

The FYI

A Private Residential Community

Newsletter for the Edgewood Townehouse

MESSAGE FROM THE BOARD

Preserve. Restore. Maintain.

Christine Donahue,

President, Edgewood Townehouse Association etapresident@email.com

In October each year the Edgewood Townehouse Association holds its

Annual Open Forum Business Meeting. This year the date is October 23 and we will elect Board members. The Board is comprised of nine volunteer homeowners who oversee our 12 beautiful acres and nineteen buildings with our part-time professional Facilities Manager. Each year three Board Members' terms expire. This year we also have a vacant seat to fill.

Included with this FYI is a list of the declared candidates as of the date of this publication. Each of the three incumbents have volunteered to serve for another three years on the Board. Nominations for the Board will be accepted at the Annual Business Meeting only if the nominee is present and accepts the nomination.

The Board has met 8 times since mid-August to work on the budget. Five of those meetings were Open Forums. All eight meetings had good attendance by homeowners and many comments were offered. On behalf of the Board, thank you for your participation in this process as we move to the next steps.

As we pass through the Fall Equinox, towards the autumn and winter seasons, we need to take a moment to look back over the most extraordinary year in our nearly forty-eight-year history. We have much to be proud of over the past year, and many continuing challenges to pursue for the future. Our Annual Business Meeting is a special time for us to reflect and plan for that future. Our Annual Business Meeting is always held on the fourth Tuesday of October. This year, our Annual meeting will be held on Tuesday, October 23, 2018, at the Clubhouse, beginning at 7 PM.

The most important task at our Annual Meeting, of course, is the selection of Board of Director members. Currently, we have three Board members whose terms will end, and there is a list of candidates interested in serving on the Board for a three-year term. Included with this edition of the FYI is a list of candidates seeking a three-year term on the Board, a nominee application form, and the Duties and responsibilities of the Board of Directors. During the Annual Business Meeting, however, nominations for the Board positions will continue to be accepted, only if the nominee is present and accepts the nomination.

If you are interested in running for a Board of Director position, complete the nominee application form and submit it in the mail slot at the Clubhouse Front Door by 5 PM on Friday, October 12, 2018. All nominees whose applications are received will be included on the ballot and proxy ballots. Proxy ballots will be included with the October 2018 FYI Newsletter.

Besides the election of Board members, the Annual Meeting is a time to meet other Association members, share ideas and concerns, and be part of the planning of our community's future. Your attendance is very important in the business and governance of our Association. If you have comments, compliments, or concerns that you care to share, or have questions that you need answers to, please bring them to our Annual Business Meeting on Tuesday, October 24th beginning at 7 PM.

The Westbrook Way and Brookside Drive Gate will be closing on Friday, October 12, 2018. The gate is open as a safety measure during the summer fire season. Temperatures have been dropping into the fifties during the late evenings and overnight, and ocean storm fronts have begun to bring rains back to the valley. The risk of urban forest fire is now diminishing.

UPCOMING EVENTS

Next Regular Board of Directors Business Meeting:

Tuesday, October 9, 2018 at 6.30 pm, meeting in the Clubhouse

Special Board Budget Meetings

Tuesday, October 2, 2018 at 6.30 pm, open meeting in the Clubhouse

Self-Nomination Forms:

Homeowners interested in serving on the Volunteer Board of Directors submissions due at Clubhouse Mailslot Friday October 12, 2018.

October Annual Open Forum Business Meeting:

Tuesday, October 23, 2018 at 7 pm in the Clubhouse.

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EDGEWOOD TOWNEHOUSE ASSOCIATION

Board of Directors Monthly Business Meeting

Preserve – Restore – Maintain

Tuesday, September 11, 2018

Call to Order: The meeting was called to order at 6:30 p.m. Board members present were: Christine Donahue, Mary Ann Arnone, Darell Bidstrup, Sharon Kimble, Michael Maulding, Don Pasquali, and JoAnn Wilson. Dan Goodlett was excused. Also present was Frank Gaddini, ETA Director of Operations and Facilities and Budget Advisory Committee members Michele Coney and Connie Hirsch. Ten homeowners were in attendance.

Approval of Minutes: A quorum of the Board approved the minutes of August 14, 2018, as amended.

