

December 28, 2012



Dear Woodbine Homeowners,

As promised in a previous correspondence to all homeowners we would like to update you on the current management and maintenance progress for the Woodbine Condominiums. Attached is the proposed 2013 budget that has been developed and presented to the HOA Board. It will be subject to modification based on the results of an updated **Reserve Funds Study** that has been authorized.

In 2002 a Reserve Funds Study was done by Schwindt & Company, a CPA firm that specializes in evaluating the physical condition of a property, establishing the life expectancy of the various property components and then recommending a plan for repair and/or replacement. The study addresses all major property elements including the roofs, building structure, paint, asphalt, carports, clubhouse amenities, pool and spa, etc. etc. Since the previous Reserve Study is 10 years old but still has the basic data needed for a new evaluation, Schwindt & Company has agreed to update the evaluation as of 2013 for a fee of \$1500; the Board has agreed that this is a useful tool to help manage Woodbine reserve funds for current and future needs.

As shared in an earlier communication Woodbine **lost \$1973 in 2010, lost \$22,969 in 2011**, and may lose a small amount again in 2012 when all expenses are paid. The proposed budget projects that \$42,406 could be added to the existing reserve fund (currently at \$62,340) if there are no major unexpected expenses; in doing so Woodbine would be positioned to address the **upcoming major expenses of asphalt restoration, exterior building paint, roofing, landscape upgrades, etc.** Consideration also currently needs to be given to the spa/hot tub situation which is addressed below.

The proposed budget includes adding funds to the reserve account each month (something that apparently has not been done over the past couple of years) and there will still be "residual funds" available for property upgrade projects. To achieve this we need to generate income and reduce expenses including a 5% HOA dues increase (\$14,102 additional income), cable contract renegotiation with no reduction in service (\$18,240 annual savings), and a change in landscape contracts to save \$20-25,000 in 2013. Replacing outside vendors with in-house labor will also be a strategy for 2013. The goal is to responsibly increase reserve funds as well as to begin to restore Woodbine to a condition that addresses health and safety issues, amenities, and property value cosmetics. Below is a detailed summary of property projects that are currently in process or will be in the near future.

Trees:

The deferred maintenance on tree branches was one of the first items addressed by Pro Management starting in September. There were 3 areas of concern:

- (1) Low hanging branches that were a clear safety hazard to people walking on the property. These were removed over the past few months by purchasing a reasonable pole saw and doing much of the trimming with in-house labor (\$28 and \$16 per hour) vs. contractor rates of \$42 per hour as charged by the current landscape company. Approximately \$2097 was spent on this safety concern over the last 4 months.
- (2) Dead branches up to 15' that obstructed pathway views and over shaded much of the landscape grass areas. The current landscape contract with Pro Care Landscape Services called for \$2600 of annual tree trimming each winter. It is hard to imagine see where at much of this was done last winter. Last week this service was again scheduled and we met with Pro Care to supervise the trimming and removal of a significant amount of overgrown and dead branches – much to the appreciation of many homeowners. We have now cancelled the Pro Care Landscape contract.
- (3) The final need for tree servicing is the removal of branches over 15' that are damaging roofs and gutters around the property; if not trimmed there will soon be shingle damage and roof leaks caused by swaying branches and gutters will continue to be smashed and clogged with leaves. We put this project out to bid, walked the property with each bidding company, and received the following proposals: \$8700 from Forest Management / \$5065 from Topping Trees / \$2400 from All Scape Tree & Shrub. This week we accepted the All Scape bid and trimming will start immediately.

Yes, there has been over \$7000 allocated to the deferred maintenance on the Woodbine trees, mostly for safety and building preservation purposes. \$2400 of this will be paid out in 2013 and is included in the budget as a capital improvement project. Much of the trimming is expected to last 2-3 years.

Sidewalks:

Equally as dangerous as the low tree branches is the current condition of the sidewalks where there are dozens of trip and fall hazards due to the walkways being lifted up by tree roots. This condition is obvious to all homeowners who see the yellow paint that has been sprayed next to many of the worst upheavals, some 3-4" high. We are not sure why this condition was allowed to grow over the past years but in the interest of the well-being of all who walk on the property we have begun to fix these areas. Also it is best not to have to address an injury lawsuit that could occur. It will be a slower process with the winter weather upon us but we do not feel it should be postponed until next summer.

We reviewed various bids from outside companies that were requested over the past couple of years; there was a bid for \$8351 and another for \$9890 that covered 19 areas for removal and re-concreting as well as about 30 smaller areas for concrete grinding. Pro Management is reasonably confident that it can be done on a time and materials basis for maybe half of that. By purchasing a used cement mixer and a used power generator (both for \$300 in total) and again using in-house labor we expect to realize substantial savings on this project. The HOA Board approved a 2013 budget line item of \$5000 for this essential safety concern.

Residents at Woodbine will currently notice red and blue dots near the worst of these trip hazards that identify the work areas to be addressed first. Already we have made saw cuts on the concrete that will be removed; we are going to use a sledge hammer rather than renting a jack hammer that is expensive and noisy. Based on a sequential process of concrete removal, form setting, sand base installation, concrete pouring, curing and dry time (using an insulation blanket) we expect to complete 3-4 sections per week over the next 6-8 weeks. At the same time we will rent a concrete grinding machine and will work on the smaller concrete separation areas.

