

PETRINI PLACE HOA BOARD MEETING

TUESDAY, JULY 12 at 6:00 PM VIA ZOOM

Board of Directors

President David Polifko Vice President Sheryl Sharp Secretary Nilda Nejah

Treasurer Veronica Clements
Director at Large Larry Montagna

Association Management

Offsite Property Manager Colin Lynch
Onsite Property Manager Anne Leyva

Abbreviations

MSC = Moved, seconded, and carried

MINUTES

1. CALL TO ORDER.

a. The meeting was called to order via "Zoom" with all Board Members present.

2. OPEN FORUM

a. No Open Forum Issues were discussed

3. APPROVAL OF MINUTES

- a. Following discussion, it was MSC to approve the meeting minutes for the following meeting(s) as presented:
 - i. April 14, 2022 Board Meeting

4. BOARD REPORTS & ACTIONS

- a. Treasurer's Report
 - i. Review 2022 YTD Financials
 - 1. Operating Cash \$162.073.40 (Net \$74,231 after Liabilities factored)
 - 2. Reserve Cash \$494,953.32
 - Budget \$8,356 Overbudget due to \$19K unbudgeted cost of waste line cleanout
- b. Upcoming Reserve Projects Costs and Reserve Status
 - i. The Board reviewed several projects coming up which are either unfunded or underfunded in the reserve including the following.
 - 1. Exterior Painting, Access Hatch installation & inspection
 - a. Exterior Painting Project
 - i. Benjamin Moore paint specifications obtained
 - ii. Exterior Property Color study performed with renderings
 - iii. Additional work required for updating property signage (faded signs need replacement/reprinting) Including front entry sign repainting and replacement of broken lettering
 - iv. Getting quotes for painting proposals (cost and timing)
 - v. Several painters contacted with availability in Fall but would require:
 - vi. Contract commitment prior to Reserve funding consequence review by Board prior to budget development



- vii. Project would be leading into rainy season with gutter work and deck inspection process on front end as opposed to starting in spring and leading into dry season
- viii. Timing to be tentatively approved by Board
- 2. Deck Access and Inspection
 - a. New SB326 requirement for inspection of all wood decks and breezeways exposed to weather.
 - b. 2 proposals to perform the required engineering services have been received with 2 very different interpretations for what is required to comply with SB326.
 - i. \$19,500 proposal received by MBC Engineers for visual deck inspections and random destructive testing to visually inspect structural elements of the framing supporting the deck.
 - ii. \$77,000 proposal received by Ferrari Moe Engineers for inspection of all decks including structure of all framing
 - c. To be coordinated with exterior painting project simultaneous use of scaffolding
- 3. Gutter and Downspout Replacement Project (and additional metalwork)
 - a. Contract received and awaiting refinement
 - b. Part of project may be delayed until exterior painting and deck inspection projects are underway
- 4. Access system replacement and upgrade
- ii. Potential Special Assessment discussion
 - 1. The Board reviewed the options for funding the above projects which are projected to cost in the range of \$500,000 \$700,000.
 - 2. Most common source of funding
 - a. Pay from Reserve
 - i. The reserve is funded at 31% and only has a cash balance of \$494,953. Paying for the projects from the underfunded reserve will deplete the account of most funding.
 - b. Special Assessment (Member Approval Needed)
 - i. A special assessment to fund most or all of the projects cost would require a vote of members to approve.
 - 3. Alternate Options if funding is required
 - a. Increase Monthly Assessments
 - The Board is authorized to increase monthly assessments up to 20% per year.
 This would generate approximately \$280,000. This could be used in conjunction with other funding sources or take multiple years to generate funding for the full cost.
 - b. 5% Special Assessment (Board)
 - i. The Board can approve a special assessment of 5% of the annual operating budget per year without vote of members. However,, 5% of the operating budget is approximately \$70,000 and not enough cover costs.
 - 4. Some Boards fund with a hybrid approach two or more of the above.
- iii. Project Urgency
 - 1. The SB326 deck inspection is required by the state to be performed by January 1, 2025.
 - 2. The painting project is considered important to protect the exterior envelope of the building from water intrusion.
 - a. Stucco is over 20 years old and not waterproof.



- b. Caulking at windows has been found to be failing in south and west elevations.
- c. Regular paint and caulk cycles now and in the future are recommended to protect the structure.
- 3. Work is needed on the gutters, downspouts and standing seam roof where deterioration has been found.
- iv. Economies of scale.
 - 1. All the above projects require different levels of scaffolding to access the upper elevations of the building for painting, sheet metal flashing replacement and the deck inspection. Any decks found with any dry rot will need to be repaired and signed off by an engineer prior to January 1, 2025.
 - 2. Due to the high cost of scaffolding, there are economies of scale in scheduling all the above projects at the same time to take advantage of the same scaffolding setup.
- c. Manager Report
 - i. All issues in manager report were reported on in the meeting
- d. Communications Committee (Report)
 - i. Communication for property wide adherence to Rules & Regulations
 - ii. To be addressed after rewrite of Fees and Violation & Fine policy
 - iii. Fees and Violation & Fine policy revision and modifications in progress
 - iv. Discussion regarding restarting Social Committee and refined "welcome package" for new residents.

