

UNIVERSITY GLEN HOMEOWNERS' ADVISORY COUNCIL

Minutes of May 18, 2023 Meeting

This HAC meeting was an in-person meeting held in the Town Center Community Room.

- 1) **Call to Order:** Co-Chair Sandi Boyd called the meeting to order at 6:05 p.m. HAC members Carolyn Phillips, Tom Bokhart, Tobey Wheeler and Mary Kennedy, were in attendance. Roberts Rules of Order governed the meeting.
- 2) **Public Comments:**
 - a) Tobey Wheeler public comment: Mr. Wheeler (i) specifically thanked (1) UGlen homeowners Karen Bell and Jeanne Slaughter Grier for their exceptional dedication to the community, (2) the many homeowners for time spent sharing thoughts, mailing letters, calling supervisors, and serving on the HAC, and (3) Carolyn Philips for insisting the CAM office follow the Ground Sublease and not remove funds from our reserves to cover budget overages; (ii) shared his displeasure with a community budget that has grown from \$1,539,632.00 to an untenable \$2,743,680.00 (an increase of \$1,204,048.00) noting that this budget alone shows a single year increase of \$383,417.00; and (iii) relayed his hope for a future BAG that represents the community and doesn't operate in secret.
 - b) Carolyn Phillips public comment: Ms. Phillips (i) reported on the Site Authority meeting during which she objected to the management fees included in UGlen FY 2023-24 Budget; (ii) noted that the other HAC and BAG members who also objected to the UGlen FY 2023-24 Budget in their public comments at the Site Authority meeting did not state "I don't agree with the budget"; (iii) highlighted that, despite it not being true at all, John Lazarus made some representations to the Site Authority to the effect that the UGlen FY 2023-24 Budget had been approved by people who were elected by the homeowners to work on the budget; (iv) commented that there is no scenario wherein a homeowner specifically elects a person to the BAG; (v) stated her opinion that had Mr. Lazarus not made his representation and had BAG members Tom Bokhart and Sandi Boyd actually stated "I don't agree with the budget" then the Site Authority Board would not have approved the UGlen FY 2023-24 Budget that day; (vi) objected to HAC BAG members who represent homeowners' interests in budget meetings not being specifically elected to represent the homeowners financially; (vii) cautioned homeowners to consider who they elect to the HAC and how BAG members are determined, and (viii) encouraged homeowners to attend the Site Authority meetings every single quarter and object to how our money is being spent.
- 3) **Public Safety Report:** The CSUCI Police Department representative, Officer Sanchez, reported on (a) incidents from April 20th to date – one act of vandalism to a vehicle, one attempted home intrusion; and (b) upcoming events – CSUCI commencement (May 20th & 21st) and Casa Pacifica event (June 4th).

Carolyn Phillips asked about the Police Department's criteria for mandating a vehicle be moved, citing her knowledge of a vehicle being stored and used for storage on UGlen streets. Officer Sanchez

explained the process and then offered to take Ms. Phillips' complaint and pass it on to Parking Enforcement.

Tobey Wheeler discussed having been stopped recently by the police soon after an upset/frazzled homeowner called the police and reported his activity in a UGlen alleyway, which triggered, and was recorded by, a Ring Doorbell.

Officer Sanchez relayed to UGCAM a night shift officer's report that the pool gate locks are not functioning properly.

- 4) **Site Authority Representative:** John Lazarus, Executive Director of Operations – Site Authority (via Zoom) discussed the following topics:
 - a) FY2023-24 Maintenance Rent/CAM Fee Increases: Single Family increase from \$ 258.46 to \$313.86; Townhouse increase from \$387.81 to \$484.76.
 - b) Trail Repair – Due to wet winter weather, DG trails are more damaged than they were at the beginning of the fiscal year. CAM Manager negotiated a reduction in price from \$40,602.50 to within the budgeted amount of \$25, 000 by removing from the scope of work the majority of an aesthetic (as opposed to safety) component. Mr. Lazarus solicited HAC and BAG input about whether the community would prefer to spend the additional approximately \$15,000 on aesthetics (specifically bender boards).
 - c) BAG Budget Meeting – Mr. Lazarus suggested that the BAG members meet regularly throughout the calendar year rather than solely at “budget season.
 - d) Anacapa Canyon Occupancy Projections – Senior Living Feb - March 2024, Apartments Jan – Sept 2024, and homes starting Oct 2023.

Following the close of Mr. Lazarus's presentation, Mr. Wheeler asked for an explanation about the increase in cost related to maintenance of the basketball courts, the Additional Services line item in the FY2023-24 UGCAM Budget, and the charter and election/appointment policy for the Budget Advisory Committee (BAG). Mr. Lazarus advised him to email the UGCAM office with his budget-related questions and agreed to send Mr. Wheeler a copy of the BAG charter.

The Site Authority Report was accepted by unanimous vote.

