

Coronado Shores Condominium Association #9

HILITES OF MEETING BOARD OF DIRECTORS

OCTOBER 20, 2016

Directors Present: Sue Welch, President
Laury Graves, Treasurer
Lloyd Sauter, Director

Director Absent: Bob Hendricks, Vice President
Jon Schiff, Secretary

Also Present: John van Blerck, JVB Construction Management, Inc.
Interested Owners (sign-in sheet attached to original minutes)
Karen Oyanguren, General Manager, Eugene Burger Management Corp.

OPEN TIME FOR OWNERS

An owner had submitted a written inquiry regarding the plumbing project and suggested that the Board investigate using the epoxy lining on the bathroom drain lines rather than removal/replacement. This matter will be discussed later in the meeting under the agenda item for the plumbing project. (#1208)

FINANCIAL ISSUES

Accounting Software Upgrade: Karen Oyanguren explained that, due to implementing an accounting program upgrade at Eugene Burger Management Corp., billing statements did not reflect current account activity. The company regrets the error and apologizes for any inconvenience.

Annual Financial Review/Tax Preparation: Proposals were reviewed as follows:

Gregory Villard, CPA = \$1,575 (includes State Board of Equalization use tax return)

Beck and Company, CPA's = \$1,750

Newman & Associates = \$2,025 (\$200 extra to prepare State Board of Equalization return)

It was noted that Newman & Associates prepared the returns in 2014 and 2015 at the same price as currently quoted.

Following a discussion, the Board voted to table the matter pending a recommendation from the Audit Committee.

2017 Proposed Budget: Treasurer Laury Graves reported that the Finance Committee met with the Building General Manager to discuss the proposed 2017 budget. Although some operating costs have slightly increased, most remain about the same; however, she explained that, although a few additional paid holidays were recently provided to full time staff, wages have not increased in the past few years. In addition, the state minimum wage law increases over the next several years will need to be considered.

Reserve Study Committee: Glenn Welch reported that the committee reviewed the projected reserve expenses and considered options for funding the hallway renovation in 2020. Option One is to maintain the current annual budget deposit of \$233,868 into the reserves. Using an estimated renovation cost of \$3.5 million, a \$2.8 million special assessment will be needed in 2020. Option Two is to increase the reserve deposit by about 7% in 2017 (\$323,000), in 2018 (\$429,658) and in 2019 (\$563,450). Using the estimated renovation cost of \$3.5 million, a \$1.9 million special assessment would be needed in 2020. No action was taken at this time.

EL MIRADOR BUILDING COMMITTEE REPORTS

Landscape: Sandy Strickland reported that Mission Hills Nursery has been providing service since September 15, 2016, and is typically on site every Thursday. An addendum outlining a more detailed scope of work has been presented.

Insurance: Mike Dabbar reported that the committee met on October 18, 2016, to review the employee health plans and voted to approve Sharp Health Care High (\$532.31) and Low (\$521.30)

plans with a 2.9% premium increase. The Delta Care dental plan remains the same (\$28.05). The SIMNSA Medical premium (\$221.05) increased 5% and the new SIMNSA Dental premium (\$16.56) represents a 3% increase.

Ad Hoc Bulk TV: Unable to attend the meeting, Bob Hendricks submitted a written report. The committee reviewed proposals from Charter Communications (Time Warner) and DISH. The Charter proposal would require re-wiring the building. Discussions with DISH included the following: use of fiber optic cable already installed at each unit; two new state-of-the-art High Definition DVR receivers ("The Hopper and Joey"); a 200-channel program bundle plus premium movie channels and internet service. Although residents who do not already have a wireless router will need to purchase one for WiFi capability, the bulk agreement will result in an overall cost savings. The committee unanimously recommends a five-year contract extension with DISH. The matter was tabled pending review of the contract by legal counsel.

Hallway Renovation: Glenn Welch reported that Charlotte Jensen & Associates is compiling a comprehensive report on the condition of the doors, door frames, thresholds, and other details important to value engineer the project.

It was also noted that there will be several areas where drain pipes will be removed and replaced from access in the common area hallways, thereby damaging the wallpaper that had not been considered for replacement in the previously approved scope of the remodel.

OTHER COMMITTEE REPORTS

L & R Landscape Sub-Committee: Sandy Strickland reported that the grassy island located in front of the building should have two new hibiscus shrubs planted (\$118); however, there are no funds available for the remainder of the year. Thanks to Director Lloyd Sauter, who agreed to donate the amount needed, the shrubs will be purchased and installed.

L & R Committee: A consultant has been hired to begin the search process for qualified General Manager candidates.

L & R Beach Club: Therese Abboud submitted a written report of the meeting held on October 18, 2016. Upcoming events include a Halloween party; wine tasting in November; tree trimming in December and a New Year's Eve celebration.

Enforcement: Roadways will be sealed and re-stripped Nov.2 through Nov. 4, 2016. Traffic will be impacted and no common area parking will be permitted during this time.

OTHER BUSINESS

Plumbing Project: The Board had previously approved Cohn & Associates architectural services (\$9,500) to prepare drawings and documents as required by the City of Coronado. John van Blerck reported that those revised plans were submitted to the City earlier this morning.

Change Order: AV Builder submitted a request for a change order in the amount of \$3,934.44 to survey ten terrace units and obtain core samples for lab testing to determine the presence of asbestos. Upon motion made, seconded and carried, the change order was approved by a vote of two to one with Director Sauter opposed.

NuFlow: The Board reviewed an unexplained and unsolicited email from NuFlow that indicated there were less stacks than originally considered and proposed a reduced price for epoxy lining.

Project Management: John van Blerck indicated that discussions with the association attorney regarding terms of the JVB agreement to provide project management for the plumbing pipe replacement are still in progress but should be concluded soon.

NEW BUSINESS

Holiday Party: It was suggested to consider a reception from 5:00 P.M. to 7:00 P.M. on Thursday, December 15, 2016, in the lobby area with appetizers and drinks being served. The matter was tabled until the next meeting.

GENERAL INFORMATION

Other Plumbing Repairs: Bids are still being obtained to repair the leaking 6" copper pipe located in the lower garage. Work will need to be done at night as it requires the water to be shut off to the entire building. The Board has approved an amount not to exceed \$3,500 to be expensed from the Mechanical/Plumbing Reserve.

In addition, bids are being obtained on another plumbing repair to be done at night while the water is off to the entire building. Work includes relocating four shut-off valves from an inaccessible area on the roof. The Board has approved an amount not to exceed \$3,500 to be expensed from the Mechanical/Plumbing Reserve.

Other Pending Projects: JVB Construction Management, Inc. was approved to prepare the scope of work and bid specifications for: (a) concrete spalling repairs, (b) exterior painting and (c) repair of aluminum railings that have peeling/bubbling finishes. The request for proposals will be sent to contractors and includes job walks and preparation of a bid analysis with recommendations to be reviewed with the Board. The total cost (\$8,725) will be apportioned to each appropriate reserve category.

FUTURE MEETINGS

Unless otherwise noted, regular Board meetings begin at 9:00 AM on the third Thursday of each month. Tentative schedule for future meetings: November 17 and December 15, 2016; January 19, 2017.