5. OLD BUSINESS

- a. Plumbing Waste Line Cleanout Project
 - i. Successfully finished project on time with a fully revised schedule and reduced scope of work
 - ii. Subsequent annual (TBD) cleanouts will be significantly less disruptive.
- b. Common Room & Package Room
 - i. Open for reservations with online form. Set available up for multiple chair and table configurations
 - ii. Delivery door now functional (remotely triggerable by phone) and room is now fully operational
- c. Window Repair Update Estimated to start in August
 - i. Next phase of repairs underway inspections and measurements finished on July 7th, 2022
 - ii. First Phase repairs for 2022 cost \$10,549.43.
 - iii. Unusual shattering of IGU recently (4 different units all facing courtyard)- Milgard to be questioned
- d. Water Shutdown Update Estimated to start in September
 - i. Three shutdowns to date in 2022 (7 shutdowns in 2021). 1 to 2 more possible this year with all costs being supported by the units requesting work. Minimal water loss and time interruption.
 - ii. During next shutdown will perform washer replacements for courtyard spigots (HOA cost).
- e. Trash & Recycling Modifications
 - i. 7 extra Blue Bins removed 4/26 resulting in \$2,029.56/mo or \$24,345.70/yr. savings.
- f. Telephone service provider changes from AT&T to BCN
 - i. Elevators & Fire System switched in 2021
 - ii. Office Line & Callbox to be switched this summer
 - iii. Total savings in annual budget by switching \$25-30K
- g. Landscaping contract (Ambius) & Master Plan
 - i. Last year's renegotiated contract returned \$18k over charges and now annual savings of \$7573.
 - ii. Competitive bids to be obtained for monthly service (interior and exterior, incl. Lucky)
 - iii. Master Plan to be addressed in fall and/or after monthly service bids are obtained
- h. Energy Reduction Program from 2021 cost savings results
 - i. Lighting Change and Ballast replacement: since switching to LED lights 14 months ago, eliminated annual ballast replacement of approximately \$5-10K/yr. (reserve budgeted \$12K/yr.).
 - ii. New Boiler gas usage is down 22% (Therms) and first annual service is complete
 - iii. New Lighting electricity is down 14% (kWh)
 - iv. Awaiting a few warranty services (Lucky pole lamp and C-Level garage fixture)



- i. Light Timer Replacement
 - i. Contract signed waiting for component delivery (estimated install Aug/Sept)
 - ii. Will upgrade property light timer system which will no longer need quarterly adjustments
- j. Front Door Entry System Upgrade
 - i. Contract signed waiting for component delivery (estimated install Aug/Sept)
 - ii. This will remove one phone line from ATT (soon BCN) and convert to VoIP and add online programming
- k. Security Update
 - i. New Networked DVR installed with unused capacity for 4 more cameras doubled recording time to 2 months
 - ii. Added final 4 strategic cameras (two on McAllister, one in common room and one for elevator 1)
 - iii. Revised security camera monitors, renamed and adjusted all cameras images, have remote access
 - iv. Future projects revise courtyard cameras and add new to complete property coverage
 - v. Gate sounders awaiting installation (6 total around perimeter)
 - vi. Package room door open/closed sensor and warning light to be installed
 - vii. Final call box office panel's programming to be refined
- I. Access System replacement upgrade (now Keri fobs)
 - i. One quote obtained (\$50K) and awaiting additional quotes.
 - ii. New system will upgrade security, provide online programming, and better tracking of fobs
- m. Fire Panel Replacement and Sounder Testing
 - i. Contract signed and panel replacement scheduled for July 18th
 - ii. 134-unit inspection scheduled for July 27-29 (email notices, website and earplugs prepared)
 - 1. Will be collecting keys and door codes for those not able to be home during test
 - 2. Need to determine non-participating reimbursement assessment feel

6. **NEW BUSINESS**

a. PSP Private Special Patrol

- i. Services no longer used or required.
- ii. Board discussed keeping or discontinuing security contract with security service.
- iii. Following discussion, it was MSC to discontinue the PSPS nightly service on August 31, 2022 for a roaming patrol saving \$11,100 per year.
- b. Garage CO monitoring & fan venting system and Lucky Garage Fan operational requirements.
 - i. It was reported that the CO fan in the Lucky garage can be heard in units above.
 - ii. CO monitoring system and sensors to be tested for garages by ACCO
 - iii. Getting proposal for Lucky Garage Fan modifications to refine operation timing, noise and vibration
 - iv. Proposal signed with Lefler Engineering (Mechanical Engineer) for \$2940 to prepare a report with their recommendations for reducing noise and vibration into HOA units once the HOA garage system has been serviced and calibrated..
 - v. The HOA and Commercial Units have been advised to keep the (life safety system fan on until an alternative recommendation is made.
- c. C-Level Garage barrier upgrade to add welded expanded metal mesh over existing chain link barrier
 - i. Proposal signed for installing expanded metal mesh on all chain link fencing (C-Level only) \$17,326
 - ii. Last week of June-22 had existing chain link cut and intrusion. Repair cost approximately \$600.
 - iii. Work will start within 2 weeks.
- d. Dryer Exhaust Duct Cleanout
 - i. Final quote to be refined and confirmed.
 - ii. Estimated work in Sept or October
 - iii. \$75 in-unit cleaning optional for buildings A, B and C.
- e. 5 Year Fire Sprinkler In-Unit Inspection



- i. Contract Signed anticipate July for 134-unit inspection with Bay Alarm unit access timing. Allied does not want to do this at same time with another vendor.
- ii. Recommendation to push Allied (sprinkler vendor) to accept sequencing their inspections at same time as Bay Alarm sounder testing while we have access to units.
- f. Window Washing
 - i. Scheduled for August
- g. Courtyard Cleaning
 - i. Will schedule for early fall
 - ii. Care will be taken to avoid backwash of water into patios
 - iii. Considering purchase of electric pressure washer for year-round touch ups
- h. Central Elevator (#2) Repair
 - i. \$26K quote obtained from Otis for hydraulic repair to Elevator #2.
 - ii. Quote / scope to be refined.
 - iii. Alternate proposal requested from Schindler Elevator.

7. OPEN FORUM

- a. Several Owners reported they can hear the CO fan from the Lucky garage disturbing their sleep.
 - i. It was reported that the fan needs to stay on for life safety reasons until all options are researched and alternative recommendations are provided (if any) by the mechanical engineer.
- b. An owner questioned the cause of the recent fire alarm
 - i. It was reported that there was a fire system device near the Masonic elevator that triggered the recent alarm. Bay Alarm has responded to correct.
- c. An owner questioned the water at the McAllister sidewalk
 - i. It was reported that this is still being research but thought to be ground water seeping through the sidewalk and not water from any HOA plumbing.

8. ADJOURN MEETING

- a. 2022 Meeting Schedule
 - i. 2022 October 6 at 6:00 pm Regular Board Mtg.
- b. With no further business, the BOD adjourned the Regular Meeting of the Board at 8:05 PM.



PETRINI PLACE HOA BOARD MEETING

THURSDAY, OCTOBER 6, 2022 at 6:00 PM VIA ZOOM

Board of Directors

President David Polifko Vice President Open Seat Secretary Nilda Nejah

Treasurer Veronica Clements
Director at Large Larry Montagna

Association Management

Offsite Property Manager Colin Lynch
Onsite Property Manager Anne Leyva

Abbreviations

MSC = Moved, seconded, and carried

MINUTES

1. Call to Order

i. The meeting was called to order via "Zoom" with all Board Members present.

