

## UNIVERSITY GLEN COMMUNITY ADVISORY GROUP

Minutes for Thursday, May 2, 2019 4:00 pm-5:30 pm  
Lindero Hall, Rm 2801

### 1) Chair Report

- a. Bill Robe reports changes in personnel at CSUCI. Lori Lang is no longer with SA, Elaine Crandell is stepping into the role of representative for the Site Authority.
- b. Discussion pertaining to more frequent meetings.

### 2) Understanding Reserve Studies Presentation/Overview (Complex Solutions)

- a. Reserve study is a budgeting tool for boards and property management regarding maintenance and replacement. It is a long term 30-year study.
- b. An overview of what a reserve study is: Using reserve software, data points are collected for the components that are identified and are then assigned a useful life, a remaining life and a replacement cost in the future. Costs are generated from a data base from previous work done, or past contractors who've worked on the property. The software uses assumptions for inflation for future costs, interest rates for investment of funds and then determines the amount to be annually reserved for each component. The software also determines how much is currently funded.
- c. Complex solutions prepared 3 separate reports: Townhomes, Single Family Homes, and Town Center.
- d. Components refer to anything within common areas such as; roofs, lighting, street, sidewalks, pools, etc.
- e. B. Robe asked how frequently Complex Solutions recommends a study be done? Ken stated ideally, 1 to 3 years.
- f. J. Friesen asked if components that are not addressed the year the study was created roll over to following years? Ken stated yes if the study is done another year it would get updated.
- g. Mark Hewitt asked if a wholesale replacement of windows exists, and where that item came from? Ken stated no, given that is typically the homeowners responsibility. J. Friesen stated the component item came from the Ground sublease (GSL), as the GSL states windows should be maintained and replaced by the Site Authority.
- h. J. Friesen stated Kennedy Wilson Multi-Family self-reserves since they are the single owner of their properties. UGCAM Management does not collect moneys for their reserves.

### 3) Annual UGlen Budget (Jake Friesen, Stephanie Bracamontes)

- a. J. Friesen stated this year's budget is ready to be presented to the Site Authority Board at the next meeting. The budget lists all expenses by line item, as opposed to previous years where expenses were combined. UGCAM separated expenses and is keeping track of invoices and all billing pertaining to the common areas. This provides more clarity, transparency and is easier for residents to understand.
- b. The budget is based on actuals for prior years without inflation adjustment. The increase in CAM Fees is due to an increase in operating expenses. The reserve portion of the CAM fees will remain the same this year. The CAM budget increased 8-9% from last year, depending on building type.
- c. Based on the reserve study done by Complex Solutions, UGCAM estimates reserves will increase in future budgets.

- d. Tree trimming services are not in the budget as it was done via CSUCI Landscapers and paid via reserves. Going forward annual tree trimming will be included in the yearly operational maintenance budget.
- e. Upcoming repairs which will be paid for by common area reserves:
  - i. Bridge railing resealing
  - ii. Trip Hazard repairs
  - iii. Concrete pavers on round about
  - iv. Hillcrest pool equipment upgrade
  - v. Resurfacing of Basketball Court
  - vi. Children's playground replacement
  - vii. DG Trail repairs-done as necessary
  - viii. Landscaping upgrade, and mock up-Will be done over a 2 year period
- f. The budget will be submitted for approval at the May 13, 2019 Site Authority Board meeting. Once approved the residents will be notified.
- g. It was noted that changes made last year to move the expense account to UGCAM Office has had positive results, as residents have the ability to see actual expenses, and understand why CAM fees are adjusted.

4) HAC Reserve Study Issues (Sandi Boyd). See Attachment reiterating points.

- a. S. Boyd, a member of the Budget Advisory Group, made a presentation which is detailed in the outline of her presentation attached to these minutes.
- b. The presentation requested the Community Advisory Group recommend implementation of the outlined project to the Site Authority at the May 13, 2019 meeting.
- c. Proposal points included an effort guided by the Budget Advisory Group to coordinate with the variety of stakeholders to review the shortage in reserves and discuss solutions most specifically for the attached homes (Townhomes).
- d. There was lengthy open discussion regarding both the intent and procedures of the presentation.
  - i. CAG members agreed it was premature to make such a recommendation to the Site Authority but felt it important to make the Site Authority aware of the request and to include a copy of the presentation details with these meeting minutes.
  - ii. CAG members felt this issue could be initiated at the HAC level and many of the meetings, discussions and review of the reserve study could begin there.
  - iii. CAG members were uncomfortable recommending such a comprehensive project at the direction of the newly formed Budget Advisory Group.
  - iv. It was discussed that the Ground Sublease may need revision and clarification with regard to items included in the reserve study. It was questioned whether windows and furnaces should be a reserve component for the attached homes. It is estimated that making these items an owner expense (directly, instead of from payment into reserves) would cause the attached home reserve funding to increase to approximately 80%.
  - v. It was also discussed that the role of the HAC should be better clarified to represent actual practice vs. the Ground Sublease provisions.
  - vi. After much discussion B. Robe asked for any final comments on the matter. Members commented as follows:
    - 1. The reserve study will be posted on the website to assure transparency for all residents.
    - 2. Absent a recommendation of support, the concerns of attached home residents over reserve shortages and the details of the Budget Advisory Group proposal should be shared at the Site Authority meeting May 13, 2019 for Site Authority evaluation.