Standing Reports:

1. Facility Report: Submitted
2. Treasurer's Report: Submitted
3. Website Coordinator: No report submitted
4. Swimming Pool: Pending
5. Clubhouse Coordinator: No report submitted
6. Hospitality Coordinator: Vacant volunteer position
7. Welcome Coordinator: No report submitted

Old Business:

1. Honoraria: Discussion. Sharon Kimble summarized the existing policy as adopted on February 13, 2018. The Board agreed to use the existing ETA logo on papers of various sizes in addition to letterhead (e.g., 1- and 2-sided cards on card stock). Such cards could be sent for sympathy messages as well as for other purposes. Due to the press of business, the Board had not yet acknowledged the deaths of two of our community members; commercial cards for the surviving spouses were signed by Board members.
2. Budget Planning: The Next Step [the discussion was deferred to the end of the agenda in order to dispense with other discussion items first]. Frank Gaddini provided Board members with the following updated handouts: Proposed FY2018 Operations-Only Budget and the proposed Six-Year Major Restoration and Repair Plan. He pointed out the changes made since the previous meeting based upon Board and homeowner input. Connie Hirsch reviewed the August 2018 Profit & Loss (P&L), the Balance Sheet as of August 31, 2018, and the ETA Budget History handout. She also distributed updated ETA Dues Increase and Assessment Models with and without the implementation of the proposed six-year plan. It was agreed that the dues should be raised enough to cover operations and unanticipated major maintenance items while any assessment, if approved, would be used for planned major repairs and restorations. The Board's discussion will continue and the models will be further refined based on Board and homeowner input in a series of upcoming closed- and open-forum meetings. The Board agreed to add two open-forum meetings prior to the HOA annual meeting (in addition to the closed-forum meeting on September 18th). The open-forum meetings will be held at 6:30 PM in the Clubhouse on September 25th and October 2nd. (See Announcements.) A third open-forum meeting may be added on October 16, 2018.

New Business:

1. Reading of Homeowner Letters: Christine Donahue briefly summarized letters to the Board from seven homeowners to allow maximum time for the budget discussion. She repeated an earlier assurance that all homeowner letters to the Board are carefully read and considered.
2. Waivers: 35WW: Request to park in designated parking until October 31, 2018. Approved. 136BB: Request to park a white Acura in designated parking for 90 days. Approved for 30 days only; nonrenewable. 71WW: Request to park in designated parking until October 31, 2018. Approved.
3. Service Agreements: Discussion. Frank Gaddini discussed the use of service agreements to reduce the cost of contractor labor and ensure prompt response time. ETA has historically used such agreements for mowing/bed maintenance and leaf removal and will investigate their use for other recurrent contractor services, especially carpentry.

Announcements:

1. FYI Editor Volunteer: Board member Sharon Kimble has agreed to serve as FYI editor.
2. Special Open-Forum Meeting on the Budget: Wednesday, September 12, 2018, in the Clubhouse at 6:30 PM
3. Special Closed-Forum Board Business Meeting on the Budget: Tuesday, September 18, 2018, in the Clubhouse at 6:30 PM
4. ETA Tea: Christine Donahue and Frank Gaddini will join the monthly ETA Tea to hear any concerns about the ETA budget on Wednesday, September 19, 2018, in the Clubhouse at 2:00 PM
5. Pool Closure: Sunday, September 23, 2018, at 9:00 PM
6. Special Open-Forum Meeting on the Budget: Tuesday, September 25, 2018, in the Clubhouse at 6:30 PM
7. Appreciation Reception for Bruce Trafton: Sunday, September 30, 2018, in the Clubhouse at 2:00 PM. Hosted by the Board.
8. Special Open-Forum Meeting on the Budget: Tuesday, October 2, 2018, in the Clubhouse at 6:30 PM

9. Self-nominations for expiring and vacant Board seats in order to appear on ballot: No later than Friday, October 5, 2018, by 5:00 PM, in the Clubhouse mailbox
10. The next regularly scheduled Board of Directors Business Meeting: Tuesday, October 9, 2018, in the Clubhouse at 6:30 PM
11. The next HOA Annual Meeting: Tuesday, October 23, 2018, in the Clubhouse at 7:00 PM

The meeting was adjourned at 9:00 PM. An executive session was held thereafter to discuss a personnel matter.