2. Open Forum

i. The Board agreed to hold a single "open forum" at the end of the meeting to allow time to work through the 2023 Operating Budget review and approval process.

3. Approval of Minutes

- i. Following discussion, it was MSC to approve the meeting minutes for the following meeting(s) as presented:
 - 1. July 14, 2022 Board Meeting

4. Board & Treasurer's Reports

- i. Review 2022 YTD Financials as of 08-31-22
 - 1. Operating Cash \$169,549.60 (Net \$69,520.89 after Liabilities factored)
 - 2. Reserve Cash \$485,443.54
 - 3. Budget \$8,171.58 Overbudget due to \$19K unbudgeted cost of waste line cleanout

ii. 2023 Budget & Reserve Review and Approval

1. The Board reviewed the 2023 Operating Budget draft proposing a 5.5% increase in assessment for 2023.



- 2. The proposed budget increased assessment 5.5% but it was felt that this was reasonable due to the current economic conditions with reports of inflation closer to 9%. The proposed budget allocated the level of funding to the HOA reserve and Joint Maintenance reserve accounts recommended by the reserve study preparer in the 2023 Reserve Studies.
- 3. Following discussion, it was MSC to approve the 2023 Operating Budget as presented with a 5.5% increase in assessment.

iii. Upcoming 2023 Projects requiring Scaffolding

1. Project Overview

- a. The Board reviewed, discussed and reported to the attending members on the status of 3 upcoming projects including painting of the structure, performance of a deck inspection and repair of select gutters, downspouts and sheet metal on the roof.
- b. All 3 projects require or benefit from scaffolding being in place. To take advantage of economies of scale, the 3 projects are being bundled in timeframe to avoid duplicating scaffolding and project management costs.

c. Exterior Painting Project

- i. Existing exterior stucco is over 20 years old and not waterproof.
- ii. Caulking at windows has been found to be failing in primarily south and west elevations.
- iii. Regular paint and caulk cycles now and in the future are recommended to protect the structure.
- iv. Bids are being sought to finalize costs for a 2023 paint project.
- v. Scaffolding of most exterior and courtyard elevations will be required.

d. SB 326 Deck Inspection Requirement

- i. SB 326 requires a licensed engineer to submit a report to the state no later than January 1, 2025 certifying that all wood decks and breezeways exposed to weather have been inspected, are safe (in their opinion) and all structural repairs (if any needed) have been performed.
- ii. The Board has approved a proposal by MBC Engineers to perform the required engineering services. The engineer will visually inspect all decks (top surface and bottom soffit) and require approximately 10% of undersides of randomly selected decks and breezeways opened up for inspection of the structural framing. If damage is found, additional decks will need to be opened up for inspection.
- iii. Repairs of all soffits (undersides of decks) opened up will be performed by a General Contractor.
- iv. SB 326 requires future inspections of similar magnitude to be performed every 9 years in the future. To help facilitate this future inspection process, the repairs to any decks opened in 2023 will have a new "removable" vent installed to facilitate future inspections.
- v. If structural decay (dry rot) is found on any structural framing, structural repairs will also be performed.



vi. SB 326 Deck Inspection Project is to be coordinated with exterior painting project for simultaneous use of scaffolding to reduce costs.

e. Gutter and Downspout Replacement Project (and additional metalwork)

i. A portion of the gutter repair scope is being contracted to be performed in the 4th quarter of 2022. However, a portion of the scope needs scaffolding. That remaining portion will be bundled to be performed in conjunction with the paint and deck inspection project to save money on scaffolding.

2. Project Timeline

- a. The timeline is primarily driven by the SB326 deck inspection and certification requirement of the state to be performed by January 1, 2025 and the availability of contractors and engineers which may become difficult near the state deadline.
- b. The painting project is considered important to protect the exterior envelope of the building from water intrusion.
- c. Work is needed on the gutters, downspouts and standing seam roof where deterioration has been found.

3. Project Cost

- a. The preliminary rough net estimation cost of all 3 projects is \$900,000.
 - i. The Board is getting hard bids for the painting costs.
 - ii. Costs for the gutter work are mostly known.
 - iii. Costs for the SB 326 deck inspection will have a range that can be estimated as a "best case" scenario of approximately \$105,000.
 - 1. However, due to the unknowns associated with this scope of work (number of decks to be opened up for structural inspection) and hidden conditions (dry rot potentially required deck repair or replacement), final costs will not be known until all inspections are complete.
 - 2. Any decks found with any dry rot will need to be repaired (or replaced) and signed off by an engineer prior to January 1, 2025.

b. Scaffolding

- i. All the above projects require different levels of scaffolding to access the upper elevations of the building for painting, sheet metal flashing replacement and the deck inspection.
- ii. Due to the high cost of scaffolding, there are economies of scale in scheduling all the above projects at the same time to take advantage of the same scaffolding setup.

c. Contingency

- i. There is always risk in projects of unforeseen requirement for additional work increasing costs.
- ii. The above project has a built-in contingency of 15% built in.
- d. Other



i. As the project gets further developed with hard numbers and confirmation of bundled scope, other costs for permits, project management, potential architectural costs (if required for permit submittals), etc. will be quantified and the \$900,000 total cost amount will be revised up or down as needed.

4. Current Reserve Funding Status

- a. The rough estimation of net cost for the project is currently pegged at \$900,000 (subject to change).
- b. There are 2 reserve funds with funding for potential use available to the HOA. There are restrictions for using the funds from the reserve accounts but most of the project costs are eligible to be split in different percentages between the HOA and Joint Maintenance Reserve Accounts.
 - i. HOA Reserve
 - 1. The HOA Reserve fund has only HOA funds in it and will have an approximate balance of \$522,032 at the end of this year.
 - 2. Based upon the current cost projections, \$544,101 of the project could be taken from the HOA reserve if there was enough funding the to cover the cost. However, taking this share of the project costs from the HOA reserve would "overdraw" the account with its current balance but additional monthly deposits budgeted in 2023 will increase the balance to a slightly higher balance before funding is required.

ii. Joint Maintenance Reserve

- 1. The 2nd reserve is a "Joint Maintenance" (JM) reserve account with funding from the HOA as well as from the commercial parcels. This reserve funding is limited for use for components that benefit all parcels such as the fire system, painting roof (includes gutters & downspouts), stucco, etc.
- 2. The balance of the JM reserve account at the end of 2022 is expected to be \$610,555.
- 3. Based upon the current cost projections, \$355,899 of the project could be taken from the JM reserve. It would be the intent of the Board to utilize this JM reserve account to fund the full share of the JM portion of the project (\$355,899).