3. There should be an information session available to discuss the reserve study with residents.
4. There should be clarification of the HAC role as it operates differently than as provided in the Ground Sublease.

5) Updates:

a. Kennedy Wilson/E&S Ring Report (Ben Gordon)

- i. B. Gordon stated the CAM fees (Maintenance Rent) budgeted for 2019-2020 are below what they were in 2017 when KW came on board. B. Gordon asked/commented:
  1. Is CalFire is included in the budget? J. Friesen stated it's included in the Landscape contract.
  2. Sewer surcharges prices included are in conjunction with the water consumption and seem disproportionately high? S. Bracamontes is working with Facilities Services to determine.
  3. Regarding the increase in trash removal fees; EJ Harrison's states the community is a hybrid community and not part of the Campus. Meaning we can no longer receive discounts. Is this justification correct? UGCAM and Campus will look into this.
  4. Has the sewer cleaning been done? Is there a proposal to do it in the next fiscal year? J. Friesen stated UGCAM stated he's not aware if it's ever been done. S. Bracamontes stated she's trying to clarify this issue with Facility Services.

b. HAC Report (Mark Hewitt)

- i. Residents request that reserve funds be placed into a separate account. S. Bracamontes is working with the Chancellor's office to determine if that is possible.
- ii. M. Hewitt asked the following:
  1. Update on the construction of the 32 Acres? B. Gordon stated he's not certain on that timeline as there are still ongoing discussions regarding the development.
  2. What is the campus policy or what is CSUCI plan's regarding the SCE safety shutoff program, and how does that affect University Glen? It is assumed University Glen residents would be subject to the same inconvenience as all other SCE customers and should make arrangements for such an event individually.
  3. Concern within the community regarding SA personnel leaving and wondering who is in charge of making decisions, and is there an organizational chart available? B. Robe stated there is a transition happening now, however there are people in place to make decisions. B. Gordon shared the same concerns as there has been lack of continuity.
  4. E. Crandall stated she is the person who has stepped into Jim Walsh's role, however if there are operational issues the questions should be directed to J. Friesen as the UGCAM Manager.
  5. M. Hewitt stated the landscaping in the community has not been properly performed and maintained. B. Gordon agrees.
  6. M. Hewitt stated there is a petition being circulated amongst the residents stating the community should only pay a prorated rate for the Landscaping contract given that landscaping has not been maintained at a minimum level. Hewitt stated the landscaping in the community has not been properly performed or maintained. B. Gordon agrees. J. Friesen is investigating what work was done prior to paying the last quarterly invoice.

7. A copy of the petition is attached to these minutes.
8. E. Crandall asked J. Friesen to be put her in touch with the individual circulating the petition. E. Crandall stated the University wants to address the issue and solve it. J. Friesen stated he is working on determining if the amount of work performed by current landscapers matches the market rate of scope of work
9. The petition by the residents began due to violation/fine notices issued by UGCAM at the request of the Site Authority representative. Residents interpreted the notices as punitive measures for their attempts to enhance the landscaping given the current lack of maintenance. Residents are frustrated that the landscape maintenance department is not similarly fined for failure to perform proper landscape maintenance.
10. J. Friesen stated UGCAM has 6 bids for new landscape services as well as bids for landscape mock-ups for community landscape refurbishment.

c. Meeting was adjourned.

d. Members present: Jake Friesen- UGCAM Manager; Karen Romney – resident; Miriam Olson – resident; Elaine Crandall – representing Site Authority; Bill Robe – chair, community member; Mark Hewitt – resident, HAC representative; Ben Gordon – Kennedy Wilson; Stephanie Bracamontes – Site Authority

NEXT MEETING: June 20, 2019 4:00 pm

ATTACHED: HAC Budget Advisory Group Plan to Address Results of Reserve Studies  
Demand for Contracted Services 2.0 Petition

To: Community Advisory Group

From: Budget Advisory Group of the Homeowners Advisory Council

Re: Plan to Address Results of the Reserve Studies

The Budget Advisory Group (BAG) would like to thank the Site Authority and University Staff for their support of the reserve study completed by Complex Solutions and CAG for the opportunity to present this proposal. We would also like to specifically thank Stephanie Bracamontes for her support during the budget review process and for suggesting the Community-wide meeting included in the plan.

