

SAUSALITO SHORES HOMEOWNERS ASSOCIATION

ANNUAL MEETING MINUTES

Sunday, January 27, 2019 at 3 p.m.
In-person meeting at the Clubhouse

I. Call to Order

The annual SSHA board meeting was held Sunday, Jan. 27, 2019 at the Clubhouse. It began at 3:05 p.m. and was presided over by president, Dave Manor.

II. Attendance

Board Members in Attendance: Dave Manor, Ron Shady, Greg Bond, Dave Llerena, Joseph Gillard, Pat Jackson, Isaac Babcock, Debbie Gillard, Sean Michaux, and James Pooler.

III. Approval of Minutes

The minutes from the last four months (Sept-Dec.) were typed up by Melinda (Secretary) and received earlier today. Ron made a motion to approve all the minutes as submitted. The motion was seconded by Greg and Sean. Motion passed unanimously.

IV. Treasurer's Report

Dave went over the 2018 Financial Report. Income budgeted was \$34,000; actual income was \$37,462. Budgeted expenses was \$34,000; actual expenses were \$37,164 leaving \$298 leftover that was put into a reserve account for insurance for the new wall. One hundred twenty-two people (43%) paid dues (highest number of people in 6-7 years). Boat Club had 23 members, Storage Lot Club 35 members including 3 kayaks, and 42 Clubhouse rentals. Estoppel fees brought in some extra income. Largest expense last year was reroofing the Clubhouse and Pavilion (last done in 2004 and many hurricanes & storms had taken their toll), and this roof is expected to last for 40 years. Typical regular expenses include landscaping (mow & blow) of \$10,000, electric \$3000, Water \$1200, WiFi and website \$1000. Income tax preparation \$600; hospitality (events) \$1500. Greg made a motion to accept the 2018 Treasurer's Report. Isaac seconded the motion. Motion passed unanimously.

V. Old Business

Accomplishments

The board about 4 years ago had a list of things they wanted to do, one of which was to have more lights here in the common area around the Clubhouse. More pole lights were added for security. Five Ring cameras were installed on and around the Clubhouse and come on with any motion; there are also motion-sensor spotlights at the corners. The pole lights are the only lights that remain on all night and go off automatically. The Ring cameras record all movement, and we can even speak to people through the Ring system if we need to. The walk-in gates are all controlled with a combination, which is provided when you pay your dues. Other things we have done include painting the exterior and interior of the Clubhouse; the bathrooms have new vanities, sinks and faucets. One resident donated his stove, dishwasher and microwave; we are still looking for a new

refrigerator. The ceiling fans are only a year or two old. The A/C is 3 years old; the only thing left to do would be the floor and upgrade the kitchen. The plants around the front entrance were enhanced, and we still want to upgrade the landscaping at the entrances as you come into the neighborhood. Unfortunately, we don't have enough people living in the neighborhood who pay their dues. We took in \$14,000 in dues and out of that \$10,000 goes to landscaping expenses, and the other \$4,000 went for water and electric. Without our other ways of raising money, we wouldn't be able to do the things we've done. We've tried to make each entity self-supporting; the money raised by Clubhouse rentals goes back into the Clubhouse. The Clubhouse took in \$7200 last year; we spent \$9,000 to do the roofs. Boaters who pay to join the Boat Club, every dollar you pay goes toward the fund to rebuild the dock. Currently, we have \$37,000 saved to rebuild the dock. We had estimates of \$34,000 to rebuild before the last hurricane came through, but that builder would no longer honor the estimate because he was so busy with work after the hurricane. We hope to get more estimates this year and have it done in the next year or two. A question was asked whether any of the non-paying residents contribute toward the expense of landscaping the entrances and common areas. Dave said he can't force people to pay the dues, as they are not mandatory. Dave explained that the construction company who built Sausalito Shores (Greater Construction) had less and less influence in implementing deed restrictions as the neighborhood expanded; so if you happen to live in Section 2 (Sausalito Blvd. toward the lake), you have the most stringent deed restrictions, and if you live in Section 3 back by the firehouse, you have the fewest deed restrictions. Ron explained that there are many benefits and discounts to being a member, including accessing the lake and the common area around the Clubhouse. The SSHA maintains all the entrances with the money we take in from dues; our landscaper only charges us \$800/month to mow and blow and maintain those entrances, plus we also trim the palm trees. The Condos also contribute an amount of money each year to help us maintain the boat ramp and boat dock (\$1660 was contributed last year). Once we rebuild the dock, we'll have to begin saving for upgrading the boat ramp. Recently we got 20 tons of rock delivered to spread around the RV Lot. The upgrades and additions in the Playground were donated and some of the funds were from grants from the City. There is a new charcoal grill at the Pavilion if you want to come down and have a picnic. Debbie Gillard also came on the board a couple years and reinstated the "neighborhood watch." We appreciate the help we get from everyone!

