



Copper Cove at Lake Tulloch Owners' Association

920 Black Creek Drive
Copperopolis, CA 95228
Website: www.ccltoa.org

Phone: (209) 785-2688
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Board Meeting Minutes

July 20, 2017

Meeting Called to order: 6:00pm

Pledge of Allegiance

Board roll call - Present: Jane Everett President, Howard Karlin Vice President, Ryan Oatts Secretary, Mike Butterworth Treasurer, & Doug Oliver Director

Minutes of Prior Meetings:

- May minutes approved 5-0
- June minutes approved pending the 2 typos that Mike requested fixed and the 2 items that the ACB had set for this meeting gets put onto the August Board meeting agenda.

Board Reports:

- ❖ **President Report:** Pass
- ❖ **Vice President Report:** Went over member surveys that were returned from April's newsletter. CalFire has been inspecting properties in our association. What would be helpful is if Ryan would get with Melinda & determine which lots in our association have no structures on them & mail those lots a letter informing them to cut down their weeds. We should also add a list of approved vendors who could cut down their weeds to the letter. We must be good neighbors here at the association, so Ryan I'm going to ask you to encourage Aaron and his team to continue the good work they're doing in cutting the tall grass here at Black Creek park. There are some areas that still need some attention. For us to be good examples to the community I think the rest of our park needs to be mowed below 4".
Mike asks about Little John park – Aaron says Jagger scrapped a 30' wide fire break in the middle of the park and up against the back of the homes that back up to the park.
- ❖ **Secretary Report:** Ryan adds to agenda under new business the approval of PO's
- ❖ **Director:** At the end of the meeting we have the preliminary contract that we'll be talking about for the ramp. Last week the ramp committee met with the local engineer onsite in addition to having their meeting to coordinate how to meet this deadline because the water line will be low at the end of this year, if we don't get this done quick we're going to miss our window. When we met onsite with the engineer & we took a good hard look at the ramp & the soil conditions initially we are planning on widening. I will go into it a little further near the end to why we are going with the basic option to repair & extend the ramp. Widening doesn't appear to be fiscally responsible now. It's going to be expensive & Geo Techs are hard to find.



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- ❖ **Treasurer Report:** There is \$840,000 in our bank accounts as of the 30th of June. That's down \$20k from last month. The reason for that is Umpqua checking is comprised basically of 2 things, Subtractions & additions. We had approximately 30k in expenses in our operating account, 10k in additions due to collections & what not. We are basically netting that when you see the 20k. (Gives a presentation about Consortium – presentation attached) Recommends the HOA switch over to Union Bank. Budget analysis for 2018 will be based on 2014-2016 financials that have been approved as correct by the CPA firm Clendenin. The current reserve study I worked with Aaron on that – we found some issues we need to correct.
- **Office Report:** I was asked to give you a percentage of how many people have paid their assessments. To be honest, I don't feel comfortable giving you an exact percentage with our books being the way that they are. Mike: Is there more than 1721? Melinda: Yes, I am looking at sending about 46 to Severaid. Mike: We had some issues with some bank deposits, not knowing what checks went with what and requested from the bank a copy of certain deposits, did we ever get those in? Melinda: No, not yet. Mike: There are just some data entry issues but we are researching that. So, there are 1721 lots paid and you are send 46 to lien that's 1767 lots, how many lots do we have? Melinda: Because there are currently duplicate lots and lots in QuickBooks I am unable to give you that number. Mike: We have owners listed in QuickBooks, right? Melinda: Yes, we do. Mike: Is that list correct? Melinda: No. Mike: What's wrong that list? Melinda: I just said. Mike: We are tracking this down. This is an ongoing thing and didn't happen with this Board. It was never corrected in the past so this Board is trying to correct the issues that have been passed forward.
- **Maintenance Report:** 12 violations have been issued at the Kiva. 3 of them are warnings, the rest of them are fines. 6 of the fines still unpaid, totally \$700. We've received 3 paid fines at \$300. A lot of people have learned how to dock their boats Sunday – Friday afternoon and then taking them out for the weekend. It's creating a big problem for anyone else that tries to get out on their boats. There should have been about 4 more fines given out for people abusing the usage of the boat slips although the staff didn't document thing very well and some may have not launch from the Kiva as they were not in the logs altogether. I think Ray and the Kiva Committee are going to be elaborating more on that. We have 3 new Kiva staff members. They started the weekend before the 4th of July. I've been trying to work with the staff, creating new logs to make it easier for them to document information, going over procedures on what they need to document. The launch ramp made \$1000 from July 1st-July 4th roughly half of those were credit card payment system. Mike: 20 into 1000 – that's 50 launches? Aaron: Guest launches, while staff is there to except them, yes. Mike: If they were guest launches, were there homeowners there when they launched? Aaron: It's kind of hard to prove if they are there or