5. 2023 Project Funding Options

a. The Board reviewed the options for funding the above projects which are preliminarily projected to cost approximately \$900,000. The Board agreed the preferred funding plan would be to pay as much as possible from the reserve accounts and then reimburse the HOA reserve account for any funding used from that account. No reimbursement would be needed for the Joint Maintenance Account.

b. Preferred Funding Plan

i. Pay from Reserve



- 1. The reserve is currently funded at 31% and only has a cash balance of \$494,953 (as of 08-31-22). Paying for the projects from the underfunded reserve will deplete the account of most or all funding.
- ii. Special Assessment (Member Approval Needed)
 - 1. A special assessment to fund most or all of the projects cost would require a vote of members to approve.

c. Alternate Funding Options (if required)

- i. Increase Monthly Assessments
 - 1. The Board is authorized to increase monthly assessments up to 20% per year. This would generate approximately \$280,000. This could be used in conjunction with other funding sources or take multiple years to generate necessary funding.
- 5% Special Assessment (Board)
 - 1. The Board can approve a special assessment of 5% of the annual operating budget per year without vote of members. However,, 5% of the operating budget is approximately \$70,000 and not enough cover costs.
- d. Funding can include multiple options listed above in a hybrid funding plan.

Special Assessment Needed

- a. Once painting bids are received and all costs are known, the total projected cost will be updated, and the funding plan reviewed.
- b. Barring changes, the current funding plan to meet the projected project cost of \$900,000 is:
 - i. Drawdown \$355,898 from the JM Reserve
 - ii. Drawdown \$544,101 from the HOA Reserve.
 - 1. Drawing down the \$544,101 from the HOA reserve will unacceptably deplete the balance of the HOA reserve. To restore the balance of the reserve, a special assessment will be needed

iii. Special Assessment of \$544,101

- 1. To restore the balance of the HOA reserve account, the HOA members will need to vote and approve a special assessment in early 2023
- 2. If the special assessment of \$544,101 is approved by members, it would become due in equal installments throughout 2023 (monthly or quarterly).
- 3. The special assessment of \$544,101, if approved without change, would be divided among the units by size of the unit (larger units pay more) but the average total assessment would be approximately \$4000 per unit.
- The Board will review all revised costs in the January 19, 2023 Board Meeting and make final decisions on the the project scope and funding plan. If the



special assessment part of the plan remains, a ballot would be mailed after the January 2023 meeting for members to vote for or against the special assessment.

- i. If the special assessment is approved, the project contracts would be signed right away and scheduled to start in 2nd Quarter of 2023.
- ii. If the special assessment is not approved, the project will not be able to be funded without new funding sources. Remaining options for new funding (other than trying a 2nd time to get the special assessment approved by members) would be limited to what the Board alone is authorized by the HOA CCRs to approve including:
 - 1. Implement a 5% special assessment per year (approximately \$70,000/year)
 - 2. Increase monthly assessments up to 20% per year (approximately (\$280,000/year).
 - Both the above options would take multiple years to fund the project resulting in the requirement to potentially split the project to meet mandated timelines for the deck inspection project.
 - 4. Loss of economies of scale for bundling the projects together increasing costs of scaffolding, project management, etc.

d. Board Support

 Following discussion, each board member expressed their support for the project and their preference for funding the HOA reserve portion of the costs by one-time special assessment of \$544,101 (subject to change) if approved by the membership.

7. Communication

- a. It was discussed that all details need to be provided with as much transparency as possible and with enough frequency, so all members are aware and understand the need for the funding.
- b. The Board asked Manager Lynch to prepare a special assessment information package for distribution to members.
- c. Director Polifko reported he will provide a page on the HOA website.
- d. Minutes of this meeting will be distributed so all members understand the projects.

5. Old Business

- i. Water Shutdown Update (Report)
 - 1. Four shutdowns to date in 2022 (7 shutdowns in 2021).
 - 2. 1 more scheduled for October 13, 2022.
- ii. Landscaping contract (Report)
 - 1. Ambius contract ended as of September 30, 2022
 - 2. Gardener's Guild contract starts October 1, 2022 (at renegotiated Ambius cost)
- iii. Fire Panel Replacement and Sounder Testing (Report)
 - 1. Panel replaced, programmed and tested. First in-unit sounder testing finished.



- 2. Repairs and modifications are being scheduled in 14 units.
- iv. 5 Year Fire Sprinkler In-Unit Inspection (Report)
 - 1. Awaiting repair requirements in 7 units and scheduling
 - 2. 5 Year inspection has 6 steps, 4 of which are reported done with 2 remaining being scheduled.
- v. Dryer Exhaust Duct Cleanout (Report)
 - 1. Work begins on October 10 from roof
 - 2. \$75 in-unit cleaning optional for Bldgs. A, B and C on Oct 18-19
 - a. 51 units have "opted-in" so far.

6. New Business

- i. Security (Report)
 - 1. PSP Private Special Patrol Service has been cancelled.
- ii. HOA & Commercial Garage CO monitoring fan venting system (Report).
 - 1. CO monitoring system and sensors tested and awaiting parts for repair by ACCO
 - 2. Getting proposal for Lucky Garage Fan modifications to refine operation timing, noise and vibration
- iii. Gutter and Downspout Replacement Project (and additional metalwork) (Report)
 - 1. Contract signed, first phase (from ladders) to begin in October 2022.
 - 2. Second phase requiring scaffolding, will be in early 2023 coordinated with painting project
- iv. Central St. Elevator (#2) Repair scheduled with Schindler for Oct/Nov 2022 contract signed.

7. Open Forum

- i. Owner Karen Able
 - 1. Thanked the Board for the information presented in support for the bundled project and funding.
 - 2. Requested that the Board consider installing one or more HOA BBQ's in the courtyard for use by members without patios since BBQ's are not permitted on decks.
 - a. The Board thanked Karen for the suggestion and will take it under consideration.
- ii. Owner Richard Nemeth
 - 1. Agreed with the project special assessment reasoning for funding in a one-time special assessment (if members approve) as opposed to raising monthly assessments.
 - 2. Richard offered his assistance to help the Board in the project process.