Red Bug Lake Road Wall

The process to replace the wall began over 10 years ago when the flyover happened. It's been a bureaucratic nightmare; it requires signatures from every homeowner whose property abutted Red Bug Lake Road, and getting them to agree to a 5-foot easement; their lenders had to sign off on it, notarized, filed with the county, back and forth with lawyers, etc. The final DOT permit should be here by Valentine's Day. The project is out to bid now. The wall design is the same as the brick wall across Red Bug Lake Road. It will be 6-feet tall all along the length of the wall. The entrance at Todd St. will have a pedestrian gate. Residents who live along the wall who have trees in the way of building the wall, Dave said he will be meeting with them. Dave estimated it will likely be completed by November. The closest lane of traffic will be blocked during construction, and it may be more difficult to turn in on Doster St. Each resident will be taxed each year to help pay for the wall (estimated at \$300 - \$500/ year) for a certain number of years until the cost is paid off. Dave said the new wall may help increase our property values based on the subdivision across Red Bug Lake Road; their property values did increase.

Dog Run

Dave gave some history about members' dogs in the common area. One complaint has been the number of people who weren't picking up after their dogs. Another issue is that dog owners let their dogs run loose in the common area without considering that children or older people who enter the common area are then unprotected from the loose dogs running up to them, jumping on them, or worse. The number of complaints increased about dogs off their leash, so the board voted to adopt the City's leash law, meaning dogs must be on a leash when being walked through the neighborhood -- and within the common area behind the fence. Then the board got complaints from dog owners that their dogs don't have a place to run off-leash. So the board did some research and looked for a section of the common area that could serve as a Dog Run, that would be safe for the dogs, and for people enjoying the common area, and it was decided the area behind the RV Storage Lot would work. This area is about 20 feet wide, 400-500 feet long, with the RV Storage Lot fence on one side and woods on the other. This area would only need one section of fence from the RV Storage Lot to the woods, which would be a minimal investment. There would be no separation of the area for small and large dogs. Dogs on a leash would still be allowed in the common area. One resident voiced a concern about how isolated that area is and she would not feel safe back there. The pole lights illuminate the RV Storage Lot and this proposed Dog Run area. Dave said it will cost approx. \$500 for the fencing required. Another resident asked if a fence along the woods at some point is possible. It was noted that the cost of fencing along that area would be cost prohibitive at this point. Dog park rules would be posted at the entrance, and dog owners agree to the rules by entering the area. Dave asked for a vote by hand of all members who want the dog park; the vote was 31 yes to 5 no. Dave asked one of the no votes (who owns 3 dogs) why they didn't want the dog park. Her response was she didn't think people would follow the rules. Michelle Pooler objected because her property backs up to that area and she doesn't want to sit in her backyard and smell dog feces; she asked dog owners to please pick up after your dog even in the dog run.

VI. New Business

Dues and Fees

Dave explained that some fees have stayed the same for a long time. Dave said annual dues have been \$120 a year for the last couple years (\$10 per month). We were looking at raising dues by \$5, which would bring in an extra \$600 per year. Prices and costs keep increasing each year and we need to cover costs. Someone suggested we raise it by \$10 to \$130. Dave said the demographic of our neighborhood is changing from older to younger, and it's possible we could lose members if we raise it by that much. He said one year we raised it by \$10 and we lost 20 people. A \$5 increase isn't huge, but it is an extra \$500 a year we can use for the Dog Run, or a refrigerator, etc. We are expecting about 5 people not to renew next year. We are basing the increase on 115 people paying \$125 dues, which would bring in \$14,375. Sue White reminded everyone of the property tax assessment for the new wall that's coming soon and that might be an argument against raising the dues. Dave said that assessment would not have to be paid until next year in 2020 (appearing on everyone's November tax bill, but payable in 2020). Dave took a hand vote: no one objected to raising dues by \$5 per year. Dues will be set at \$125 per year.

The Boat Club fee is currently \$125 as it was last year; we are recommending we leave that fee at \$125. People can get a one-time use pass for \$10, so most boat owners realize that it's not inexpensive, but the fee goes back into maintaining the boat dock and boat ramp. Dave asked whether anyone in the room thinks the

Boat Club fee should be raised; no one raised their hand. The Boat Club fee will remain \$125 per year.