- 8) **Approval of Minutes:** The April 2023 HAC Meeting Minutes were approved by a vote of three in favor thereof (Boyd, Kennedy & Bokhart), one against (Wheeler) and one abstaining (Phillips).
- 9) **Common Area Maintenance (CAM) Manager:** The University Glen CAM Manager, Jake Friesen, was not in attendance. The written report he provided in advance of the meeting to the HAC rotating chairperson with the expectation that it would be read into the record is attached hereto as Exhibit A.
- 10) **Finance / Budget Update from the Budget Advisory Group (BAG):**

- a) Ms. Boyd reported on the objections to the FY 2023-24 UGCAM Budget made to the Site Authority Board and highlighted the area she addressed in her individual public comment objection regarding the investment of townhouse reserve funds into inappropriate investment vehicles. A copy of the BAG Report dated May 18, 2023 is attached hereto as **Exhibit B**.
- b) Following Ms. Boyd’s report, Mr. Bokhart reported on the topic of his focused objection – a particular aspect of the reserves – and discussed the battles had within the BAG with respect to the water-related budget line items, noting that the UGlen community and Kennedy Wilson Multi-Family’s interests were not in alignment on this issue.
- c) In light of the Site Authority Board members’ reported apparent reluctance to approve the FY 2023-24 UGCAM Budget until representations were made by site Authority staff that the FY 2023-24 UGCAM Budget reflected community input, a discussion was had by all HAC members about strategies for informing the Site Authority Board that the community does *not* get to vote on the budgets presented to them and that Mr. Lazarus’s statements implying that the FY 2024-24 UGCAM Budget had community support were misleading misrepresentations.
- d) Ms. Boyd
 - i) confirmed that, as reported earlier by Mr. Lazarus, the FY 2023-24 UGCAM Budget was approved by the Site Authority Board;
 - ii) encouraged everyone to read really carefully the response to question regarding the water rate study;
 - iii) noted that the change in the way potable water usage is billed – from by door to metered consumption – will result in homeowners paying 57% (rather than 41%) of the costs and, because there are no meters on the pools and homes and there is no way to distinguish between water leaks under the street and household consumption, the homeowners will bear the cost of all household consumption and any common area usage and/or leaks; and
 - iv) reported that although the reserve funds held in the Cal Trust investments have almost \$100,000 in unrealized losses, no change to the Site Authority Investment policy was made as the distinction between a residential and institutional investment strategy continues to be ignored.
- e) Mr. Bokhart encouraged HAC members to get the UGlen Reserve Studies updated and get involved in those discussions going forward.
- f) Ms. Boyd and Ms. Kennedy reported again that when they requested an audit at the February Site Authority Board meeting a new Site Authority Board Alternate volunteered to be on the Audit Committee and raised the question of whether a community member should also be on the Audit Committee.

The BAG Report was accepted by unanimous vote.

11) Committee Reports:

- a) Social Committee – No members besides Mr. Wheeler. Garage sale is being planned.

- b) Landscape Committee – No Report; Dog Subcommittee – No Report.
- c) Garden Committee –Gabrielle Powell, chair of the Garden Committee, resigned. Ms. Phillips offered once again to be the chairperson and was advised that it is up to the Garden Committee members to elect the new chairperson.

Each Committee Report was accepted by unanimous vote.

- 12) **Community Advisory Group (CAG) and Site Authority:** Ms. Kennedy (a) requested approval to include as the CAG Report the complete minutes for the April 2023 CAG meeting when they are available; (b) reported that the CSUCI student completed their work on the Community Survey and will make their written presentation available to the community when its complete.

The CAG Representative's report was accepted by unanimous vote.

- 13) **Additional Discussion and/or New Topics:** None.

- 14) **Adjourned:** The HAC meeting was adjourned at 7:36 pm to review Property Improvement Application(s) in executive session.

EXHIBIT A

May 18, 2023 Common Area Maintenance (CAM) Manager Report

EXHIBIT B

May 18, 2023 Budget Advisory Group (BAG) Report

BAG Report

May 18, 2023

As John has reported the budget was approved by the Site Authority Board on Monday, May 15. Actions of note include:

1. Implementation of new water rate study (even though the final report is not yet available). Encourage all to read the answers to the additional rate study questions which I believe were distributed to all.
2. Change in the way in which potable water usage is billed from pro rata by door to metered consumption has two impacts:
 - a. Individual home owners will now pay a larger portion of these costs: 57% instead of the 41%
 - b. Because our homes and the common area are the only unmetered areas in the Glen, we will bear the cost of our consumption and any leaks/usage in the common area (with the exception of an estimated pool water cost which KWM will pay) .
3. Reserve Funds are retained in the Cal Trust investments that as of our 3-31-23 UGlen Financial Report have almost 100K in unrealized losses. No change to the Site Authority investment policy was made. The explanation for allowing our funds to continue to be held in this at risk and in, what I believe to be, uninsured investment continues to ignore the difference between an institutional investor (CSU) and our neighborhood. We have neither the tolerance for the fluctuations, nor the staying power to replace lost funds that this policy seems to require.

EXHIBIT B

Community Advisory Group (CAG) Meeting Minutes