8. Adjourn Board Meeting

- i. Next Meeting Schedule
 - 1. This was the last meeting for the 2022 calendar year.
 - 2. The next meetings are Board and Annual Meetings scheduled for January 19, 2023
- ii. With no further business, the BOD adjourned the Regular Meeting of the Board at 7:44 PM.



EXECUTIVE SESSION OF THE BOARD MEETING

Thursday, January 12, 2023 at 6:00 PM

Board of Directors

President David Polifko

Vice President Vacant Secretary Nilda Nejah

Treasurer Veronica Clements
Director at Large Larry Montagna

Director "Elect" Susannah D'Oench (Non-Voting)

Association Management

Offsite Property Manager Colin Lynch
Onsite Property Manager Anne Leyva

Abbreviations

MSC = Moved, seconded, and carried

MINUTES

1. Call to Order

The meeting was called to order at 6:00 PM via "Zoom" with all Board Members present. Board Director "Elect" Susannah D'Oench was invited to attend the executive session and attended the meeting.

2. Deck Inspection

- a. Overview
 - The SB 326 deck inspections are mandated by the state to be performed by January 1, 2025. The
 inspection requirement is new, not optional and was added to the HOA reserve study in 2023 to start
 accruing new funding.
 - ii. Without new funding, the costs of the inspection including all scaffolding requirements will be paid in full from the existing HOA reserve funding which has a current account balance 32% of the ideal full funding level.

b. Proposal Review

i. The Board reviewed proposals from MBC Engineers and Ferrari Moe Architects and Engineers to perform deck inspections to meet the state requirements of SB 326.

c. Bid Comparison

- i. MBC Engineers
 - 1. \$19,500 to visually inspect surface conditions of 90% of decks plus destructive testing (open soffits below deck for visual inspection of structure components) of 10-15% of decks.
- ii. Ferrari Moe Architects and Engineers
 - 1. \$77,000 to visually inspect surface conditions of 100% of decks plus destructive testing (open soffits below deck for visual inspection of structure components) of 100% of decks.

d. Vendor Decisions



- i. The Board reviewed the proposals, both of which will meet the SB 326 requirement.
- ii. Following review and discussion, it was MSC to approve the MBC Proposal for \$19,500 to perform the SB 326 deck inspections.
- iii. Following review and discussion, it was MSC to approve the Saarman Construction Proposal for time & materials (T&M) to assist MBC SB 326 deck inspections providing access (ladders) and construction assistance opening up deck soffits and installing fire rated removable and hinged vents in the inspection opening.
- iv. The hinged vent will allow future inspections to be performed by removing a few screws allowing the hinged vent to swing open for inspection and then closed again like a door.

3. Paint Project review

- a. Overview
 - i. The stucco was originally installed with "integral" color. Now that the exterior stucco has aged 15 20 years, it needs to either be painted or "skim-coated" with a new stucco layer with integral color.
 - ii. The existing stucco has never been painted. Some small local areas have been skim-coated but it is now 20 years old, has cracks and the integral color faded out.
 - iii. Stucco is not waterproof and will allow increased amounts of moisture through as it continues to age.
 - iv. To preserve the exterior of the stucco elevations, paint is now required to repair all cracks, increase the waterproofing of the exterior and provide new color quality (less expensive than new skim-coat).
- b. Proposal Review
 - The Board reviewed proposals from 4 painters to paint all exterior stucco, steel (steel stairs and railings)
 and wood trim surfaces with incremental pricing for interior painting of halls, lobbies, gym and manager
 office.
- c. Bid Comparison Report
 - i. The Board reviewed the bid comparisons. It was noted that all bidders had different levels of scaffolding included in their bids. Due to some differences between scaffolding required for paint vs. scaffolding required for deck inspection and gutter replacement, the pricing was separated for better negotiation to combine the scaffolding for both.
 - 1. Bids with Scaffolding

a.	RMC Painting (Low Bid)	\$692,600
b.	Urban Painting	\$749,100
c.	Empire Works	\$874,101
d.	Redwood Coast (High Bid)	\$989,781

2. Base Bids with Scaffolding backed out

a.	RMC Painting (Low Bid)	\$595,750
b.	Urban Painting	\$674,100
c.	Empire Works	\$719,101
d.	Redwood Coast (High Bid)	\$754.866

- d. Bid Conditioning Report
 - i. The Board reviewed a list of 86 questions asked and answered by all paint bidders further clarifying the details of the bids and scope of work.
- e. Vendor Decision



- i. Following review and discussion of all bids and scope of work, it was MSC, pending approval of funding, to approve the RMC Painting proposal for \$444,400 for full prime plus 2 finish coats of Benjamin Moore "Aura" paint on scope of work as follows:
 - 1. All exterior stucco surfaces
 - 2. All exterior metal surfaces (stairs and railings)
 - a. Special 2 part epoxy paint for steel)
 - 3. All exterior wood trim
 - 4. Courtyard Benches (minor repair and staining)
 - 5. Interior Halls, ceilings, main entry lobby and all doors (unit and common area doors).
 - 6. Interior of Gym and Manager Office
- ii. Exact cost of paint proposal is expected to change depending on the amount of additional scaffolding that will be required to accommodate SB 326 deck inspections. Most of the scaffolding required for the deck inspections is included already in the RMC Painting scaffolding plan but there are a few locations the painter had planned to use ladders where scaffolding will be needed to assist the engineer access.