JoAnn Wilson, Secretary. Email: etasecretary@email.com

EDGEWOOD TOWNEHOUSE SPECIAL CLOSED- AND OPEN-FORUM MEETINGS

Preserve • Restore • Maintain

Closed-Forum Special Meeting: Tuesday, August 28, 2018--

Attendees: 8 ETA Board members, Frank Gaddini, Connie Hirsch, and 11 homeowners

The meeting was opened at 6:30 PM to discuss the FY2019 budget. As Frank Gaddini reminded the Board and audience, budget making is a 4-part process consisting of: planning, execution, appropriation, and assessment. The Board is at the planning stage. Multiple handouts were distributed to the Board including a proposed FY2019 Budget (Model 1) based on a 4% HOD increase; a 2015-2019 (proposed Model 1) Profit and Loss (P&L) table; a draft Six-Year Proposed Major Restoration and Repair Plan; and a six-year forecast that includes restoration expenses and an allowance for unanticipated expenses. These documents were jointly prepared by Frank Gaddini and Budget Advisory Committee members Connie Hirsch and Michele Coney. The Board greatly appreciates their time and effort. After extensive discussion of the handouts, the meeting was adjourned at 8:40 PM.

Closed-Forum Special Meeting: Tuesday, September 4, 2018--

Attendees: 7 ETA Board members, Frank Gaddini, Connie Hirsch, and 22 homeowners

The meeting was opened at 6:30 PM to continue discussion of the FY2019 ETA budget and the Six-Year Proposed Major Restoration and Repair Plan. Board President Christine Donahue asked Board members for their thoughts/comments. Topics raised over the next two hours included the following: the FY 2018 (YTD) Operations Budget, especially grounds expenditures; the inadequacy of a 4% HOD annual raise to meet HOA needs; the high quality and comprehensiveness of the data produced by the Budget Advisory Committee; examples of how unanticipated expenditures have driven up project costs; methods used to estimate project costs; the use of bids for projects over a certain threshold; and sticking to the budget. Frank Gaddini will update and revise the budget handouts for the September regular business meeting to reflect questions/concerns raised by the Board. The Board agreed to hold an Open-Forum Meeting on the budget on Wednesday, September 12, 2018, in the Clubhouse at 6:30 PM. The meeting was adjourned at 8:30 PM.

Open-Forum Special Meeting: Wednesday, September 12, 2018 --

Attendees: 7 ETA Board members, Frank Gaddini, Connie Hirsch and Michele Coney, and 31 homeowners

The meeting was opened at 6:30. Frank Gaddini spoke about the past and current budget processes. He explained conceptualizing the current budget as really two budgets: (1) Operations (including unexpected repairs and restoration) and (2) a Six-Year Major Restoration and Repair Plan. He gave examples of how unexpected projects have affected costs and how ETA contractor bids are based on project specifications or "specs." At this point, the homeowners raised a number of topics including: the seriousness of the situation; the lack of committees in the process; the advantage of paying major restoration and repair expenses on a short- rather than long-term basis; the fact this financial situation has happened in the past and the dues have been too low for a number of years; the CC&R requirements for increasing dues or passing special assessments; the possibility of spreading costs over a longer period than in the proposed six-year plan; using a committee to help work on contractor bids and expand the universe of contractors; the possibility of getting a line of credit; that ETA has underfunded itself based on the ratio of the monthly HOD and value of our homes; an emergency assessment would allow time to build sufficient support for a long-range plan; and the possibility of updating the reserve study ourselves.

Connie Hirsch then discussed the P&L for August 2018; the Balance Sheet as of August 31, 2018; and dues increase and assessment models with and without the full proposed six-year plan. She pointed out that before the proposed full plan is completed there will be unexpected major costs at the same time. One homeowner asked Frank Gaddini how far we are into the restorations and will the complete plan "do it" or will such costs recur. Frank replied that what we currently have is a series of models but that there is a great deal of unpredictability. For example, the December 2016 ice storm resulted in approximately \$45K in 2017 expenditures *after* insurance. Other homeowners wondered about Frank's being able to manage a project of this size and complexity *plus* doing everything else; the need to obtain contractor bids; the timeline for voting on a possible special assessment and what would be done if it didn't pass; the desirability of not rushing to an

election but having the Board spend more time on any proposal; the wisdom of having the work performed well rather than just cheaply; and what the notice for a vote on a specific proposal would have to include. The meeting was adjourned at 8:55 PM.

