

Voices Community Meeting Agenda

January 9, 2024

Meeting Norms: Please raise hand to speak; no personal criticism will be allowed; to ensure everyone gets a chance to speak, please limit each instance of speech to 3 minutes

Voices Vision Statement: To provide a forum for discussion of positive outcomes focused on improving and enhancing the quality of life at Woodside.

A. Welcome and Meeting Norms (6:00–6:05)

B. Introductions (6:05–6:20)

C. Discussion (6:20–7:30)

1. Election (6:20–6:40)

- Four openings (currently held by Bill Sessa, Cyrus Youssefi, Hassan Pejuhesh, and potential appointee to Kim Edwards' seat)
- Nominations due Tuesday, March 5
- Ballots due Friday, May 24
- Results tabulated Tuesday, May 28

2. Storm Readiness and Flood Preparation Plan (6:40–7:00)

- Plan prepared by Frank O'Connor
- Current status
- What residents should know to protect themselves

3. Reserve Study (7:00–7:30)

- On-site study prepared during November 2023–January 2024
- Covers maintenance needs for the next 30 years, including projected costs
- SB 326 (Balcony Bill) results incorporated
- Are current reserve funds adequate?
- Request for Community Meeting to learn Reserve Study results

D. Adjournment (7:30)

Assembly and Meetings. Effective January 1, 2018, associations cannot prohibit members and residents from peacefully assembling or meeting with other members, residents, or their respective invitees or guests for purposes relating to (i) CID living, (ii) association elections, (iii) legislation, (iv) elections to public office, or (v) the initiative, referendum, or recall processes. (Civ. Code § 4515(b)(1).)

Canvassing and Petitioning. Associations cannot prohibit members or residents from canvassing or petitioning (1) members, (2) the association's board, and (3) residents to participate in permitted activities (assembling, meeting, speaking with public figures, etc.). (Civ. Code § 4515(b)(4).)

Distributing Flyers. Members cannot be prohibited from distributing or circulating, without permission, information about (1) CID living, (2) association elections, (3) legislation, (4) election to public office, (5) the initiative, referendum, or recall processes, or (6) other issues of concern to members and residents. This is by far the broadest and most overreaching portion of the new law. The scope of

information which may be distributed, without permission, is effectively unlimited. It need only be any matter which concerns a member or resident. (Civ. Code § 4515(b)(5).)

Source: <https://www.davis-stirling.com/HOME/P/Political-Activities-Flyers>

CID = Common Interest Development

Woodside Covenants, Conditions, and Restrictions (CC&Rs)

https://woodsidehoa.com/wp-content/uploads/2023/07/cc_rs_restated.pdf

Woodside Bylaws

https://woodsidehoa.com/wp-content/uploads/2023/07/restated_bylaws.pdf

RESERVES AFFECT MARKET VALUES

The founder of Association Reserves, Inc., Robert Nordlund, conducted a study to see if property values were affected by the strength of an association's financial reserves. He compared the sales price (measured in price per square foot) of units in 100 comparable condominium associations to the their reserve fund strength (measured in % funded). He found that market values were 12.6% higher in associations with strong reserves (over 70% funded) than in associations with weak reserves (under 30% funded).

In general, the following factors are indicators of an unhealthy community association:

1. Deferred Maintenance
2. Special Assessments
3. FHA Lending Restrictions
4. Lower Home Values

Recommendation: Associations with weak reserves should make a concerted effort to build strong reserves and, at the same time, raise the maintenance levels in the development. Doing so will increase property values.

Source: <https://www.davis-stirling.com/HOME/R/Reserves-Affect-Market-Value>

DEFERRED MAINTENANCE

Deferred Maintenance. Postponing maintenance that needs to be done. Deferring needed maintenance can lead to premature failures and create health and safety issues.

A. Proper Delays. Planned short delays in maintenance to (i) raise funds for making repairs or (ii) staggering repairs for scheduling purposes are acceptable business practices. Even so, boards must take care to protect members from any damage that might be caused by such delays.

B. Improper Deferrals. Deferring maintenance for the wrong reasons can be a breach of the board's fiduciary duties. Deferring maintenance to avoid spending money or raising dues is harmful to the membership because it (i) exposes the association to litigation and potential liability for damage caused by the deferrals, (ii) lowers property values, and (iii) increases the cost of the eventual repairs (which can result in huge special assessments). In addition, it may expose directors to claims of gross negligence, breach of CC&Rs, breach of statute (Civ. Code § 4775), and breach of fiduciary duties. Under those conditions, the business judgment rule will probably not protect the directors from personal liability. (See Champlain Towers.)

Source: <https://www.davis-stirling.com/HOME/H/HOA-Regular-Deferred-Emergency-Maintenance>

30 Year Reserve Funding Plan Cash Flow Method

2021/2022 Update- 2

Prepared for the 2022/2023 Fiscal Year

Proforma

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Beginning Balance	1,184,817	1,578,716	407,427	619,776	934,219	1,608,489	2,250,029	3,365,840	3,524,445	4,435,253
Inflated Expenditures @ 2.5%	802,377	3,095,814	2,420,298	1,644,624	1,340,846	1,433,275	1,023,239	2,042,362	1,351,862	2,326,532
Reserve Contribution	995,004	995,004	1,900,000	1,947,500	1,996,187	2,046,092	2,097,244	2,149,675	2,203,417	2,258,502
<i>Units/month @ 725</i>	114.37	114.37	218.39	223.85	229.45	235.18	241.06	247.09	253.27	259.60
<i>Percentage Increase</i>		0.0%	91.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Special Assessments / Other¹	180,700	914,735	725,000	0	0	0	0	0	0	0
Interest Pre Tax @ 1.50%	20,572	14,785	7,647	11,568	18,928	28,723	41,805	51,292	59,253	66,019
Ending Balance	1,578,716	407,427	619,776	934,219	1,608,489	2,250,029	3,365,840	3,524,445	4,435,253	4,433,241