4. Project Budget

- a. The project was discussed in board meetings throughout 2022 with estimated costs (prior to bids) of approximately \$900,000.
- b. The Board reviewed current cost projections for the deck, gutter and paint projects supported by hard bids including allowances for landscape work that will be required for tree trimming and removal of shrubbery (too close to the building to allow painting). Budget projections also include funding for permits, architect (if needed for permitting and deck waterproofing details), project management and contingency funding for unforeseen conditions.
- c. The budget will still have minor adjustments but the current total budget estimate of the project is approximately \$944,015.66.
- d. Petrini Place is a "multi-use" project with some cost for repair and replacement of components shared by the HOA and the commercial portions of the project (called Joint Maintenance (JM). As such the \$944,015.66 estimated cost of the project would be split as follows:
 - i. HOA \$590,018.94
 - ii. Joint Maintenance (JM) \$364,996.72

5. Project Funding

- a. Petrini Place HOA has 2 separate reserve accounts
 - i. HOA Reserve HOA funds only
 - ii. JM Reserve Shared funding of HOA and Commercial Parcels
- b. The Board discussed the funding options to perform the SB 326 deck inspections, the remaining gutter replacement scope and the full painting of the project. The Board preference for funding the project is as follows:
 - i. HOA Portion of Project Cost
 - 1. Since the current HOA reserve balance is \$522,032, there is not enough reserve funding to pay the estimated \$590,018.94 HOA portion of the project cost.
 - 2. Following discussion, the Board preference for funding the full HOA portion of project cost is by new Special Assessment funding which would need to be approved by a vote of the membership.



- ii. Joint Maintenance (JM) Portion of Project Cost
 - 1. The JM Reserve account has a current balance of \$610,555 which would be sufficient to pay for the estimated \$364,996.72 JM portion of the project cost.

6. Special Assessment

- a. Since the amount of the special assessment needed to fund the HOA portion of the project cost exceeds the board authority to approve, the special assessment will be included in the January 19, 2023 open Board Meeting Agenda (following the annual meeting) for discussion with members attending.
- b. Special Assessment Terms
 - i. Based upon the current estimated size of the Special Assessment of 590,018.94 (funding needed for the HOA portion of the project cost) if approved by a vote of members, the "average" special assessment for each unit would be \$4,403.13.
 - ii. The potential terms of the special assessment would be to have the special assessment due in 4 equal quarterly installments due over the course of 1 year.
 - 1. 2023 May, August & November
 - 2. 2024 February

c. If Special Assessment is approved

- i. With funding approved, project contracts will be signed for scaffolding, SB 326 deck inspections, gutter work and painting sequenced for efficiency
- ii. Scaffolding to start being erected late March or early April
- iii. Project anticipated to take a total of 5-6 months for all 3 projects to be sequenced and completed

d. If Special Assessment is not approved

- i. Without new special assessment funding approved by members, the Board will pursue a bank loan for the HOA and proceed forward with the project as described above.
 - 1. Bank Loans
 - a. Rates of bank loans are typically a point or 2 over a prime index with amortized monthly payments over the term of the loan.
 - b. Repayment of bank loans is typically an amortized payment over a term between 8 15 years.
- ii. The Board would need to approve new funding that the board is authorized to approve (without member vote required) to be able to repay the bank loan including:
 - 1. Special Assessment equal to 5% of the 2023 annual operating budget or \$68,567 (limit of board authority to approve special assessment without vote of members)
 - 2. Up to 20% increase in monthly assessment for multiple years to fund the project (limit of board authority to approve without vote of members)

7. Project & Special Assessment Pros and Cons

- a. Pros
 - i. Lowest possible cost for getting project done keeping monthly assessments from increasing.
 - ii. Approximately \$50,000 \$75,000 economies of scale in reducing duplication of scaffolding costs.
 - iii. If done now, any damage and repair due to SB 326 Deck Inspection will be able to be painted over at no extra cost in the paint project (destructive testing will be required opening up stucco soffits of approximately 24 decks).
 - iv. Reduction in overall amount of time for scaffolding to be up on sides of building.



- v. Doing this inspection in 2023 puts Petrini ahead of the January 1, 2025 deadline to have this inspection completed before the anticipated 2024 rush to get this done closer to the deadline.
- vi. Cost of the full scope of the paint pricing is reduced due to the full project scope. Examples of this include:
 - 1. Painting of all steel (stairs and railings) in conjunction with stucco is half of what it cost to perform this steel scope alone 10 years ago
 - 2. Painting of the interiors of the common area are less than the cost to paint the same scope the last time it was contracted.

b. Cons

- i. Greater risk of water intrusion at stucco absorbing water and at windows where caulking between windows and stucco is deteriorating.
- ii. Without special assessment funding, the board would need to pursue bank loan financing for the project. Bank loans will have origination and procurement fees along with increased cost of interest with all costs eventually passed through to all members. Higher monthly assessments is generally considered a negative when refinancing or selling units.
- iii. Waiting to perform the SB 326 deck inspections in 2024 would potentially be more difficult and subject to delay with vendor availability when all the buildings are rushing to comply.
- iv. Lower overall costs Loss of any economies of scale for using the scaffolding for the multiple projects (\$50,000 \$75,000)
- v. Increased costs to paint the damage and repairs from the SB 326 will have to be contracted separately without a painter mobilized for the larger project scope at increased costs. This same scope (and access to paint the scope) will then be painted again when the paint project is contracted at a later time if projects are not bundled.
- vi. Extended duration of increased security risk, diminished views and amount of light at windows and sliding glass doors if scaffolding is erected multiple times for separate projects.
- vii. Full scope of paint project has many economies of scale alone that could be lost if the paint project scope is reduced or broken up to reduce paint project cost.

8. Communication

a. The Board approved emailing the executive session minutes to all members for transparency (typically confidential and only available to board members).

9. Timeline

- a. The Board reviewed the potential timeline for the special assessment and the project as follows;
 - i. 01-19-23 Board Meeting to finalize Special Assessment and funding options for project
 - ii. 01-26-23 Board Meeting with Special Assessment Follow up / Q&A for the project
 - iii. 03-06-23 Board Meeting for more Special Assessment Q&A before ballots due
 - iv. 03-16-23 Board Meeting Special Assessment ballot count
- b. If Special Assessment is Approved
 - i. March April 2023
 - 1. The SA requires a 30-day minimum voting period. The ballots will be mailed in January and will be due back in early March.
 - 2. Once the ballots are opened, funding will either be approved or not approved.



- 3. If approved, move forward with the project starting in late March or April with overall duration of 5-6 months.
- 4. If not approved, the Board will secure a bank loan to fund the project to contract the required work and save the economies of scale of bundling the projects.

10. Adjourn Meeting

- a. Next Meeting Schedule
 - i. The next meetings are Board and Annual Meetings scheduled for January 19, 2023
 - ii. With no further business, the BOD adjourned the Executive Session of the Board at 8:51 PM.





