

# Alvarado Community Association, Inc.

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## Board Meeting Minutes

September 13<sup>th</sup>, 2022

**Call to Order:** The duly noticed meeting of the Board of Directors of the Alvarado Community Association, Inc., held at the Alvarado Estates Community Park (4774 Yerba Santa Dr., San Diego, CA 92115) in the city of San Diego, state of California, was called to order by the President at 6:01 PM.

**Roll Call/Quorum Establishment:** Quorum was met with 7 of 11 Directors in attendance.

**Board Members present:** President—Jose Reynoso, Vice President—Wayne Breise  
Board Members: Steven Neu, Wes Hinkle, David Wiles, Austin Hong and Eric Poliak.

**Government Representatives:** Community Representative, Jamaéla Johnson for Nathan Fletcher, District 4 Chair of the San Diego County Board of Supervisors.

**Others in attendance:** Management representative, Katrina Wong with Associated Professional Services (APS).

**Prior Board Meeting Minutes:** Jose to approve the July 12<sup>th</sup>, 2022 open board meeting minutes. David seconded. All voted to approve, none abstained. The July 12<sup>th</sup>, 2022 open board meeting minutes are approved subject to final review by Board Secretary, Stacey James.

**Public Comment:** None

### Presentations:

Jemaela Johnson on behalf of Nathan Fletcher, San Diego County Board of Supervisors:

- Jamaela introduced herself as a new community representative for Nathan Fletcher. She is a San Diego native with an MPA from SDSU.
- Central region behavioral health hub offered at Alvarado hospital. 44 inpatient beds created and open to medical recipients. Hub is to remain open through 2023. The effort to open behavioral health hub passed at August 2022 county meeting.
- Community enhancement/neighborhood reinvestment program open for grant applications. Organizations with activities that are aimed at increasing tourism are also eligible. Please encourage relevant parties to apply. Jamaela can provide a link to apply. Contact: [jamaelaS.Johnson@sdcounty.ca.gov](mailto:jamaelaS.Johnson@sdcounty.ca.gov) and 619-531-5022

## **Ongoing Business/Committee Reports:**

### **Treasurer's Report (Provided via written report by Ken):**

May and June Financial Statements: As of the last prepared monthly financial statement, the Association had approximately \$75,700 in its general checking account, \$558,650 in the Wells Fargo Advisors Association account (consisting of capital reserve funds and prior operating profits), and \$346,000 in the Clubhouse Account at Wells Fargo Advisors. Subsequent to June, at the request of certain donors, the Association returned \$213,000 of the \$346,000, leaving \$141,000 in the Clubhouse Account. Of the \$558,650 in the Wells Fargo Association account at June 30, a little more than \$447,000 was invested in a series of US Treasury Bills with varying maturity dates. In August one of the Treasury Bills matured and was reinvested in another Treasury Bill with a January 2023 maturity

2022 Draft Capital Reserve Report: We received a draft Capital Reserve Report prepared by Sonnenberg & Company, a copy of which was previously emailed to all Board Members, along with Draft Review Tips, also prepared by Sonnenberg & Company, and which are included in the Directors' packet.

### ***Highlights from the Report include:***

- *A Schedule of funding options beginning in 2023 (page 7 of draft Report), including*
  - \* *Annual Requirement Funding \$66,141*
  - \* *Current Budget Funding \$42,777*
  - \* *Recommended Funding \$45,684 (this amount is included in the 2023 preliminary draft budget).*

[The Report points out that in order to avoid deficits using the Recommended Funding amount, which could occur beginning FY 2035, and to keep Reserves at the "Strong" level of funding the regular reserve allocation could be increased 10% annually in fiscal years 2023 through 2028.]

- Currently the Association is 100.4% funded (considered "Strong"), compared to 108.8% funded in 2021.1
- The Report projects that disbursements from Capital Reserves during 2023 will be \$40,042. [Review the Schedule of Major Repairs and Replacements schedule beginning on page 5 of the Report.]

