

Meeting Minutes

Regular Meeting of the Board of Directors of the Rocky Ridge Properties Owners Association

Meeting Date: December 27, 2019

Location: Telephonic

Scheduled Meeting Time: 9:00 pm

Notice of Meeting: Bill (Yates) Bauder confirmed that he provided notice to the property owners of the board meeting in accordance with the requirements of the Association's Bylaws (e.g., by the means permitted by the Bylaws and with sufficient advance notice to comply with the Bylaws).

Quorum: Steve Dohrmann, Bob Schuchardt, Laura Bertone, Nick Farwell and Curt Sproul were in attendance (each participating by dial-in to the teleconference call). Bruce Shepherd also was in attendance (he participated in the phone call from the Association's office in the building behind the real estate office (the latter of which is the building near the Rocky Ridge entrance gate). Accordingly, a quorum of directors was present. Yates also attended the meeting. Frank Pagliaro did not attend the meeting.

President Steve Dohrmann called the meeting to order at 9:00 am.

1. **Approval of Minutes of 12-10-19 Board Meeting.** The minutes for said board meeting, in the form circulated to the directors, were approved. Nick motion; Curt second; unanimous vote.
2. **Counting of Ballots for Election Regarding Proposed Increase in Regular Assessment.** In an earlier board meeting, the board appointed Ray O'Neal to serve as the inspector for the election concerning a potential increase in regular assessments to up to \$12,660. Prior to the 12-27-19 board meeting, Ray O'Neal appointed Yates as his assistant to assist in the counting of the submitted ballots. Yates reported that 67 ballots had been timely submitted by homeowners, which means that a quorum of homeowners participated in the election. Yates then proceeded to open and count the ballots. Yates reported that 45 of the submitted ballots were marked to vote to approve the proposed increase in the regular assessments. This means that the proposed increase in the regular assessment to up to \$12,660 per year was approved by the homeowners.
3. **Insurance Update and Insurance Procurement.** Yates reported that subsequent to the 12-10-19 board meeting, the Association's insurance broker received a final commitment from a Texas insurer (rated A-XV by A.M. Best) as follows:
 - The insurer would provide property liability insurance from January 1, 2020 to May 15, 2020 for premium costs of just less than \$74,000.
 - The insurer would provide the Association with an option to extend the policy for an additional 12 months in exchange for premium costs of just less than \$200,000.

Yates determined to accept this commitment, and to procure the insurance on behalf of the Association through May 15, 2020. Yates made this decision based upon:

- The instabilities in the insurance market, and the risk that the policy proposal might be withdrawn if not quickly accepted;
- The fact that the next best quote called for a \$325,000 premium for a 12 month policy;
- Consultation with President Steve Dohrman. President Dohrman in turn consulted with Frank Pagliaro (a current board member) and Roger Gault (a former board member), both of whom (i) are experienced in the review of insurance policies and (ii) after such review, both

recommended that the Association proceed quickly to procure the proposed policy. President Dohrman also consulted with the other board members.

The board adopted a resolution approving the procurement of such insurance by Yates. [Bruce Motion, Nick second, unanimous vote.] The board further directed Yates to continue to explore procuring alternative insurance for the period subsequent to May 15, 2020.

Finally, the board noted in discussion that the premium quote that Yates accepted on behalf of the Association likely would not have been as low as it was were it not for (i) the brush removal program around the Rocky Ridge buildings recently implemented by Yates and his team, (ii) the Burton Creek tree removal project undertaken in 2019 and (iii) the water turn off valves installed in each of the units a few years ago. These steps make Rocky Ridge a more attractive development for insurers (as further witnessed by the materially higher premiums being charged to several comparable common interest projects in or around Tahoe City).

4. **Increase in Regular Assessment.** In order to provide revenues for the Association to pay the premiums on the policy, the board adopted a resolution to raise the annual regular assessment \$11,580 per homeowner (\$2,895 per calendar quarter). [Bruce motion, Nick second, unanimous approval]. This increase represents an increase of approximately 12.4% and is considerably less than the increase approved by the homeowners in the December election.
5. **Modification to 2020 Budget.** Given the premium for the property liability insurance and the related adjustment in the annual regular assessment, the board adopted a resolution amending the approved budget for the 2020 year to read as attached to these minutes. [Nick motion, Steve second, unanimous vote.]
6. **Suggestions by Board Members for other future Agenda topics (subject to change).**
 - February 18, 2020 Meeting: Consideration of election rules.
 - February 18, 2020 Meeting: Consideration of the manner in which the Association should respond to the new Placer County Short Term Rental Ordinance.
7. **Adjournment.** The board meeting was adjourned at 9:24 am.