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Maintenance Report Continues: not when it's a membership card with no ID but as far as I know the staff has been making sure that there's a membership card for the launch. Example: My brother launches my boat with my card at the Kiva, the membership card and decal all are there so everything looks correct but there's no way to identify if it's the right person. Mike: It means the Homeowner is handing their card to someone and they're not there with them. Aaron: Unless we want to go to a badge with a picture ID on it but that doesn't seem logistically possible for this association. Jagger was down @ little John park & cleared that up. Once again, this year I didn't go all the way down the P&E trails along the backside of that because that's a long process, about a half a mile stretch and our focus is on making a firebreak to the people adjacent to our park. PG&E is investigating the light poles. While John was digging he found the county water line that had disappeared years ago. We took advantage of the trenches and ran some new lines around the park & put in new water fountains. I had to take out the old water fountains last year because the one by the playground was connected to the irrigation system. Now we have county water running to all our water fountains. Next round of spraying will be done soon to get the last little bit of weeds that have popped up.

Committee Reports -

-  **Events:** Not present but would like to thank them for well put together 4th of July BBQ
-  **Tree Committee:** It's just about done out front. I dug up all the old zones and water sprinklers. (did a show and tell with the old system) John asked if it was alright to keep the old system – Board said yes. Doug: How old is that system? John: About 30 years old. Replaced this system with a Hunter sprinkler system, which are commercial sprinklers. Dug up all the sprinklers and laid down 1" pipes to replace the ¾" line. Oh, and it's all automatic with remote. Now we can have everything set to water at night. I've got nozzles in the sprinkler heads right for 3 gallons per minute, so if you run each system for 20 minutes you're going to use 3,060 gallons of water. Mike: Now, this is all coming from the well, so we don't have to worry about CCWD being higher. John: That's correct. Aaron: We are never more than 200' from a hose bib anymore which will save time when we use the pressure washer.
-  **Kiva Committee:** 4th of July went well – Boat parade was huge. The boat slips on Tuesday, Wednesday, & this morning I counted 16 boats. The week of July 10-14 there were 3 nights with nowhere to park the boat. Not 1 spot was open. For 3 days, there was 1 boat that was docked in the 15 minutes zone. The Kiva committee is writing another rule to grant a violation for docking to long in the 15-minute zone. We've been trying to come up with a pathway to keep people off the ramp because of the boat & trailer incident. (Shows picture of the new Murphy's walkway) Going to talk with a company in Brentwood that makes these. Kept Kiva



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Kiva Committee Report Continues: decorated 5 days & someone ripped off one of the banners. Also want some lighting, still. Upper lot is extremely dark. It's a good idea to start asking for Driver's Licenses with the member cards when the Kiva staff is checking people in. We are also going to look at putting in a 48-hour docking rule like Calypso Bay has. Ryan: We should also have some form of security at the Kiva during the holiday weekends. Doug: I'd like to see a study session with the Kiva Committee and the Board to vet all these ideas & see if we can bring forth some changes for the membership to see and respond to.