The RV Storage Lot fee was \$275 last year which is about \$22/month -- very inexpensive. The early residents chipped in the money to build the storage lot because they wanted somewhere to park RVs and boats. Dave said he pays over \$200 per month for a storage spot near Lowe's. Dave said we would like to raise the fee by \$30 a month, which he said is still a bargain price for a place to park your RV or boat or trailer. So the board is suggesting it get raised \$30 a month (which would be \$360 per year). Someone asked if they could make monthly payments like the other storage facilities allow. Dave said the board would allow 2 payments if making the one payment would be difficult. The problem with accepting monthly payments is that as volunteers, it's difficult to make time to come collect the fee on a monthly basis. Perhaps Ron would be willing to work out a deal, but for the majority of people we'd like to receive one or two payments. Dave said if you own a big RV or a big boat, you should be able to afford \$30 a month, because if you weren't keeping it here, it would cost you \$200-\$300 a month to keep it somewhere else. Dave said he has a couple spaces in the lot so he understands it's a big jump, but he would rather keep his trailer here. Someone said the Storage Lot fee is in addition to the annual dues because you must be a member to get a space in the Storage Lot. Dave said it would cost \$720 a month for a non-member. Members have first priority over non-members -- always -- last in, first out. Last year the RV Lot brought in \$9000 in income. With the \$30/month increase, we will bring in \$12,600 this year -- an extra \$3000 which will help pay for more rock to keep that back area less muddy. Sue said a 40% increase is quite a big increase, especially for people on a fixed income. She said she bought her house in SS because she could keep it in a separate storage lot and it's difficult. Dave agreed, but costs keep going up and we have to maintain the lot by adding rock, extending the fence, etc. All we were able to do last year was the center section, but we still need to do the right side. Sue questioned the expenses vs. total expected income. Dave said the surplus pays for insurance and many other projects, and that dues only covers the cost of landscaping. Someone asked if the income from the Clubhouse rentals would go for the expense of rock in the Storage Lot. Dave said that wouldn't happen until the Clubhouse gets it's new floor and new kitchen. Dave explained the floor is old and falling apart, and that the Clubhouse is one of the main income-generating areas and we need to maintain it. If there is additional money remaining after Liza need for upgrades, that money would go toward other things. Someone asked Dave to confirm whether the new Storage Lot fee would not go exclusively to maintaining the Storage Lot, but be used for other things. Dave said the increase of \$30/month will go for the upkeep of the Storage Lot and the remaining funds have always been earmarked for insurance, common repairs and maintenance of the common grounds. It will take a period of years to rock the whole Storage Lot; but by raising the fee by \$85/year x 30 spaces, which only brings in \$2700. Michelle asked what the cost would be to rock the whole lot. Dave said it's priced by dump truck load and each load is \$400, and it took 2 dump truck loads just to cover the area by the gate. So we could possibly get 6 dump truck loads and a bobcat to spread it (because no one will go spread that rock by hand). Dave said if everyone who is at this meeting showed up to help spread the rock, we could save \$300 on a bobcat, but he doubted he would see everyone down there to help. Someone asked if the fee is raised so much, isn't the board afraid people will leave and the revenue will go down. Comments included "where else are they going to go?" Dave said that one or two may leave, but that those spots could be filled just as quickly as the demand is high. Someone asked whether people might park their boat and trailer in their driveway, then the property values of neighboring homes would decrease. Dave said those people would have to keep it behind their house and fenced in. Greg said the price is still very inexpensive, and we could advertise the non-member rate

and get someone to take a space or two pretty quickly. Dave said most years there is a waiting list to get into the Storage Lot. Dave said it's easier to charge \$30 or \$20 per month from an accounting standpoint too. Someone said you don't accept monthly payments anyway, do you? Ron said he pro-rates sometimes for new residents. Dave said the board feels the \$30/month increase is very fair price and we wouldn't lose. Someone asked why not \$25 per month instead of \$30. Dave said that give us enough money to bring in the rock and rent the bobcat to maintain the lot. Dave said you all determine what the price will be; the board recommends the price based on research and what's fair compared to what other places are charging within 5 miles of here. Someone mentioned that some of the trailers in the lot are junk. Ron acknowledged there were about 5 spaces with abandoned vehicles and we will call the City to see how to move those out. Dave said we would need a tow truck to come take them away. Michelle asked if the storage fee for kayaks will also increase. Dave said no. Ron said the kayak storage fee will remain \$50. Dave said each space can only contain one vehicle. Dave asked who would be opposed to raising the RV Storage lot pricing. Dave counted 12 members objected to raising the fee. Dave asked who would vote in favor. Dave counted 17 in favor. Dave asked the people who objected to the \$30 per month cost, what would be a fair price? Ron said Dave should refer to the annual fee of the current \$275 vs. \$360 per year to look at it fairly. Ron asked everyone what a fair yearly fee would be. Someone asked why not just \$25 per month increase? Dave said that would not bring in enough money to pay for the rock that's needed. It would cover 2 truckloads of rock. We have to bring in money to fix things and maintain things. We've been saving for 20 years for a new boat dock. We don't want to have to save for 20 years to add rock that needs to be done every year or two. Dave explained the extra funds must go to pay for other expenses: hospitality events, newsletter, postage, insurance, etc. Someone asked how many spaces are in the Storage Lot. Ron said there's a total of 53 spaces. Dave finally said "the RV Lot income goes to pay for the things that the dues cannot." Sean said it's almost inevitable when the HOA fee is not mandatory. Debbie said she moved into this neighborhood from a mandatory HOA, but believes the increase should be done gradually. Dave reminded everyone that he would have to decrease the amount of rock for the Lot if the fee is not increased. James asked if we might consider charging the increase to new residents/members for the next year and then increasing the fee next year for all members. That would be an accounting nightmare. Dave said he thinks we could get in trouble if we charge new people \$400 a year and current members \$275 a year. (Dave said they often give people with multiple slots or people who have a hardship, the option to pay in 2 payments). After more discussion, Dave said he wants to take 2 votes: 1) \$300 per year and 2) \$325 per year. Majority will rule, no abstaining. There were 10 votes for \$300/year. There were 19 votes for \$325/year. So the Storage Lot fee will be raised to \$325 per year. That will cover the cost of 2 dump truckloads of rock to cover 4 slots. Dave says that gives us \$1750 to spend on rock. Dave asked if anyone knows anyone who owns a bobcat that we could rent for a discount.