Spa/Hot Tub Repair:

It appears that this amenity has been out of service since March of this year due to a constant loss of water that indicates an underground leak at a minimum. There are many suggestions on what to do including (1) eliminate the spa by filling it in, (2) building a new above ground unit, (3) replacing the in ground spa with a new one, or (4) attempt to repair and restore the existing unit. Numerous points of view have been raised by homeowners including:

- the loss of property value if the spa is eliminated
- safety and accessibility issues with an above ground spa
- the availability of another spa at the other end of the property (smaller)
- the number of people who actually use the spa vs. the cost to restore
- the cost of maintaining and servicing the hot water year round
- the problems with noise and usage by non-resident youngsters who jump the fence
- the impact on limited HOA finances

It has also been noted that this may (?) be a decision to be made by a vote of the homeowners (Article V section 11 of the CC&R's), which of course would require a majority of homeowners to participate and some facts for the homeowners to base a decision upon. So here are the facts we have at this time:

1. In 2010 Custom Pools & Patio (our current pool service company) completed \$4645 of equipment repairs and upgrades to the pool and spa including some re-plumbing and work with the filtration system
2. In 2012 Custom Pools offered 3 different bids to replace the spa with various degrees of work and outcome: \$25,879 / \$21,504 / \$15,302. **Note:** the \$15,305 bid was for a new acrylic spa set in the existing hole with a size of 10x7'; the current spa is 12'x12'.
3. These bids came after Custom Pools cut a section of the concrete in June of 2012 to search for the leak; it seems they were unsuccessful in locating it (\$465) and recommended replacement – hence the above bids.
4. In November 2012 we had American Leak Detector use a gas insertion process to locate a reasonably precise location where the leak may be (\$265). The pinpointed leak may be caused by deteriorating underground pipes but that cannot be determined until the area is excavated.
5. We have a \$1700 bid from the Pool Doctor Inc. to excavate and determine the extent of the leak problem.

6. Since Pro Management was already cutting concrete for sidewalk repairs as noted above, we waited until we had a concrete saw rented and then also used it to cut additional concrete in the area near the leak. Since then we have broken the concrete and will soon dig out the 3-4 feet of dirt down to the plumbing area where there is probably a leak; then we bring in a professional pool repair company (Pool Doctor or Custom Pools – maybe both) to help determine the potential for a lower cost repair of the existing spa unit.
7. If it appears to be economically reasonable to fix the existing spa then the Board may proceed with that action, which will also include the resurfacing of the interior of the somewhat deteriorated spa. The hope is that this approach may only cost around \$5000, however it is a step-by-step process with decisions to be made at each step and the cost still uncertain. We'll keep you posted and encourage your feedback and "vote" on this issue.

Building Signage:

The current identification signs for most of the Woodbine buildings are very faded and give an impression of a rundown property. While this is not a health or safety issue it does affect the perceived value of each condominium when it comes to refinance or sale. In order to economize on restoring this curb appeal element for Woodbine we will be removing the existing signage, recovering the back side of boards with fresh vinyl lettering, and then reinstalling the signs on the building exactly where they were. We will do this in 2 or 3 phases so each building will be without an identification sign for only a couple of days. Removal and replacement of the signs will be with in-house labor. The bid for the sign restoration work from Signs Now is \$90 per sign; the Board has \$1800 in the budget assigned to the project.

Additional Maintenance Projects:

1. **Rain Gutters:** The property rain gutters are full of leaves and would be best served by installing rain gutter helmets or caps to reduce the amount of debris in the gutters; then they can function properly. Some of the first and second floor units have gutter guards on them currently and as we do the tree trimming on the 3 story buildings we will identify the 3rd story gutters without this protection. The Board has tentatively approved \$1500 to clean out the gutters and \$5000 to install the gutter caps. By doing this project it will save the cost to clean the gutters every year. We have a bid from All Scape which is within the budget amount if we need it.
2. **Carport Repairs:** There are several locations on the property where the trim around the carports has been damaged by trucks or trailers smashing into them – again not health or safety but a cosmetic that will restore a reasonable curb appeal to Woodbine. This repair project can be done in house as time and material allows and might not get addressed until early next spring; the Board has allocated \$2000 for this restoration project.
3. **Pond Drainage and Dredging:** The irrigation for Woodbine is tied to the main pond in front of the clubhouse which receives free irrigation water (somewhat dirty) during the summer months. This is important because to use city water for landscape irrigation is very costly. Over time this pond collects silt and mud that then begins to clog the water pump used to circulate the sprinkler system for the property. It apparently has been 8-10 years since this pond has been cleaned out and last summer there were significant pump repair costs to keep the sprinkler system functioning; there were times when expensive city water was necessary to be used to keep the property green. The Board has allocated \$8000 for this drainage project to be done next spring before the irrigation water channel is opened again supply sprinkler water for Woodbine.
4. **Exterior Trim Paint:** Another deteriorating value cosmetic for Woodbine is the wood hand railings and rotting wood landscape barriers in front of some buildings. This is a relatively simple fix by application of paint and the replacement of some of the worst boards; the project is on our radar as is power washing the buildings, cleaning of exterior windows and addressing chimney sweeps and dryer vents again. Priorities vs. funds...

We realize this has been a lengthy communication but there are some homeowners who are keenly interested in the details of how their HOA dues have been and will be spent. Our objective is to try and provide that information with less emphasis on how we got here and more attention on moving forward. To that end we are considering re-establishing a website where this type of information can be posted for homeowner review; however that is somewhat costly and we are not sure how many people it will serve. We are still trying to collect and verify mailing and e-mail addresses for many homeowners and find that a fair amount have not joined the electronic age of communication. Another thought is to create a *Facebook Page* if it can serve the same purpose. Your feedback on this or any issue is welcome.