New Business:

- Ryan does a power point presentation regarding Consortium (presentation attached) – Makes a motion to the Board to approve the contract with Consortium LLC for the full accounting services. We will finalize the contract and sign it once some of the wording has been changed, that we are working on. With this approval, it will take Board action of majority of the Board approval to utilize any part of the accounting services. Do I have a second? Doug seconds motion. Doug: Before they touch us, we need to get a full audit, I think we all understand that. The contract itself will get our feet in the door. I've said this in the executive meetings but I want to say this in front of the membership. We are members, as a Board we are members. We are not experts in any sense in the laws that govern HOAs. We turn over. We get voted in, we get voted out, people forget. In about a 10-year cycle there's always something that comes up and we wonder why did we do that? We must go back to figure it out and try to learn it all over again, only to have staff turnover. My feeling from government experience & from seeing other HOAs work is that the Board as members & Volunteers we should have somebody who is an expert, who can recommend things. I'm not saying get rid of current staff, I'm saying have someone manage that staff for us. Because while we were worried about keeping the power here, because we don't fully know the laws that govern, we really need someone to recommend & guide us in making the correct decisions while following the law. The Board's job is to provide leadership to staff & right now much of what the Board does is work right next to the staff. That has never ended well. Staff should have the autonomy to do their jobs, leadership should have the autonomy to listen to staff, develop a direction, propose it to the Board & the Board should make a leadership decision & direct appropriately.
Jane: As far as for Melinda, we want to keep Melinda? Doug: Yes. Jane: In the contract Consortium put in her training & that's all carte, correct? Doug: Yes. Jane: So, if we decide to do that do they lend us the leadership ability to get her pointed in the right direction? Doug: For the set number of hours we are willing to pay for. Jane: They're going to be involved in the liens, right? Mike: No, not at this time. Jane calls for a vote – Board approves 5-0



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- Jane makes a motion to add more sand to the playground. PO on hand cost is \$1945.00 which will put another inch and a half throughout the playground. Completion in the fall after Kiva season is finished. Mike seconds motion. Board approved 5-0
- Howard has an estimate for 50 tons of fills sand delivered to the equestrian center for less than a \$1000. Presents bags of sand as examples. Howard makes a motion to purchase the sand. Mike seconds motion – Board approved 5-0

Old Business:

- Doug: We met with engineer bid number 3 was way too high. Option 1 is simply a repair and extension of the older portion of the ramp. Option 2 was adding to option 1 widening the ramp by taking out the hill. It is possible to extend the width of the ramp, it would change the grading somewhat, it would take out and remodel of the retaining wall on that side. It appeared to be all on the association property, so we asked the engineer to look at both options. I received from the engineer – Geotech engineers are swamped but could talk with one that said the hillside that we have is unstable to the point where you can't just cut it and expect it to stay. Geotech suggests a shock creak wall. Option 2 money wise is not feasible plus won't get done within our timeline. Option 1 - removing concrete and dumping it is expensive is a bad plan financially. What we can do when the water is low is get under there and shock creak under there and just fill it in and dig down further so the sea wall works better and extend it. That's the initial direction the engineer is looking at. He will be having surveyors out there to give us a greater scope of the layout of our property. Plans are \$18k the engineer's expectation is that the work will be at least as much as the plans and permitting. They will be taking care of the permits. Mike makes the motion to get option 1 for \$18k started. Howard seconded the motion – Board approved 5-0

Meeting Adjourned at 8:06 pm

X

Ryan Oatts - CCLTOA Board Secretary

CCLTOA Treasurer Talking Points – 07/20/17



- Bank Balances
- Benefits of Accounting Services
- Analysis Banking Services
- Current Activities
- Questions

CCLTOA Bank Balances – 07/20/17



QB Acct #	Account	Current	Previous	Change	Date
1010	Petty Cash	\$206.05	\$188.02	\$18.03	4/20/2017
1040	Umpqua Checking	\$316,726.98	\$337,153.59	(\$20,426.61)	6/30/2017
	Operating Accounts Subtotal	\$316,933.03	\$337,341.61	(\$20,408.58)	
1150	BBVA Compass CD	\$50,000.00	\$50,000.00	\$0.00	4/22/2015
1152	BBVA Compass Account	\$200,677.94	\$200,653.20	\$24.74	6/25/2017
1153	Compass Bank 2015 Annuity	\$120,112.20	\$118,951.58	\$1,160.62	6/29/2017
1160	Rabobank	\$152,910.99	\$152,890.88	\$20.11	6/30/2017
	Reserve Accounts Subtotal	\$523,701.13	\$522,495.66	\$1,205.47	
	Total Funds	\$840,634.16	\$859,837.27	(\$19,203.11)	