1) See Section III-b for crucial special assessment details. 2021/22 beginning balance does not include flood reserve. 2022/23 reserve contribution is per client direction and contrary to BRG's increase recommendation. **This PROFORMA plan for the 2022/23 budget may be revisited frequently during 2022/23.**

	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41
Beginning Balance	4,433,241	4,907,888	5,610,106	6,236,341	5,378,411	6,079,419	6,536,286	7,320,188	8,326,405	9,349,730
Inflated Expenditures @ 2.5%	1,909,855	1,725,769	1,846,886	3,365,100	1,841,306	2,130,920	1,850,530	1,679,510	1,716,049	2,522,677
Reserve Contribution	2,314,965	2,349,689	2,384,934	2,420,708	2,457,019	2,493,874	2,531,282	2,569,251	2,607,790	2,646,907
<i>Units/month @ 725</i>	266.09	270.08	274.13	278.24	282.42	286.65	290.95	295.32	299.75	304.24
<i>Percentage Increase</i>	2.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 1.50%	69,537	78,298	88,187	86,462	85,294	93,913	103,150	116,476	131,584	141,178
Ending Balance	4,907,888	5,610,106	6,236,341	5,378,411	6,079,419	6,536,286	7,320,188	8,326,405	9,349,730	9,615,137

	2041/42	2042/43	2043/44	2044/45	2045/46	2046/47	2047/48	2048/49	2049/50	2050/51
Beginning Balance	9,615,137	11,098,661	10,702,084	11,051,635	12,017,596	13,191,928	12,441,049	11,938,779	10,835,447	11,047,382
Inflated Expenditures @ 2.5%	1,357,284	3,285,775	2,580,202	2,015,101	1,864,802	3,835,939	3,621,414	4,254,589	2,977,412	2,367,260
Reserve Contribution	2,686,611	2,726,910	2,767,814	2,809,331	2,851,471	2,894,243	2,937,657	2,981,722	3,026,448	3,071,845
<i>Units/month @ 725</i>	308.81	313.44	318.14	322.91	327.76	332.67	337.66	342.73	347.87	353.09
<i>Percentage Increase</i>	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 1.50%	154,197	162,288	161,938	171,731	187,664	190,816	181,488	169,535	162,899	170,995
Ending Balance	11,098,661	10,702,084	11,051,635	12,017,596	13,191,928	12,441,049	11,938,779	10,835,447	11,047,382	11,922,963

**2022-2023
Yearly Budget**

**PROPOSED
2023-2024**

RESERVES FUNDING

05020-000 Reserve Assessment	\$ 995,004	\$ 995,004
05021-000 Reserve Interest	\$ 60	\$ 276
05022-000 Special Asses. Reserve transfer	\$ 189,735	\$ 190,879
05023-000 Flood Reserve Provision	\$ 87,000	\$ 87,000
Reserves funding Total:	\$ 1,271,799	\$ 1,273,159

RESERVE EXPENSE

05040-000 Carport Restoration	\$ 100,000	\$ 100,000
05060-000 Decks/Balcanies	\$ 60,000	\$ 60,000
05070-000 Exterior Light	\$ 3,500	\$ 6,000
05080-000 Fencing	\$ 15,000	\$ 5,000
05110-000 Exterior Painting	\$ 125,000	\$ 250,000
05115-000 Plumbing	\$ 35,000	\$ 70,000
05120-000 Pool and Spa	\$ 15,000	\$ 21,035
05160-000 Roofing Comp	\$ 225,000	\$ 200,000
05170-000 Siding	\$ 100,000	\$ 202,272
05175-000 Dry rot-Structural repairs	\$ 15,000	\$ 15,000
05190-000 Sheds	\$ 20,000	\$ 20,000
05220-000 T or U Landings, Stairs	\$ 50,000	\$ 125,000
05225-000 Boilers		\$ 140,000
05235-000 Recirculating Pumps	\$ 10,000	\$ 10,000
05236-000 Back-Flow Preventer	\$ 16,000	\$ 26,000
05240-000 Ponds	\$ 5,000	\$ 5,000
05290-000 Golf Cart Repair	\$ 5,000	\$ -
05305-000 Reserve - Payroll Expense	\$ 190,280	\$ 141,523
05306-000 Rsrv - Payroll Taxes	\$ 15,000	\$ 10,827
05307-000 Rsrv-Workers Comp	\$ 6,000	\$ 4,246
05308-000 Reserve- Payroll Benefits	\$ 15,300	\$ 10,200
05205-000 Mailbox Covers	\$ 5,000	\$ 5,000
05505-000 Tennis Courts	\$ 10,000	\$ 8,000
05503-000 Fitness Equipment	\$ 5,000	\$ 5,000
SB326	\$ 30,000	\$ 90,000
Reserves ExpensesTotal:	\$ 1,076,080	\$ 1,530,103

Total	\$ 195,719	\$ (256,944)
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