chair of the Annual Meeting.

MEETING MINUTES: a motion was duly made, seconded, and carried to approve the minutes from the April 25, 2018 Annual meeting number 40. No homeowners abstained.

QUORUM FOR THE ANNUAL MEETING HELD April 24, 2019: The number of Members in good standing and entitled to vote on matters at the Annual Meeting was 202. No Members were duly suspended. There were no nominations from the floor. Clover Ericson determined that a quorum of 51% was established as defined by the Bylaws and the Annual meeting proceeded. Fifty-one (51) % is equivalent to 103 ballots and Clover Ericson had 109 valid ballots.

INTRODUCTION OF THE BOARD AND MANAGEMENT: Jan Whitacre, President introduced the current members of the Board of Directors and the General Manager as follows: Kathy Townsend, Vice-President, Maureen Ruchhoeft, Secretary, Marla Fee, Treasurer, Deanne Bowman, Member at Large and Clover Ericson, Association General Manager.

STATE OF THE ASSOCIATION:

President Whitacre gave an overview of the state of the Association and the accomplishments of the past year. The whole-site painting project is virtually complete with only a few punch item lists remaining. Garage wood trim repair/replacement has largely been repaired using our building maintenance contract at a lessor cost than a change order from the painting contractor. Balconies will be a continual repair or re-build as deferred repairs will affect the structural integrity of the building. Estimated re-build costs average \$8-10K each. The HOA anticipates spending \$100K per year on balcony repairs. Many rising costs surround extensive stucco repairs needed throughout the community. As the community ages, the components age and we need to prepare for future expenses of balcony and stucco repairs. The Board performed their due diligence by going out to bid on the tree maintenance performed routinely. Western tree continues to remain very competitive. Water costs continue to rise, despite being at an all-time low usage. Protecting home values in a fiscally responsible manner is the Board highest priority. Due to all that has been mentioned, an increase of \$10 per month per unit was determined prudent by the Board of Directors.

The Board has researched updating the roof specifications and has hired an architect to draft an updated version using materials that are available for homeowners. This will be available to the membership very soon.

Lastly, President Whitacre urged the community to take security and safety seriously. Recommending installation of security cameras and lights as well as locking mailboxes.

TREASURER'S REPORT:

Marla Fee, Treasurer, reported on the financial state of the Association. She began by emphasizing the four aspects of Accounting that the Board oversees: Bookkeeping, Banking, Budget and Reserves, while working with the Manager to find economies in operating costs. The Board maintains risk-free investments that are 100% FDIC insured. Operating funds are maintained at Mutual of Omaha Bank and reserve funds are invested in CDs under the direction of Morgan-Stanley. The Manager maintains the Association's bookkeeping onsite, eliminating the expense of hiring an outside accounting firm. An independent CPA completes an annual review has disclosed no material modifications. The Board of Directors reviews budget-to-actual expenditures monthly as well as an annually, to insure we are staying on track with our estimated costs and reserve balances. This past fiscal year, the Manager was given a very tight budget with which to work. It is becoming increasingly challenging to adhere to our budget, with costs increasing for water, electricity, insurance, minimum wage, supplies and general maintenance materials. Preventative maintenance of our common areas & individual units is essential to help preserve, protect and enhance the value of our property investment while providing a safe, healthy living environment for our families. Homes are now 40 years old and are requiring more effort and expense to maintain preferred standards. This year reserve expenditures included, among other things; repainting of the entire community which included every home, common area structures and balcony deck resurfacing, \$25,000 spent on repair and replacement of stucco and wood components, with more anticipated in the upcoming years. Management, along with representatives from Sherwin Williams & 2-3 Empire Works representatives and Board members performed inspections of the painting projects and overseeing the project was in conformity to the scope of work in the contract.

As a reminder, from 2008-2018 our Reserves were depleted an average of \$100,000 per year over the past 10 years due to the Hardie Board project. Because of the age of our community, we are now facing an increase in stucco repairs as well as balcony deck repairs that go beyond the typical preventive maintenance costs, with an average Reserve expenditure of \$5,000 to \$12,000 each. Currently our Reserves are only 39.3% funded, which reflects an increase from last year's 39.1%. This means the Association's special assessment and deferred maintenance risk is medium. Our Reserve Specialist has suggested we increase our Reserve Cash Contribution rate to strengthen our risk factor and avoid slipping into the high-risk category (30% or less). The good news is by year 2021, we anticipate Reserves being funded at 59.8%, by 2022, 70.4% and by 2028, 100%

This year the Board is exercising its authority to increase assessments by 3% or \$10.00 per month, from \$320.00 to \$330.00 effective July 1, 2019.

The Association's amenities which include, pool, spa, clubhouse, tennis courts, tot lot, and maintenance of front lawn landscaping offers an increased value to the community whether used by a specific owner or not. It is what attracts new buyers and maintains high property costs. On a recent tour of a new contemporary development just built in Santee, the assessments were \$314-332. The homes were similarly spaced as Villa Antigua's, with no trees, exterior home maintenance, landscaping maintenance, tennis courts, on-site manager or landscape/maintenance crew included in this cost. Villa Antigua continues to provide an exceptional amount of service for a low amount of assessment dues.

ELECTION OF THE BOARD OF DIRECTORS: Clover Ericson, acting as the inspector of elections, confirmed there were no nominations from the floor and announced that the ballots have been counted and the following has been established by vote:

Marla Fee – 81 votes
Joseph Lindsay – 81 votes
Caryn Maroni – 67 votes
Robert Bergman – 60 votes
Yassin Nachite – 1 vote

Marla Fee, Joseph Lindsay and Caryn Maroni are elected to the Board of Directors from April 2019 through April 2021.

EXCESS OPERATING FUNDS RESOLUTION: IRS ruling: 84 yes votes; 1 no vote and 22 abstentions. IRS ruling passed.

ADJOURNMENT: There being no further business the meeting was adjourned at 7:40 P.M.

Respectfully Submitted:



Clover Ericson
Recording Secretary



Maureen Ruchhoeft
Association Secretary