***Wes made the following motion: Resolved that the Board hereby approves the***

***Draft Capital Reserve Report, dated August 25, 2022 presented to the Board and attached to the minutes of the Board proceedings.***

***Resolved Further, the Treasurer is hereby authorized and directed to date and sign the Draft Approval Letter, accompanying the Report, and return same to Sonnenberg & Company.***

***Steve seconds the motion. With all in favor and no abstentions, the motion passes.***

2023 Preliminary Draft Budget [8/31/2022]: Included in the Directors' packet (and previously emailed to Board Members) is a copy of the 2023 preliminary draft budget, which the Treasurer has compiled from budget request submissions from Board members and representatives of Associated Professional Services. The Treasurer contemplates that a final budget will be approved at the October or November Board meeting. There are two pages to the budget. Page one is the actual budget, which, once approved, will be formatted on APS form, and included in the annual disclosure package distributed to Lot owners. Page two includes the calculations supporting the allocation of the annual assessment among the 4 classifications of lots.

This preliminary draft (which will likely be revised) reflects a small decrease in FY 2023 assessments (\$287,861) from those for FY 2022 (\$288,442).

Each person who submitted a budget request needs to review the budget to make certain Ken included the correct requested amount. Each Director needs to review the entire 2-page budget to make sure he or she is in agreement with the budget in its entirety.

Things to note during review:

- Page one:

Accounts 420, Late Fees, and Account 485, Violations/Fines reflect \$-0-. This is consistent with prior years, even though in the past the Association has collected late fees and penalties/fines. Does the Board wish to go with \$-0- or estimate some amount?

Accounts 534, Gate and Kiosk Maintenance, and Account 536, Gate Attendants, need to be updated.

Steve Neu is waiting for numbers from Elite with respect to Account 536.

Account 539, Sticker/Clicker Cost needs to be confirmed.

Account 600, Street/Gate Maint Reserve, is estimated at \$45,684 (an increase of \$4,153 over 2022). This is the "Recommended Funding" amount reflected in the draft Capital Reserve Study. Any revision to the draft Capital Reserve Report may result in a change to the amount budgeted for Account 600.

- Page two:

This page reflects the breakdown of the assessment among the 4 lot classifications. The calculations are consistent with prior years. Certain lots are currently under construction. It is believed that the construction of only one of those lots will be completed prior to January 1, 2023. For purposes of the draft budget, the classification of that lot is being changed from "Lots inside Gate-No Homes" to "Lots Inside Gate-With Homes."

Please submit any questions/comments/additions/deletions, etc. so that an updated 2023 budget can be prepared and submitted to the Board for review and approval.

Legal Fees: Wayne requested to see a breakdown of legal fees paid to the law firm of Seltzer Caplan McMahon Vitek during 2021. A copy of that schedule is included in the Directors' Packet. According to the schedule, the total paid to that firm during 2021 was \$33,660, which includes a \$5,370 retainer that had not been applied during 2021. As indicated on the schedule, those fees related to Clubhouse matters as well as Undergrounding of utilities. I need to confirm this schedule with the law firm to make sure our records agree.

- All other budget discussions/approvals will be held until Oct/Nov once Ken is present

**Property Manager's Report:** Nothing to report.

**Architectural Review Committee Report – No updated report for September 2022.**

**Below is a record of year-to-date architectural requests and approvals:**

Requests:

Lot 15 – temporary storage pod due to flood

Lot 26 – with regard to Lots 25, 27 & 28 and any walls in plans to build – owner to be kept in loop regarding any building with regard to privacy, view & lighting.

Lot 28 – final approval of city permitted plans ***The Board voted to grant Lot 28 its approval at March 8 meeting. All Directors voted in favor of approval with no abstentions.***

Lot 83 – temporary storage pod. ***The Board voted to approve the temporary storage subject to the storage being off street and behind the gate at the March 8 meeting. All voted in favor of granting the temporary storage with no abstentions.***

**Gate Operations Committee Report:** Steve obtained a \$28,000 quote to replace an old component. He found the quote too high and will explore other options.

**Common Area Maintenance:** Nothing to report.

**CACC:** College Area Community Council meets 1x per month on a Sat. with representatives from every college area neighborhood.

- Plan update is progressing and will eventually transition to council consideration
- Karen is Alvarado's representative on the Planning Board. She will submit column to the Courier Times on behalf of Alvarado Estates
- Rachel Greg, SDSU Director of College Community Affairs appointed to the Board. SDSU Associated Student Rep will be appointed soon
- Will soon discuss college area issues like parking issues, walkability etc. Planning Board will approve a final report to be recommended to the City at its September meeting.

