

Paradiso Villas HOA Board Meeting

1st Quarter – February 21, 2023 / 3:00 pm

Minutes of Open Session

Attendance:

Meeting held both via Zoom and In-Person (PAMco Conf Rm 700 Market St. / Bldg 3)

Board Members Present: Jos denHartog / Gary Goble / Teresa Dunegan

PAMco Representative: Nick Chomycia (Community Manager)

Homeowners attending via Zoom: Units: #60 / #80 / #101 / #114 /

Homeowners attending in person: Units: #44 / #51 / #93 / #121 /

Approval of Minutes - for the 4th Qtr. Board Meeting of November 15, 2022.

A correction was made: "Review Financial Statement" was presented by Gary Goble (not Jos DenHartog). A motion was made and seconded to approve the November 15 (4th Qtr.) Board Meeting Minutes as corrected. The motion was voted on and passed. A more detailed version can be found on paradisovillas.com

Financials:

Treasurer, Gary Goble, shared a slide of the 2022 calendar year expenses and pointed out which items deviated most from the budget. He explained what caused the overages, then he discussed how the 2023 Budget addressed each area. Goble stated that a little over 70% of the annual Operating Budget is comprised of non-discretionary expenses (costs that are fixed and over which the HOA has little or no control). This includes things like insurance, existing service contracts, utility expenses; all of which reflect current inflation rates.

A second topic Goble discussed was the Paradiso Villas Reserve Account, which funds maintenance and improvement of the community's infrastructure. Included are high-cost items such as retention pond repair and street resurfacing. The Reserve Account is built by monthly contributions from the HOA's Operating Account. Income for the Operating Account is sourced from the Homeowner's monthly HOA Fee.

2017 was the last time a Reserve Study was performed. Many of the Budget decisions made by the HOA Board reflect careful consideration of the Reserves Study. In late-2022, the HOA Board employed the consulting firm, "Reserve Advisors" to update the forecasted expenditures and to recommend what contributions would be needed to sustain the fund for five years -- from 2024 to 2029. Goble displayed a chart showing options for how those contribution increases could be spread over the five-year period. *Reserve Advisors* recommended very slight increases over four years and a large increase of at least \$108 in the fifth year (2029), when the Reserve balance would "drop to a critical point." Goble, however, stated that it would be prudent for the HOA to maintain a minimum Reserves balance of \$175,000. He recommended that the HOA front-load the contribution increases during the first two years (which constitutes an increase of \$10 monthly per home, starting likely the 4th Qtr. of this fiscal year). Funds would accumulate over the remaining three years, making any further increases unnecessary. According to Goble, no action at this time is required. However, he stressed that these decisions must be made later this year when the 2024 Operating Budget is prepared.

February Winter Storm Update:

President, Jos DenHartog reported that our general area suffered another Ice Storm in February this year. Although the duration was less than the 2021 Freeze Event, the resulting damage to our trees from freezing rain and ice was worse. Our Landscaping Contractor, VMA, began cleanup as soon as streets were safe. Their full crew has worked in our neighborhood for the past 10 days, pausing only for rain. Unlike many companies charging spiked fees, VMA's

charges have been in line with their usual contract amounts. DenHartog estimated that their cleanup will cost \$7,000 to \$10,000. Our professional tree company, *Certified Tree Care*, will service our community this summer. They will address any remaining problems, as well as trim trees away from buildings (which has been performed consistently every year). DenHartog posed the idea of creating a “Disaster Fund” in the HOA Budget to cover damages resulting from extreme weather events. Assigning it a unique General Ledger Code could make it easily identifiable, and it could be rolled over to the next year if not needed. Discussion followed, and the topic was tabled pending research and further review.

Landscaping Report:

Teresa Dunegan briefly reviewed the last couple years of our “Landscaping Improvement Projects.” In 2021 following the February Freeze Event, the funds which were originally budgeted for Projects was reallocated to pay for cleanup of the community. Last year, 2022, was Phase 1 – Shrub Replacement, which enhanced 47 Units. This year we will continue replacing plant materials throughout the community. Our Budget for “Landscaping Improvement Projects” has been increased from \$27,000 in 2022 to \$40,000 this year. This will include enhancements to 52 Units and 6 Common Areas. Dunegan stressed that the timing of specific installations is not influenced by favoritism. As soon as plant materials arrive, they will be installed, and we anticipate that planting will occur during April and May. Hardscape plans will be installed throughout the remaining months, since heat is not a factor. Last year, our Landscaping company, VMA, dedicated Mondays to install our Projects, and that worked well.

Dunegan then addressed our Landscaping Contract for overall grounds maintenance. Any residents with questions can view the details of their contracted services in a chart on paradisovillas.com. She commented that during the months of November through February, VMA is contracted to make only two service visits per month. Beginning in March, VMA will resume a weekly service schedule. They will begin by pruning down Perennial shrubs to remove the deadwood above ground. New growth will sprout from the root ball. Evergreen shrubs will be pruned in waves throughout the year. The Board assures residents that VMA crews are responsible and well supervised. They receive advice on a weekly basis.