Benefits of Accounting Services – 07/20/17



- Professionals doing the bookkeeping
- Proper accounting Controls
 - Separation of Payables and Receivables (impossible with one in the office staff)
- Management and Accounting Services
 - CID Consortium LCC, Condominium Financial Management Inc. and HOA Accounting Services responded to request for information
 - Meeting and then Conference Call with CID Consortium LCC

Analysis Banking Services – 07/20/17



- Services

- Handle Assessment Fees with Multiple Methods

- Direct Deposit to Bank (Online Banking)
 - ACH (authorized withdrawal from owner account)
 - Charge Card
 - Check (check machine for remote deposits)

- Bank for Operating Funds Reviewed

- Union Bank, Sacramento Bank of Commerce, Mutual of Omaha
 - All services similar

Recommended Support Services– 07/20/17

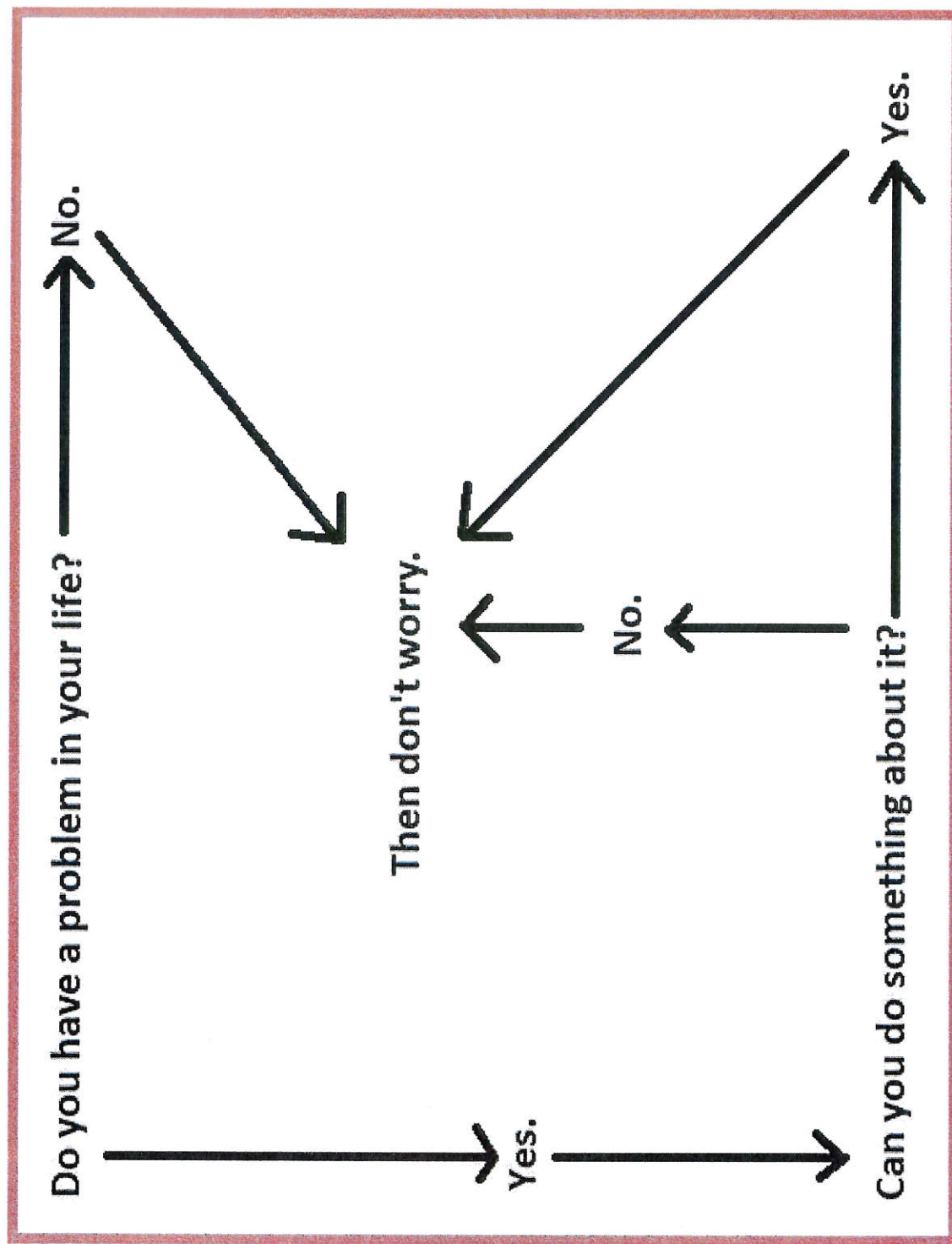


- Recommend CID Consortium LCC Financial Accounting with **A-La-Carte** Management (lowest cost, best services, most responsive staff, CPA support if needed)
 - Strict Oversight of A-La-Carte Management Services Needed
 - Need to Analyze Their Severe Collection Methods and Their Costs, As Opposed to Current Methods
 - Roseville, CA
- Recommend Union Bank (Approved by CID Consortium)
 - Branches in Modesto, Stockton & Turlock
 - Other banks further away

Current Activities – 07/20/17



- Legal Contract – Renewed Contract 6/30/17 with Deon R. Stein for \$2,500
- Begin Budget Analysis for 2018
 - Based on 2014-2016
 - Current Reserve Study (with modifications)



CCLTOA Treasurer Talking Points – 07/20/17



Questions?



CCLTOA Presents Consortium, LLC

➤ Simplifying HOA Management WITH BEST IN
CLASS SERVICES

➤ Customized management and accounting Solutions

➤ Latest technology optimizes response time and
accountability

➤ Un-compromised standards, ethics and professionalism

➤ Decades of experience

➤ Flexible plans to fit any association

Consortium, llc

Leadership Team

- ⇒ Donald Haney-CPA,MBA,MS (Tax) President and CEO
- ⇒ Adam Haney CPA, BS Chief Operations
- ⇒ Ryan Haney, Director of Business development and Retention.
- ⇒ Loretta Bradley, Director Client Accounting
- ⇒ Loretta has worked for this company since 2004
- ⇒ Laurie Harris, CCAM Director of Association Management
- ⇒ Laurie has worked for this company since 2004

So.. what are we looking for???

- Cloud based homeowner portals
- A la carte selections on community management services.
