

## **October 6, 2020 General Meeting Questions and Answers**

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With the changes on the board, including new leadership, we are committed to work through our past issues and we look forward to bringing our community up to the standards we all expect, in a cost-effective manner.

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### **Why were the dues increased \$30 in the 2018-19 budget? What was done with those funds?**

The 2018-19 increase was to be used to upgrade the aging Eagle Ridge irrigation system. No improvements had been made in the 20+ years of the association's life. Our water bills were extensive, averaging \$19,000 a month. We needed to install an updated system that would reduce our water bills. Before the purchase and installation could begin, we were hit by the Woolsey Fire in November 2018. After the fire, the stabilization of the hillsides and the additional work required by the fire department used up the funds designated for replacing the irrigation system.

### **Why didn't insurance cover the burned areas?**

Unfortunately, plants and trees and other landscape materials are uninsurable. We did receive \$41,400 for some of the irrigation equipment. We have been waiting for county and fire department approval to initiate replacement landscaping as well as hoping for success in the mass action lawsuit to pay for it.

### **Why were the dues increased an additional \$15 in the 2020-21 budget?**

Eagle Ridge has an extensive amount of landscaped common area, more than most HOAs. Early in the life of the HOA everyone was eager to see trees and bushes grow up on the common areas. However, maintenance of those landscaped areas was deferred year after year to keep the dues from being increased.

Ultimately, landscape maintenance has become a significant issue and the task is huge due to the long deferment. In addition, the fire department, following the Woolsey Fire, increased its requirements.

In responding to these issues our landscape costs in 2019-20 exceeded our budget. To cover this deficit, we reduced the annual contribution to our Reserve Fund from the recommended \$156,000 to \$117,000. To ensure that we are able replenish our Reserve and allow us to catch up on the years of deferred landscaping, a \$15 per month dues increase was approved.

## **What is the Reserve Fund? Why is it so important?**

The HOA dues are divided into Operating Budget Funds and Reserve Funds. The Operating Budget Funds pay for the day-to-day expenses. The Reserve Fund is essentially a savings account in which funds are reserved for periodic major expenses. The street slurry and the wrought iron fence painting and repair are examples of expenses paid from the reserve fund.

The Reserve Fund items are designated in a special study every two years. An assessment team looks at items and establishes their lifetime. For example, our entry gates have eight years to go and the estimated replacement cost is \$45,000.

Based on the assessments, the health of the Reserve Fund is established in terms of the amount currently in the fund and the amount required each year to keep it healthy and provide for the long-term replacement issues.

The health of the Reserve Fund is important for property value. An HOA whose reserve is below acceptable risk levels would be red-flagged by realtors and potential buyers.

Currently our Reserve Fund is moving close to an unhealthy level. The recommended contribution for 2019-20 was \$16,000 a month. Due to our deficit in landscaping costs for 2019-20 our contribution actually averaged only \$9,750 per month.

To address the issue and begin to get back to a healthier level \$14,835 per month was budgeted for 2020-21. In order to budget that amount and also continue to address the landscaping issues a dues increase was required.

## **When are the landscapers here and what plans do we have to catch up on the deferred work?**

We have a team of three full-time landscapers that are here five days a week. We are adding a fourth full-time person to the crew that will allow Marty and Marina Landscape to catch up on the deferred slope work, including removing the outdated and no longer approved plants and replacing them with new, low-growth vegetation. This will not be accomplished overnight, but it will happen. Also, we have attached to this Q & A sheet a slope maintenance schedule Marina Landscaping will be following. This rotating schedule will begin November 1, 2020.

### **Is it true the election laws changed and what are we doing about it?**

Yes, the election laws changed on January 1, 2020. The new laws require a long, drawn out 6-month process to formally change our election rules and have an election. Our next general meeting in January will start this process so we will be able to have our scheduled election in August 2021.

### **Why isn't the board more transparent about the budget and the process?**

The board discusses the budget in the general meetings that are open to all Eagle Ridge HOA members. Unfortunately, not many, if any members attend those meetings. Therefore, when a change in monthly dues or in the budget is made, it is a surprise to the membership. We encourage members to attend either by Zoom or in person, once we are permitted to resume in person meetings.

### **General Landscape questions – Call Marty from Marina Landscape.**

In order to allow members to have their landscaping questions answered in a more direct manner, Marty from Marina Landscape has agreed to field questions from our membership directly. He can be reached at (818) 612-0118. Marty has already met with a number of homeowners and answered their questions and addressed their concerns.

### **Evaluating Tony and Ross Morgan Management**

A number of homeowners expressed dissatisfaction with Tony and Ross Morgan Management. We expect our HOA management company to respond and follow up with issues raised by homeowners in a timely manner.

The board wants to assure you that your concerns are also the concerns of the board and that these issues will be discussed with the board, Tony and Ross Morgan.

Please continue to use the website to communicate any further issues with our community so the board is also aware of your concerns. For those that send issues directly to Tony, the board has requested that Tony keep a call log of all homeowner requests and to share that log with the board on a bi-weekly basis.

At the end of the current contract Eagle Ridge HOA has with Ross Morgan, (August 2021) the board will evaluate the management company and compare it to other management companies, looking to get the best service at the most reasonable cost.

## **Why isn't the pool reopening?**

The State of California and the County of Ventura have very specific rules we must follow to open the pool. These rules involve large expenses we do not have in our budget. Some of the issues to overcome are full-time supervision in the pool area, constant cleaning and disinfecting of the bathrooms, entry gates, general area and pool furniture every time someone uses it, along with huge insurance and liability issues with reopening the pool area. It is unfortunate, but until the State of California and the Ventura County Health Department relax the Covid-19 Rules, we are not in a position to open the pool area.