We assume the CAG understands the ramifications of the reserve study and the BAG's decision to support a 2019-20 budget which does not directly tackle these reserve study issues. While the reserve study identified funding deficiencies that are most acute for UGlen townhome owners, we believe there are also broader financial and operational issues which need to be addressed before the next budgeting cycle is completed. As a result, we are asking the CAG to support a project which would begin in the next few weeks and finish by the end of the calendar year. It will require collaboration among all constituent groups within the community including the Site Authority Board.

Examples of questions/issues to be addressed by the project:

- Are there further refinements to the study which should be urgently embedded in an updated version?
- Should funding shortfalls be resolved through special assessments, increased CAM fees or some other alternative?
- What financial assistance can the Site authority provide to relieve funding shortfalls?
- Can operational and reserve accounting functions be combined to provide reporting consistency and improved transparency?
- Can definitions be established which identify infrastructure improvements, such as underground sewer, irrigation and water lines, that are the sole financial/maintenance responsibility of the Site Authority?

#### **Overview of Project Resources:**

The project will be managed by the Budget Advisory Group.

- The CAG would convene, as needed, to provide oversight/guidance. The CAG would communicate to the Site Authority through existing channels. Updates would also be provided monthly to the HAC.
- Other personnel resources would "volunteered by" KW Multifamily, Site Authority, UGCAM management, HAC, and other residence owners.
- Large community meeting space may be required on campus from time to time. Conference rooms in the community center would be used frequently
- Additional out of pocket costs would be required, primarily to pay for the services of Complex Solutions and for office supplies. Costs are estimated not to exceed \$7,500 and are not currently budgeted.

#### **Proposed Time Line**

Early May: Gain CAG concurrence to proceed with project. We request that Bill Robe provide an update on the project and seek approval at the Site Authority Board meeting in May.

Mid May: Develop a project plan and communications strategy. Distribute reserve study and 2019-2020 budget to the UGlen owners.

Late May: Hold a Community-wide town hall to explain the reserve study. Complex Solutions would be involved. Input would be gathered from the community and additional volunteers from the community would be solicited. A select set of working groups would likely be established.

May through December: As determined by project plan, document recommended changes/strategies, update HAC, CAG and Site Authority management monthly. Seek approval as required.

December: Consolidate project results for input into 2020-2021 budgeting process.

# Demand for Contracted Services 2.0

As University Glen homeowners, we hereby petition the CSUCI Site Authority to:

- 1) Immediately cease the citing of homeowners who have in good faith spent time and money to make up for the deficient level of landscape service, and start a dialog with homeowners over what landscape modifications are appropriate.
- 2) Require CSUCI Facility Services to remove weeds and dead plants, replace missing plantings, mulch remaining bare areas and correct deficiencies in the irrigation system, prior to the end of their current contract.
- 3) Refund the portion of the cost of the current landscape contract that is above fair market value, to the UGCAM reserve fund.

We make this demand for relief, in light of the following facts:

On behalf of the University Glen homeowners, the CSUCI Site Authority has contracted with CSUCI Facility Services to maintain the landscaping in accordance with the Service Level Agreement. The cost to University Glen homeowners is \$51 per single family home, and \$56 per townhome, per month. This is well above the fair market value for the contracted service.

Despite billing UGCAM at above market rates, CSUCI Facility Services did not hire additional staff, nor has it provided an acceptable level of service. Facility Services has declined to contract with the Site Authority after June 30, 2019, and UGCAM has solicited bids from private contractors. The Site Authority is releasing Facility Services without requiring they provide the minimal service stated in the Service Level Agreement, other than to apply mulch to bare areas.

In reaction to the poor landscaping service, homeowners have spent their time and money improving the common area landscaping near their units. UGCAM has sent certified letters to these homeowners, notifying them they will be fined if they do not remove the landscaping improvements.

We believe the payment of above market rates to CSUCI Facility Services, while not requiring them to provide an acceptable level of service, represents an inappropriate diversion of funds from University Glen homeowners to pay the normal staffing costs of the University. We believe this indicates a conflict of interest of the Site Authority, and is a failure of the Site Authority to carry out its fiduciary duties.

\* Required

Email address \*

Your email