ANTICIPATED SCHEDULE FOR FUTURE BOARD MEETINGS (subject to change):

- February 18, 2020 at 9:00 am (Location: Telephonic)
- April 14, 2020 at 9:00 am (Location: Telephonic)
- May 19, 2020 at 9:00 am (Location: Telephonic)
- July 7, 2020 at 9:00 am (Location: Telephonic)
- September 5, 2020 at 9:00 am (Location: Rocky Ridge Beach Clubhouse)

Rocky Ridge Properties Owners Association

12/10/19
7:52 AM

BUDGET FOR 2020
(with prior year comparison)

	2019	2020	Delta \$	Delta %
s				
Operating Budget				
Revenue				
Assessments	\$ 1,050,600	\$ 1,181,160	\$ 130,560	12.4%
To Reserves	(148,920)	(157,080)	(8,160)	5.5%
Buoy Fees	39,200	43,400	4,200	10.7%
Other Income	1,560	1,560	-	0.0%
Net Revenue	942,440	1,069,040	126,600	13.4%
Expenses				
Administration	198,048	285,479	87,431	44.1%
Utilities	66,602	70,006	3,404	5.1%
Labor	608,478	633,454	24,976	4.1%
Supplies	36,950	39,650	2,700	7.3%
Vehicle & Equipment	31,691	40,500	8,809	27.8%
Other Maintenance	32,390	33,090	700	2.2%
Depreciation	30,192	29,664	(528)	-1.7%
Taxes, Income	-	-	-	
Total Expenses	1,004,351	1,131,843	127,492	12.7%
Excess of Revenue (Expenses)	\$ (61,911)	\$ (62,803)	\$ (892)	1.4%
Real Property Budget				
Revenue (Rent)	\$ 54,014	\$ 59,662	\$ 5,648	10.5%
Expenses				
Depreciation	8,136	4,680	(3,456)	-42.5%
Property Taxes	1,782	1,888	106	5.9%
Maintenance & Other	6,694	11,526	4,832	72.2%
Taxes, Income	9,807	9,807	-	0.0%
Total Expenses	26,419	27,901	1,482	5.6%
Excess of Revenue	\$ 27,595	\$ 31,761	\$ 4,166	15.1%
Combined Budget & Cash Flow				
Excess of Revenue (Expenses)				
Operating Fund	\$ (61,911)	\$ (62,803)		
Real Property Fund	27,595	31,761		
Combined	(34,316)	(31,042)		
Expenses not requiring cash:				
Depreciation	38,328	34,344		
Cash Flow from Operations	4,012	3,302		
Cash Flow	\$ 4,012	\$ 3,302		
Property Dues per Quarter				
Property Dues per Quarter	\$ 2,210	\$ 2,510	\$ 300	13.6%
Reserves per Quarter	365	385	20	5.5%
Assessment per Quarter	\$ 2,575	\$ 2,895	\$ 320	12.4%

Note: A copy of the pro-forma budget is available to any member by writing to the Association office at P. O. Box 432, Tahoe City, CA 96145