Closed-Forum Special Meeting: Tuesday, September 18, 2018—

Attendees: 6 ETA Board members, Frank Gaddini, Connie Hirsch, and 12 homeowners

The meeting was opened at 6:30 PM. Frank Gaddini and Connie Hirsch briefly summarized the most recent budget proposal models as identified by the Budget Advisory Committee. The two models address funding the operations budget, major repairs as outlined in the Six-Year Major Restoration and Repair Plan, the reserves, and unanticipated costs. After discussion, the Board agreed to distribute by hand copies of the two models, together with a cover letter, to all homeowners as soon as possible. Two open-forum meetings, scheduled on Tuesday, September 25, 2018, and Tuesday, October 2, 2018, will be opportunities for homeowners to ask questions and comment about the models. Frank Gaddini pointed out that it would be too late for a homeowner vote on a budget proposal by the time of the October 23rd Annual Meeting given the 30-day advance notice requirement. Christine Donahue distributed a copy of a legal opinion obtained in June 2018 regarding the association's limitations, obligations, and procedures for establishing a monthly assessment. The meeting was adjourned at 7:50 PM.

Open-Forum Special Meeting: Wednesday, September 25, 2018—

Attendees: 8 ETA Board members, Frank Gaddini, Connie Hirsch, and 35 homeowners

The meeting was opened at 6:30 PM. After Frank Gaddini and Connie Hirsch summarized the two budget proposal models that had been hand delivered to homeowners' doors before the meeting, homeowner Liz Denecke, serving as facilitator, opened the floor for questions and comments from the homeowners. Homeowner concerns/questions included the following: 1) Are these the only options; could we simply raise the dues to less than contemplated in the two models? 2) We need to go with the special assessment model. 3) How do the CC&Rs affect how we go about this? 4) The budget model charts are hard to understand and need clearer labeling. 5) As an older HOA, we have two choices: fund operations and have a special

assessment whenever something comes up or increase dues to fund operations, the reserve fund, and major repairs and restorations. Regardless, something needs to be done this year. 6) Raising dues or having a special assessment will affect prospective buyers as well as the ability of some homeowners to stay. (Board member Darell Bidstrup's comment: People leaving because the funds collected are insufficient to cover needed repairs and restorations is as great a threat as that of people leaving because of increased dues or a special assessment.) 7) A moratorium on past due fees should be considered if homeowners fall behind should monthly costs increase. 8) We haven't adequately funded our costs for years and we need to do something now. 9) It's difficult to get consensus. It's not just past boards that explain our present difficulties. 10) Monthly costs for both models are very similar so I don't have a strong feeling either way. (Board member Darell Bidstrup's comment: The dues model would require only one homeowners vote in 2018 and none in the successive years of the six-year plan. The assessment model would require votes in both 2018 and 2019.) 11) A "real accounting" of expenditures is needed as well as a closer look at how we can economize (e.g., contracting practices, committees, etc.) (Board member related comments: Michael Maulding: Remember we are currently in debt. We want to pay all debt in the beginning of 2019. Sharon Kimble: The Board is committing to reevaluate regularly and to adjust as needed. Mary Ann Arnone: We will be getting monthly P&Ls and balance sheets to monitor income and expenditures.) 12) Is there a compromise between the two models? If the dues are raised under the dues model, for example, could the Board commit to not raising dues for, say, the following 10 years? (Christine Donahue comment: The present Board cannot commit future Boards to any particular agreement.) 13) Having a special assessment permits us to reexamine in successive years. We don't know what's going to happen; six years is too far out. (Frank Gaddini reply: The rate of deterioration of our infrastructure is predictable.) 14) Can the Board look at the possibility of a loan with dues as collateral? 15) Over time the Board membership changes, things change. We need an agreement on reserve fund minimum levels. 16) We need to celebrate that people want to make improvements. There are still homeowners who don't acknowledge that. We need to talk to our neighbors. The meeting was adjourned at 8:45 PM.

JoAnn Wilson, Secretary
etasecretary@email.com

Looking Back Over August 2018 Facilities and Operations Report

Frank L. Gaddini, etadirector@email.com

August 2018 was a classic example of the dog days of summer. A string of 90 degree days and not one drop of precipitation wrung from the sky.

During August, we recorded and completed eighty-nine (89) jobs. New overhead garage doors were replaced at 147 Westbrook Way and 106 Brae Burn. The month also saw work begin on the stabilization of the boardwalk deck at 118 Brae Burn Drive.

The lion's share of the month's work was engaged in routine maintenance including major pruning pressure washing walkways, re-sealing both of the Brae Burn Creek foot bridges, mowing lawns, blowing hardscapes, and managing the capture and abatement of swarming yellow jackets.