Web Site Report:

During “*Homeowners Forum*” more questions were asked about the Landscaping. Dunegan explained that paradisovillas.com provides an abundance of details and answers. Community maps are used to show the distribution of Projects throughout Paradiso Villas over an eight-year period. Also provided is a chart listing details of our Landscaping Service Contract with VMA – what they do and when.

President’s Report – New Business:

a) Fine Schedule Creation: Jos DenHartog explained that our Paradiso Villas Bylaws describe what actions constitute Violations and what the Fining Policy or procedure is. Dollar amounts, however, were not set. He presented a Schedule of Fine dollar amounts, which was discussed, voted on and approved by the Board. The Fine Schedule will be officially recorded with the County and PAMco will proceed with enforcement. The HOA Board agreed that if a Homeowner refuses to resolve a Violation or continues the offense repeatedly after Fines have been assessed, the Violation merits referral for legal action. Full explanation at end of Minutes.

b) Audit: Paradiso Bylaws require that a full “Financial Audit” be performed every five years, with a “Financial Review” during intervening years. An Audit is due in 2023, and the HOA Board has requested it. Property Manager, Nick Chomycia reported that the Audit is in progress.

c) White Safety Stripes on sidewalk steps: Performing this task was discussed and agreed upon in previous Quarterly Board Meetings. The Board requested quotes in January. Chomycia was asked to follow up on the status.

d) Power Wash retaining walls along the main entry street and surrounding the tree island near the Mail Shed. The Board requested quotes in January. Chomycia was asked to follow up on the status.

e) Fire Hydrant maintenance: To be in compliance, an annual inspection of all five Fire Hydrants in our community must be performed. Chomycia was asked to schedule this task.

Homeowner’s Forum:

-- Unit 114 / Homeowner wanted to express thanks for two Residents who willingly provided assistance in removing fallen tree branches immediately after the ice storm -- *The HOA Board highly values and appreciates a “good neighbor spirit.” Caution to avoid injury is essential.*

-- Unit 51 / Homeowner posed several questions about the general Landscaping services and about the Improvement Projects. -- *Discussion ensued. The Board continues to urge residents to view paradisovillas.com where most of these questions have been addressed.*

Adjournment:

A motion was made and seconded to adjourn the Open Session. The motion passed. The meeting was adjourned.

*** Fine Schedule Creation**

Paradiso Villas Bylaws describe what actions constitute Violations. These are here grouped into two Categories. Although Fine dollar amounts were not set, the Bylaws do explain the procedure or steps, which must be adhered to by the HOA Board. They are:

- Step 1 – **Courtesy Letter** educates the Owner about the Bylaws Violation and requests that action to resolve (cure) be taken within 10 days. Sent via 1st Class mail and e-mail.
 - Step 2 – After ten-day grace period ends – A **Notice** states that the offense is still unresolved, and that if not cured within 10 additional days, a Fine will be assessed to Homeowner’s account. Sent via Certified mail and e-mail. Homeowner has been given a total grace period of 20 days.
 - Step 3 – After 20-day grace period ends – A **Notice** states that the offense is still unresolved and that a Fine has been assessed to the Homeowner’s account. Sent by Certified mail & e-mail. This constitutes a **1st FINE** in the Schedule presented and recommended below.
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Violation Category A: Includes offenses such as, but not limited to:

- 1) “Failure to Maintain Contact Information”
Homeowner must update PAMco Portal:
 - His own current mailing address & telephone;
 - Name & telephone of ANY resident (other than owner);
 - Name, mailing address & phone of any Agent managing the Unit;
 - Name & telephone of each new Tenant (Use Tenant Info Form).
- 2) “Abuse of Common Areas”
Such as, but not limited to: untidy porches or patios / empty or unkempt flower pots / unapproved planting / refuse stored around the unit / recreation items left out / nuisance / animal offenses

- 3) "Parking in Unauthorized Areas"
- 4) "Trash / Recycling Placement & Storage"

1st FINE is **\$100** Fine date starts a 12 month period for this violation.

2nd FINE is **\$150** If the violation remains unresolved 10 days after *first* Fine --OR--
if the violation is repeated a second time during this 12 month period.

3rd FINE is **\$200** If the violation remains unresolved 10 days after the *second* Fine --OR--
if the violation repeats a third or more times during this 12 month period.

Violation Category B: Includes: 1) "Unit Maintenance Lacking"

1st Notice in January: This Notice states that the Unit is in Violation for a failed inspection; states specific details, such as required paint ID numbers/names; states August 15 deadline to perform maintenance and cure violation; states, if unresolved, a \$100 FINE will be assessed August 15 and will recur every month until the specified maintenance has been completed. This grants a 7-month grace period. Sent via 1st Class mail and e-mail.

2nd Notice in May: Owner receives a copy of the original Notice, which clearly highlights a 2nd Notice date of issue. Sent via Certified mail and e-mail.

3rd Notice Aug. 16: A Notice states that a \$100 FINE has been assessed to Homeowner's account and will be re-assessed, accumulating each month until specified maintenance has been completed. Sent via Certified mail and e-mail.

***Failure to comply after Fines have been assessed will merit the
HOA referring the matter for Legal action.***