

University Terrace Homeowners Association Board of Directors Meeting Minutes – October 21, 2020

Board Members Present: Eric Gillet – President, Ben Tucker – Vice President, Lewis Ames – Treasurer, Betsy Rate– Secretary, Sarah Reynolds– Director, Alexandra Saum-Pascual – Director

Board Members Absent: None.

Others Present: Dina Varellas – Willis Management Group, Inc (WVG)

Call to Order

Meeting called to order at 6:30 p.m. via Zoom Video Conference.

Open Forum

Owners present discussed the following matters: The need for fertilizer for lawn. Joseph Cassel shared information for window replacement for upstairs units, building 1-8 (12 windows and a slider; base price \$11,982). Window replacement will require ARB approval and falls under the expense and responsibility of the homeowner. There is a potential for a group discount. Note: building 9 not applicable. The Board agreed to reopen the tot lot for Association residents and the general public with a sign indicating how they can use a google calendar to reserve a time slot. Board to inquire with Anne Aaboe to see if the reservation system can be incorporated into the website. Tot lot to remain locked at night.

Minutes

The regular meeting minutes of July 15, 2020 were approved as written.

Management Report

The Board reviewed the October report and calendar of events.

Financial / Collections

1. August 2020 Financial Reports – The balance in the operating account is \$227,286.15 and reserves is \$544,234.01. The Board verified that WVG distributed the June, July, and August 2020 reports to each member of the Board and the reports included:
 - (a) Balance sheet;
 - (b) Budget comparison report (a/k/a income and expense report) reflecting the current year's actual operating revenues and expenses compared to the current year's budget;
 - (c) An income and expenses for the Association's operating and reserve accounts;
 - (d) Accounts receivable reflecting delinquent assessments and other fees and/or costs owed to the Association;
 - (e) Accounts payable;
 - (f) Check register;
 - (g) Pre-paid assessments;
 - (h) General ledger (monthly and year-to-date);
 - (i) Bank statements for operating and reserve accounts along with reconciliation of each.
2. 2021/2022 Budget Discussion – Gillet recommended beginning the discussion for next years budget at the January board meeting as there is an anticipated number of cost increases.

Old Business

1. Buildings 1 – 8, and 9 Balcony Re-Coating – The Board tabled said review of governing documents and determination if Association or owners are required to fund maintenance and related expenses. The Board agreed to include maintenance review with Civil Code 5551 visual inspections and legal review.
2. Building 9 Carpet Replacement (halls and stairs of floors 1, and 2) – Chava Boyarin and Committee working to obtain estimates to replace the carpet in building 9; Gillet to follow-up with Boyarin on status of estimates and when they will be available for Board consideration. The Board agreed to table the cleaning of the carpet, should the estimates be received soon.

3. Automatic Gas Shut-off Valves – To date, buildings 4, 6, 8 and 9 have been completed. Gillet to send an update to owners and notify residents that the Association intends to move forward with the installation of automatic gas shut-off valves at remaining buildings. Board to request one owner represent (from each building) and take the lead to coordinate with owners and management.
3. Earthquake Insurance – Socher Insurance (Associations insurance broker) provided the following information for earthquake limits of \$28,750,181: a) premium presented at \$165,000 plus taxes and fees for a 15% deductible or b) premium of \$137,500 plus taxes and fees for a 20% deductible. The Board agreed to table the matter due to the complexity and high costs; however, directed WMG to obtain a cost/risk benefit analysis from the insurance broker. In addition, the current Board to research why former board chose to end earthquake coverage many years ago. Once further research is conducted and information gathered, the Board to poll owners on desire for earthquake coverage and increase in monthly assessments to cover the increase in premium.
4. Compliance with Civil Code §5551 – The Board approved the proposed estimated time-frame and related costs, as submitted by Hughes, Gill, Cochrane, Tinetti to complete the following legal review with regards to the requirements set forth in Civil Code §5551: a) provide written data precisely identifying that which the Association is obligated to maintain, repair or replace in accordance with its CC&R's, as it pertains to Civil Code Section 5551, b) create and/or aid in the creation of inspection requirements and bid specifications for inspectors, c) review and comment upon inspector contracts, and d) review and comment on repair contracts. WMG to notify legal counsel.
5. Update with UT Co-op – The Committee is not moving forward with the co-op proposal at this time. The Board agreed for the Association to cover the legal costs associated with the review of said proposal and to draft the release of liability in the approximate amount of \$850.

New Business

1. Patrice Brault Resignation / Board Member Appointment – Brault resigned due to upcoming move and Sarah Reynolds (2158 Jefferson) was appointed by the Board to replace his position of Director.
2. Governing Document Revision / Proposal – The Board approved the proposal to revise the Association's governing documents in the estimated amount of \$10,000 – \$12,000, as submitted by Hughes Gill Cochrane Tinetti.
3. AB 3182 (addition to Civil Code Section 4740) – A new law, AB 3182 (addition to Civil Code Section 4740), regarding rental or leasing of separate interests, and accessory dwelling units becomes effective January 1, 2021. Although the Association will have until December 31, 2021 to amend its governing documents regarding rental restrictions and accessory dwelling units, restrictions related to the term and quantity and restrictions related to Airbnb and the like, are void and unenforceable as of December 31, 2020. Enforceability can occur again, within the limits of AB 3182, after an amendment of the Association's governing documents. Said review to occur with the overall governing document review and revision process.
4. Landscape Maintenance / Contract Review – The Board discussed current maintenance and contract. UT landscaping has been trending to a poor level of care. A Board member whose unit overlooks the common grounds verified the commons is in decline. The Board discussed a table in the packet comparing the existing landscape resources and level of activity with the norms for a complex the size of UT. The current contract calls for three landscaping workers to be on site twice a month at 5 hours a visit. The discussion acknowledged that landscape labor is difficult to find and employ. Therefore, the level of activity needed may not be possible under the terms of the contract. In light of these constraints and the experience of the last several months, it was proposed that the next step should be to revise the current contract terms and immediately task the landscape contract with being on site three days per month regardless of how many coworkers he is able to employ. Concurrently, the Board would like WMG to work with Bill Reed to discuss challenges he may have with adding workers and the request that he begin now working one day a month more. The Board directed WMG to communicate the new hours / per month with Bill Reed, owner of Bay Area Landscapes. The Board asked WMG to monitor if 4 days per month and work with Reed in the coming weeks to advise if 4 days per month may be needed for Reed to provide the needed coverage.
5. Authorization to Present to University / ARB – The Board agreed for Ames and Tucker to contact ARB and University to seek support and increase unit resale value should an owner install solar panels. In addition, Gillet mentioned the California law (2018) that affects solar panel installation and

condominium Associations (homeowner liability, fair use of roof/ common area). The Board agreed to move forward with the solar outreach with no commitment for expenditures at this time.

6. Solar Study Update: Roof Structure & Surface Inspection Reports – Ames provided an update on the roof report and recommendations for the replacement of building 9 roof and potential cost savings should owners agree to install solar during the time the roof is replaced. Gillet mentioned if members interested in the project should support the financial costs of the preliminary research (once over \$5,000) vs. the Association funding research/project; no formal decision was made.
7. Pest / Rodent Control – The Board directed WMG to obtain proposals for rodent bait stations and monthly maintenance.

There being no further business to discuss, the meeting adjourned at 8:55 p.m.