PETRINI PLACE HOA BOARD MEETING

THURSDAY, JANUARY 19, 2023 at 6:00 PM VIA ZOOM

Board of Directors

President David Polifko

Vice President Susannah D'Oench (Appointed in Board Meeting)

Secretary Nilda Nejah

Treasurer Veronica Clements
Director at Large Larry Montagna

Association Management

Offsite Property Manager Colin Lynch
Onsite Property Manager Anne Leyva

Abbreviations

MSC = Moved, seconded, and carried

MINUTES

1. Call to Order

a. The meeting was called to order at 6:10 PM via "Zoom" with all Board Members present.

2. Open Forum

a. The Board agreed to hold a single "open forum" at the end of the meeting.

3. Approval of Minutes

- a. Following discussion, it was MSC to approve the meeting minutes for the following meeting(s) as presented:
 - i. October 6, 2022 Board Meeting
 - ii. January 12, 2023 Executive Session Board Meeting

4. Board & Treasurer's Reports

- a. Election of Officers
 - Due to lack of quorum to hold the Annual Meeting to Elect Directors, the Annual Meeting was adjourned and will be reconvened Thursday, January 26, 2023 at 6 PM in order to hold the election.

b. Director Appointment

i. To fill the vacant Vice President seat on the Board, the Board discussed appointing Susannah D'Oench to the Board in advance of the reconvened



January 26, 2023 Annual Meeting and election of directors since she is a candidate to be elected in that meeting anyway.

- ii. Following discussion, it was MSC to approve Susannah D'Oench to the Board of Directors as Vice President and Susannah accepted the appointment.
- c. Review 2022 YTD Financials as of 11-31-22
 - i. Operating Cash \$134,850 (Net \$64,081 after Liabilities factored)
 - 1. There is an additional \$127.306 long term liability to pay interest free PGE loan budgeted separately through Operating Budget.
 - ii. Reserve Cash \$510,425
 - iii. Budget \$7,754 Overbudget due to \$19K unbudgeted cost of waste line cleanout

5. Old Business

- a. 2023 Deck Inspection, Gutter Replacement & Paint Project
 - i. Project Scope & Overview
 - 1. SB326 Deck Inspection
 - a. The SB 326 Deck Inspection scope includes visually inspecting approximately 75% of all decks (top surface and bottom soffit) and inspecting the structural framing for dry rot or damage to approximately 10% of randomly selected decks and breezeways. The undersides of the decks (soffits) will be opened up and exposed in order for this inspection of the structural framing. If damage is found, additional decks will need to be opened up for inspection.
 - b. Repairs of all soffits (undersides of decks) opened up will be performed by a General Contractor by installing a new "removable" vent installed to facilitate future inspections.
 - c. If structural decay (dry rot) is found on any structural framing, structural repairs will also be performed.
 - d. In the 01-12-23 Executive Session of the Board, the Board approved the MBC Proposal for \$19,500 to perform the SB 326 deck inspections and the Saarman Construction Proposal for time & materials (T&M) to assist MBC SB 326 deck inspections providing access (ladders) and construction assistance opening up deck soffits and installing fire rated removable and hinged vents in the inspection opening.
 - 2. Gutter and Downspout Replacement Project (and additional metalwork)
 - a. Certain gutters have been identified that need to be replaced, some of which will need scaffolding to perform the work. This scope is being contracted in conjunction with the paint and deck inspection project to save money on scaffolding.



3. Paint Project

- a. The Paint project scope includes painting all exterior stucco, steel (steel stairs and railings), wood trim surfaces, interior painting of halls, lobbies, gym and manager office.
- b. In the 01-12-23 Executive Session of the Board, the Board approved the RMC Painting proposal for \$648,200 for the scaffolding and painting of all exterior stucco elevations (full prime plus 2 finish coats of Benjamin Moore "Aura" paint), all exterior metal surfaces (stairs and railings), all exterior wood trim, Courtyard Benches (minor repair and staining), Interior Halls, ceilings, main entry lobby and all doors (unit and common area doors) and the Interior of Gym and Manager Office.

ii. Project Budget

1. The Board reported that the budget for the deck, gutter and paint projects is \$955,015.66 including allowances for landscape work that will be required for tree trimming and removal of shrubbery (too close to the building to allow painting), permits, architect (if needed for permitting and deck waterproofing details), project management and contingency funding for unforeseen conditions.



	ck - raiiit	Project (BASE SCOPE + ALTERNATES)			
			PRICING E	BASED UPON RMC	PAINTING
	Asset ID	Asset	PROJECT BUDGET (BASE SCOPE)	ALTERNATES	TOTAL BUDGET (W/ ALTERNATES)
Paint					
1.A		Scaffolding Included in Paint)	96,850.00		96,850.00
1.B	201	Stucco (Paint)	347,550.00		347,550.00
	201	Stucco (Paint Upgrade to AURA)		6,500.00	6,500.00
	201	Stucco (Paint - 2nd Top Coat)		82,300.00	82,300.00
	301	Stucco Repair (Included above)			0.00
	2301	Caulk Siding (Included with Paint)			0.00
	2302	Caulk Windows (Included with Paint)			0.00
	302	Wood Siding Repair		16,600.00	16,600.00
2.E	217	Wood Siding Paint	b ::		0.00
2.C	212	Metal Paint	50,800.00		50,800.00
2.D	213	Misc. Metal Paint (Included above)			0.00
	1006	Metal Railing Repair			0.00
2.F	216	Interior Paint (Walls & Doors)		28,450.00	28,450.00
2.G	216	Interior Paint (Ceilings)		6,550.00	6,550.00
2.H	216	Interior Paint (Main Lobby)		10,800.00	10,800.00
2.1	216	Interior Paint (Rooms)		1,800.00	1,800.00
	1803-4	Landscape	10,000.00		10,000.00
2303	2303	Paint Contingency @ 10%	49,520.00	15,300.00	64,820.00
-		Project Management @ 10%	55,472.00	16,830.00	72,302.00
		SUBTOTAL	610,192.00	185,130.00	795,322.00
_	Ø.		795,322.00		
			MINIMUM 73 DECKS INSPECTED		
SB326 i	nspection	& soffit repairs only	12 SOFFITS	24 SOFFITS	
	202	Soffit Inspection (Engineer)	19,500.00	29,250.00	29,250.00
	202	Soffit Inspection (GC)	13,800.00	20,700.00	20,700.00
	202	Soffit Restoration	24,121.00	48,242.00	48,242.00
	604	Balcony Repair	0.00	0.00	0.00
		Architectural	10,000.00	10,000.00	10,000.00
		Permits @ 3%	723.63	1,447.26	1,447.26
		Deck Contingency @ 15%	10,221.69	16,445.89	16,445.89
		Project Management @ 10%	7,836.63	12,608.51	12,608.51
		SUBTOTAL	86,202.96	138,693.66	138,693.66
		SOBIOTAL	50,202.30	130,033.00	130,033.00
	0.0.0				
Gutters	& Roofin		20 202 25	20.000.00	
MAS	120	Gutters	20,000.00	20,000.00	20,000.00
	2306	Roof (Metal)	1,000.00	1,000.00	1,000.00
		SUBTOTAL	21,000.00	21,000.00	21,000.00
	<u>}</u>				
TOTAL	PROJECT C	OSTS			
		Paint	610,192.00	185,130.00	795,322.00
		SB326 inspection & soffit repairs only		138,693.66	138,693.66
		Gutters & Roofing System		21,000.00	D 221,900.90
		Gutters & Roofing System	610,192.00	21,000.00 344,823.66	955,015.66