**Streets:** Owners reported construction-related graffiti near Steve's area. Workers have dug up the asphalt (to detect a leak) and the debris has remained. The Asphalt is now bumpy and unsightly. If the City doesn't seal the asphalt properly, Wes can do so at a reasonable price. Jose will follow up with Sean Elo Rivera's office to push the city to finish the asphalt properly.

**Safety/Security Committee Report:** Erik reports the area near former encampment cleaned up. Some trash remains, but it's much better.

Committee is attending monthly Wildfire Risk Reduction and Asset Protection (WRAP) meetings on mitigating danger. Emphasis on house hardening. WRAP provided recommendation on materials to use on existing/new properties to lessen risk of fire spread via flying embers.

Fire Chief, Daniel Eddy contacted Erik to initiate fuel study (requires going door to door). This is a step towards the Master Permit needed to clear canyon bush on protected land.

Occasionally, the fire authorities post individual notices to houses to mitigate a fire risk.

**Communication/Technology:** Nothing to report.

**Community Center Ad Hoc Committee:**

Community Center Vote:

After the first vote, given that the votes were 2 to 1 in favor, we decided to send out a survey and based on the results, make adjustments and then put it out to a second vote. The survey results showed that the overwhelming concern, by both opponents and supporters of the proposal was non-residents entering the community, followed by concern over community disruptions, which is closely related to the former. The next highest was concern about ongoing costs. I played with the projections in the ongoing-costs spreadsheet and even with highly inflated costs on the most variable items, the annual cost per lot goes from \$40/year to \$50/year. Given that, those costs can be easily fine-tuned to garner greater confidence in the numbers. Survey results have been sent to you previously, for your review. There were some minor concerns regarding size and style, however, please note that some lots submitted two surveys that impacted those numbers so they are very slightly inflated.

In order to address the majority of concerns, the committee recommends:

- That association meetings, functions and events will have first priority for usage before it is available for private use. Legal counsel has confirmed the appropriateness of this policy.
- Private events are limited to a maximum number of attendees of 25.
- The design is to remain the same, but the square footage shall be reduced from 1.650

sq. ft. to around 1,400 sq. ft. and the number of bathrooms shall be reduced from three (3) to two (2).

- Private event hosts must provide evidence of insurance coverage of \$2MM, showing the Alvarado Community Association as an additional insured.
- Private events shall provide a \$250 cleaning deposit to be returned if the premises are left as agreed to in the rental agreement.

***Given the above, the Jose motioned the following resolution be considered:***

***“Resolved, that the board hereby authorizes the community center committee to relay the above (online survey results) information to the community and hold a second vote on the proposed project with the above-referenced changes incorporated into the proposal. In order to expedite the process, the vote shall be conducted via Mail Chimp, with paper ballots sent to those residents that do not have email.”***

***Wes seconds the motion. 6 out of the 7 Board Directors present voted in favor. Steve abstained. The motion passes.***

Jose verified extra coverage to cover a community center building is available with the Association's insurance brokers. Wayne verified the Community Center building would add several hundred to the insurance premium. Wayne reports 140k in donations remain the Community Center account

Committee wants to include the members who voted against the community center in the next iteration of the community planning committee. The committee will complete assembly of the next community center package in October 2022. Jose will contact potential new committee members for availability and call a meeting.

**Social:** October 2nd Annual Fall Harvest event

**New Business:** Walking trails group wants to make proposal. The proposal would include Lot splits. Jose asked the group to present in October given that some of the owners that would be affected are currently out of town. The group has offered 1.5 million for an "Alvarado Estates Scenic-Fitness Trail" The options proposed by the group

include a Solar farm, billboards, and a mitigation Bank. These are options developers use when planning to build in sensitive areas to offset environmental impact.

**Calendar:** Next meeting is on October 11<sup>th</sup>, 2022

**Adjournment:** There being no further business, the Board meeting adjourned at 6:47 PM.

Minutes respectfully submitted by K. Wong.

Secretary Certification:

Minutes approved during the Board Meeting held on \_\_\_\_\_.

Signed: \_\_\_\_\_, \_\_\_\_\_ Board Member on behalf of Stacey James - Board Secretary (Absent)