Rocky Ridge Operating Fund BUDGET WORKSHEET FOR 2020												12/10/19 7:53 AM	2018		4
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Total	Delta
Revenue															
500 Assessments	124,610	85,340	85,340	124,610	85,340	85,340	124,610	85,340	85,340	124,610	85,340	85,340	1,181,160	1,050,600	130,560
Transfer to Reserves	-39,270	0	0	-39,270	0	0	-39,270	0	0	-39,270	0	0	-157,080	-148,920	-8,160
150 Oper Fund Assmnts	85,340	85,340	85,340	85,340	85,340	85,340	85,340	85,340	85,340	85,340	85,340	85,340	1,024,080	901,680	122,400
Buoy Fees	0	0	19,600	15,400	1,400	5,600	1,400	0	0	0	0	0	43,400	39,200	4,200
153 Late Charges	75	75	75	75	75	75	75	75	75	75	75	75	900	900	0
158 Interest	5	5	5	5	5	5	5	5	5	5	5	5	60	60	0
151 Other Income	50	50	50	50	50	50	50	50	50	50	50	50	600	600	0
Total Revenue	85,470	85,470	105,070	100,870	86,870	91,070	86,870	85,470	85,470	85,470	85,470	85,470	1,069,040	942,440	126,600
Expenses															
Administration															
60 Accounting (less amt to PF)	2,336	2,336	2,336	2,336	2,336	2,336	2,336	2,336	2,336	2,336	2,336	3,836	29,532	28,656	876
61 Auditing	0	1,900	6,700	4,600	0	0	0	0	0	0	0	0	13,200	10,000	3,200
62 Directors Meeting	0	0	0	0	0	0	0	0	2,900	0	200	0	3,100	3,100	0
Donations	0	0	0	0	0	0	0	0	0	0	0	0	0	100	0
63 Insurance Premiums	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	204,000	120,000	84,000
67 Insurance-Self Ins	300	300	300	300	300	300	300	300	300	300	300	300	3,600	3,600	0
65 Office & Misc	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000	12,000	0
64 Legal	50	50	50	50	50	50	50	50	50	50	50	50	600	1,200	-600
66 Pier/Buoy Rent	0	0	0	0	0	0	0	16,327	0	0	0	0	16,327	16,327	0
Property Taxes	0	0	0	968	0	0	0	1,208	0	0	0	944	3,120	3,065	55
69 Total Administration	20,686	22,586	27,386	26,254	20,686	20,686	20,686	38,221	23,586	20,686	20,886	23,130	285,479	198,048	87,531
Utilities															
50 Gas - Beach	180	180	180	100	80	80	50	50	60	60	100	150	1,270	1,180	90
51 Gas - Pool	17	17	17	17	17	300	600	700	550	17	17	17	2,236	2,036	200
52 Gas - Spa	500	300	250	100	250	550	400	400	550	300	50	500	4,150	4,150	0
53 Electricity - Other	1,250	1,100	1,100	1,100	850	750	750	700	750	750	800	950	10,850	9,850	1,000
54 Electricity - Pool	20	20	20	20	20	200	500	550	500	20	20	20	1,910	1,731	179
55 Electricity - Spa	600	500	500	500	300	500	600	550	550	500	300	450	5,850	4,795	1,055
Internet	190	190	190	190	190	190	190	190	190	190	190	190	2,280	2,280	0
56 Sewer/Water	680	680	680	680	680	680	680	680	680	680	680	680	8,160	8,160	0
57 Trash	2,200	2,200	2,200	2,200	3,600	2,900	2,250	2,250	2,250	2,250	2,250	2,250	28,800	27,920	880
58 Telephone	375	375	375	375	375	375	375	375	375	375	375	375	4,500	4,500	0
59 Total Utilities	6,012	5,562	5,512	5,282	6,362	6,525	6,395	6,445	6,405	5,142	4,782	5,582	70,006	66,602	3,404
Maintenance															
Labor & Benefits															
2 Exempt	26,240	26,240	26,240	26,240	26,240	26,240	26,240	26,240	26,240	26,240	26,240	32,740	321,376	312,800	8,576
3 Benefits	6,816	7,457	7,457	7,457	7,457	7,457	7,457	7,457	7,457	7,457	7,457	8,079	89,465	89,296	169
4 Full Time	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 Benefits (Accounting)	464	464	464	470	401	401	401	401	401	401	401	401	5,070	5,070	0
6 Temporary	12,778	11,616	12,197	12,778	15,400	13,024	13,616	12,432	12,432	5,262	4,576	8,096	134,207	120,520	13,687
7 Benefits	1,543	1,403	1,543	1,626	1,996	1,626	1,626	2,198	1,471	668	581	1,471	17,752	17,752	0
8 Painting	0	0	0	0	0	15,488	16,192	14,784	14,784	0	0	0	61,248	55,776	5,472
9 Benefits	0	0	0	0	0	2,007	2,007	2,198	1,816	0	0	0	8,028	8,028	0
10 Compensated Absences	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Recreation Beach	0	0	0	0	0	864	4,536	4,464	1,008	0	0	0	10,872	13,800	-2,928
13 Benefits	0	0	0	0	0	163	506	506	49	0	0	0	1,224	1,224	0
14 Salary Labor Charged Out	-50	-50	-50	-50	-7,644	-7,644	-50	-50	-50	-50	-50	-50	-15,788	-15,788	0
19 Total Labor & Benefits	47,791	47,130	47,851	48,521	43,850	59,626	72,531	70,630	65,608	39,978	39,205	50,737	633,454	608,478	24,976
Supplies															
20 Building	500	0	0	0	0	1,000	1,500	1,000	0	0	0	0	4,000	3,000	1,000