- 2. Petrini Place is a "multi-use" project with some cost for repair and replacement of components shared by the HOA and the commercial portions of the project (called Joint Maintenance (JM). As such the \$955,015.66 budgeted cost of the project would be split as follows:
 - a. HOA \$590,018.94
 - b. Joint Maintenance (JM) \$364,996.72

iii. Special Assessment Funding Required

- 1. It was reported that Petrini Place HOA has 2 separate reserve accounts
 - a. HOA Reserve HOA funds only
 - b. JM Reserve Shared funding of HOA and Commercial Parcels
- 2. The Board preference for funding the project is as follows:
 - a. HOA Portion of Project Cost
 - i. Since the current HOA reserve balance is \$522,032, there is not enough reserve funding to pay the estimated \$590,018.94 HOA portion of the project cost.
 - ii. Following discussion, the Board preference for funding the full HOA portion of project cost is by new Special Assessment funding which would need to be approved by a vote of the membership.
 - b. Joint Maintenance (JM) Portion of Project Cost
 - The JM Reserve account has a current balance of \$610,555 which would be sufficient to pay for the estimated \$364,996.72 JM portion of the project cost.

RESERVE BALANCE CA	LCULATIONS			
		HOA + JM RESERVES	HOA ONLY	JM ONLY
	Current Reserve Balances	1,132,587.00	522,032.00	610,555.00
	Project Costs	955,015.66	590,018.94	364,996.72
	Reserve Balances after Project	177,571.34	(67,986.94)	245,558.28
	Sp. Assessment	590,018.94	590,018.94	0.00
Reserve Ba	lances after Special Assessment Reimb.	767,590.28	522,032.00	245,558.28

3. Special Assessment

a. Since the amount of the special assessment needed to fund the HOA portion of the project cost exceeds the board authority to approve, the special assessment vote will be required to approve a special assessment of \$590,018.94. A special assessment information package and ballot will be mailed to all owners and ballots will be counted March 16, 2023.



b. Following discussion, it was MSC to approve the asking the membership to vote to approve a special assessment of \$590,018.94 to fund the deck inspection, gutter replacement and painting of the project as described above in these meeting minutes.

4. Special Assessment Terms

- a. Based upon the Special Assessment of 590,018.94, if approved by a vote of members, the "average" special assessment for each unit would be \$4,403.13.
- **b.** The terms of the special assessment would be to have the special assessment due in 4 equal installments with dates TBD.

5. If Special Assessment is approved

- a. Scaffolding to start being erected late March or early April
- b. Project anticipated to take a total of 5-6 months for all 3 projects to be sequenced and completed

6. If Special Assessment is not approved

- a. Without new special assessment funding approved by members, the Board will approve one of the following:
 - Ask membership to vote again for the full special assessment
 - ii. Pursue a bank loan for the HOA to bridge finance the project costs over a period of 8-15 years (requires potential Board approved special assessments of up to 5% of the Operating budget (approximately \$70,000 Special Assessment) and /or increases in monthly assessment of up to 20% per year to meeting the amortized re-payment loan schedule.
 - iii. Approve special assessments of up to 5% of the Operating budget (approximately \$70,000 Special Assessment) per year and increases in monthly assessment of up to 20% per year (possible for subsequent years until special projects amount has been fully paid outside of the existing reserve totals).
- b. In all the above cases, the Board has approved the 2023 project to proceed due to SB 326 deck inspection requirement with a 01/01/25 deadline, the requirement to repair rusting and leaking gutters and requirement to maintain the weatherproofing of the exterior envelope of the Association by painting the stucco, wood trim and replacing failed caulking between windows and stucco siding.



c. The timing of the 3 projects at this time takes advantage of the economies of scale in being able to have all 3 projects use the same scaffolding without duplicating costs unnecessarily.

iv. Next Steps & Timeline

- 1. Draft Minutes from this board meeting and general information on the project will be distributed to all members by email and QR links to the website will be posted in the common area.
 - The website (https://thevillageatpetriniplace.com) has all the current project information including proposed color pallets for members to vote their preferences online.
- 2. A Special Assessment information package and ballot will be mailed to all members within the next week
- 3. January 26, 2023 Annual Meeting will include time for Q&A
- 4. March 6, 2023 Special Assessment and Project Informational Meeting will be held to provide any responses to any remaining questions or concerns prior to the voting deadline.
- 5. March 16, 20232 Board Meeting will be held to count ballots determining which method the project will be funded.

6. New Business

- a. Garage Levels CO Vent System Update
 - i. It was reported that the CO vent system in the garages has been inspected and repair work will be scheduled once the repair scope is finalized.
- b. 2023 Calendar Tabled to be reviewed in January 26, 2023 Meeting

7. Open Forum

c. All Q&A were asked in the course of the meeting. No new issues were raised in the Open Forum

8. Adjourn Board Meeting

- d. The next meetings are Board and Annual Meetings scheduled for January 26, 2023
- e. With no further business, the BOD adjourned the Regular Meeting of the Board at 7:30 PM.