Key Deposit / Kayak / Clubhouse / Estoppel

The key deposit fee is recommended to remain the same at \$25/year. The kayak storage fee would stay at \$50/year. Clubhouse rental fees are being recommended staying the same (\$100 for members; \$300 for non-members). Estoppel fees will be at \$250 each (same as last year). Dave explained estoppel fees: when someone in the neighborhood sells their home, the title company call us and wants to know if you are in good standing with the HOA, if you have any violations with the HOA that you owe money for; if your dues are current, etc. Dave said there is a form of questions he must fill out and send back to the title company in order for the closing to happen, and there is usually a one week turnaround from the time he gets the estoppel form

to when it must be returned. Dave said we used to do it for free for SSHA members years ago, because it wasn't required and it wasn't as lengthy as it is now. A year or so ago, a new law went into effect that required it to be turned around quickly or we can be fined. Nancy, who is on our board (but not present at this meeting) was a realtor and she said every place charged \$250 for this service, so last year (2018) we adopted that fee for the service, and we have not had one complaint from anyone selling their house, and most title companies think our fee of \$250 is cheap. And it's been a way to bring in an extra \$1700 last year that we can use to pay for other things.

Annual Budget/Expenses

\$1710 for Boat Club (our match to the Condos payment); Clubhouse \$5000 for floor and blinds and a new refrigerator. \$500 for locks/keys; locks get changed March 1st. Insurance is budgeted at \$7000 but we're not sure how much the estimates will be for the wall. Landscaping is budgeted at \$10,000; last year we spent \$9500. Tree maintenance is extra and so is any damage cleanup after hurricanes. \$300 for newsletter; \$300 office supplies; \$300 postage for one mailing; \$1000 prof. fees which includes \$600 for accountant; \$1500 repair and maintenance (sliding glass door in Clubhouse was replaced in 2018). RV Lot and tennis court \$1225 taken off so that is \$2775 what we have to spend for both of those. Website and WiFi is \$1200; Water \$1400; Electric is \$3429. We are hoping to raise \$41,000 next year, and expenses are that same amount.

A motion was made by Isaac to approve the budget. The motion was seconded by Debbie. The motion passed unanimously. Dave recapped the dues and fees:

\$125 for annual dues

\$125 for Boat Club

\$325 for Storage Lot

\$25 key deposit

\$50 kayak storage fee

\$100 Member Clubhouse Rental fee

\$300 Non-member Clubhouse Rental fee

\$250 Estoppel fee

Dave introduced Liza Ferreira, Clubhouse Manager who spoke to everyone at the meeting about Clubhouse rentals. Ron Shady wanted to tell everyone that the new keys this year will be exchanged at two Key Exchange Meetings -- Tues. Feb. 26 and Thurs. Feb. 28 -- each meeting 5-7pm at the Clubhouse. Bring your current key and fees and dues. All the locks and gate combinations will be changed on March 1st.

Election of New Officers

If there is no one at the meeting who might want to be on the board, the 4 people listed in the newsletter will automatically be elected to the board: Ricky Dorman, Carl Krause, Jorge Rivera, and Adel Tennyson. Anyone who is not on the board may stay to discuss any volunteer opportunities, such as helping with the garage sales, parties, fishing tournament, or kid's club. Otherwise, you may go ahead and leave. Another newsletter will be published soon announcing all the new board members, how to reach them, and listing all the dues and fees.

Adjournment

Meeting ended at 4:58 p.m.