- Having this service allows the directors to have access to professional advice
- Professional Training
- Consortium's costs at \$125.00-\$200.00 depending on skill level required, would be much less expensive then using our attorney at \$300.00+ per hour if consultation is deemed necessary.
- Accounting services
- Accounts Receivable
- Accounts Payable
- General Ledger Reports and Returns

So.. What does this
replace

⇒ NOT MELINDA and NOT
AARON

- ⇒ It does however create more time for Melinda to work on important homeowner concerns.
- ⇒ The day to day operations will be much more streamlined in the office.
- ⇒ It replaces the second office staff.

So.. What will change

- For the homeowner the main thing that will change is where your Annual Assessment Fee will be paid. Consortium will collect the annual assessment fee. The association and the board of directors will still retain the power of our association.
- Melinda will be able to focus on the management of the operations and not be bogged down by collecting assessments, paying the bills and other accounting tasks.

So.. What will change

- Our HOA will have a third party partner to ensure all accounting activities continue to operate within all laws.

SO... What is the cost

- A qualified bookkeeping employee would range between \$2500-\$3000 per month just in their pay. This does not include all taxes and other employee costs that the HOA has to pay.
- Not to mention the employee time dealing with all the accounting tasks.
- Consortium, LLC proposal to maintain the annual billing and operating accounting is \$2,138.00 per month.
- Annual fees if we choose to use them are the following
 - Financial Forecast (Budget)- \$1,500.00
 - Annual Complied Financial Statements with full disclosures- \$1500.00
 - Federal income & California Franchise Tax Returns-\$600.00

Current CPA Firm

➤ By going into a contract with Consortium, LLC, we will no longer have to maintain our current accountant contract which is over April of 2018.

Closing!!

I would make a motion to the Board that we approve going into contract with Consortium, LLC for the full accounting services. We will finalize the contract once some wording has been changed. With this approval, it will take board action, (majority of the board approval) to utilize any part of the a la carte services offered from Consortium HOA Management services

DO I HAVE A SECOND???