

Villa Trieste



November 2009

Newsletter

From The President ...

I want to thank all of the Board of Directors for their work in continuing to update and refine our CC&Rs and ByLaws and for their continuity and the excellent results produced in developing and approving a fiscally sound budget for 2010 and completion of the comprehensive projects enumerated in this newsletter. Thank you, especially to Shirl Finn for her leadership in my absence and to Charles Smith and his Finance Committee for their diligence in finalizing a budget that includes economies of management and fiscal conservatism. Lastly, thanks all of you for your cards, calls and neighborly concern as I recover and rehab from my knee replacement surgery. Your encouragement and support is very much appreciated.

Jerry Reczek

Treasurer's Report

Submitted by **Charles Smith**

The most recent Financial Statement through the end of September shows the current month's surplus as \$4,493.81, with the year-to-date surplus as \$27,536.56. The total equity is \$55,278.36. We anticipate some significant charges before year-end that will reduce Surplus and Equity.

The interest on our Reserve Funds handled through Merrill Lynch on new investment or re-investment of maturing CD's is running between 1.0% to 1.5% and this will probably continue to be the same for some time. We have kept a limited amount liquid in Money Market or Treasury Notes with them to pay for a number of maintenance projects we authorized this year. This money used to make some minimal interest as opposed to our operating account at Union Bank, which earns nothing. We even previously

transferred some funds from Operating to Merrill Lynch to earn some minimal interest. However, the liquid accounts are now earning nothing as well.

We have learned of an Association Plus Money Market Account offered by Union Bank that is fully insured by Travelers supplementing FDIC. They are requiring a minimum investment of \$100,000 and are currently earning 2.0% interest. We have taken steps to set up such an account and transfer \$140,000 from 2 CD's which recently matured. We can monitor this account as interest rates fluctuate and CD's may revive. Since it is liquid, we can move funds whenever we wish.

Budget

The Finance Committee, consisting of Charles Smith (Chairman), Jerry Reczek, Jim Blackford, Shirl Finn (replacing Connie Pichel)

and Richard Bernier (replacing Ann Carr, who asked to be relieved because of so many scheduling conflicts), presented a proposed budget for 2010 to the Board that calls for an Assessment increase of \$3.00 to \$273 per month.

The first draft prepared by Charles Smith resulted in an assessment projection of \$284, but there were two fortunate developments before the Committee met.

- (1) The Annual Reserve Requirement was reduced by \$4,000 due to maintenance accomplished in 2009 that cost less than reserve estimates. This permitted reductions in estimates for maintenance efforts next time. There were also some adjustments in the Reserve Study in years of remaining life on some categories.
- (2) There was a substantial reduction of \$26,000 in the insurance premium for buildings, liability, etc., which comes due November 1st and which we pay in monthly increments. The primary reason for this is that State Farm re-evaluated the risk level for earthquakes in San Diego County. We are fortunate that we have always had earthquake coverage with State Farm. Many Associations switched to coverage by California Earthquake Authority in 1996 or so when it was created. We were one of the Associations that stayed with State Farm, which no longer offers earthquake coverage for new or returning customers.

Therefore, the draft that the Committee first considered was a re-calculated version calling for continuing with the current assessment of \$270. Committee members evaluated the increases in a number of categories and discussed and approved some further adjustments at a final meeting resulting in the proposed assessment of \$273.

The reductions noted above were offset by adjustments that totaled approximately \$35,000. These were not all increases since reduced income from Reserve Investments is estimated to be at least \$11,000 and quite possibly more. It was first estimated at \$13,000 before we signed up for the liquid interest-bearing account at Union Bank.

We also are experiencing significant delinquencies in the payment and fines by some homeowners. The money owed for these accounts are considered receivables and are part of our asset balance, but the chances of actually collecting such money is questionable. We have been advised to budget for Bad Debts and we list \$5,000 in the proposed budget.

Another area that is very suspect is Utilities. We should all be aware of the water situation and there are drought restrictions being imposed. However, as water usage may be reduced (and we are seeing some reductions in irrigation), rates are being increased and more changes will be coming. Electric rate changes are also being proposed although not in the same magnitude as water. We have increased budgeted expenses for utilities by \$6,000 but this amount (either too high or too low) can be challenged by anyone.

There are a number of other increases scattered in various categories. The Board, at the meeting of October 15th, evaluated the Committee recommendation and approved the Budget as presented. The official notice and details of the Budget will be included in the annual mailing to members in late November.

Roofing

It has been some time since we have had the roofs checked in the community. Through the end of the year our reserves will have accumulated \$24,840 for this purpose. We obtained quotes from two companies we have dealt with in the past – Piva and Premier. Their quotes were within \$500 of each other.

We elected to go with Piva, which is located in Escondido. They were the low bidder at \$25,483. They have been in business almost 40 years with a permanent experienced staff. They do not use sub-contractors or leased employees.

Their bid included the removal of all broken tiles, sealing, and painting of all vent pipe flashings, sealing felt underlayment where tile was replaced, reinstalling of slipped tile with an adhesive, cleaning all debris and cleaning gutters at roof level (a significant expense when done as a separate job). The quote included replacing up to 300 tiles with additional tiles charged at \$7.00 per tile. They replaced 507 tiles with an extra charge of \$1,449 included in the final bill.

Landscape

Grass throughout the community has been in distress with limited watering and damage from rabbits. It offers the biggest potential for water savings if we can agree on an approach that makes sense. Any significant changes in landscape will require some major expenditures and we want to do it right. A test proposal to remove turf along Sicily way south of the 3345 Genoa Way condo was approved. This seemed like a logical place to try drip irrigation since a line along the garages could be extended. A quote from Brickman for \$1696 was approved with some suggestion for cost savings. The final charge was \$1,419. Reaction in the community is mixed with some strong criticism.

The Board also approved some limited tree removal by Four Seasons at six locations for a total of \$1250.

Maintenance of Trellises

The maintenance of trellises coming out of the clubhouse on both the east and west sides as well as over the five Condo dumpster areas and covering the walkway of the Bocce Court has turned into a major project. We have money in reserves for painting and repairs. However, we have discovered

damage from termites as well as some significant rotting. Repairs are time consuming and we are using our contracted maintenance person from Jaeschke to do most of the work. We have arranged for him to work three days per month rather than the two days as stipulated in the contract through the end of the year.

CC&Rs & ByLaws

The Board continues to meet weekly to review the work done by the Committee which isolated problem areas and suggested changes to the CC&Rs and ByLaws in preparation for turning a re-write of these documents to a legal firm. Contract proposals are being evaluated.

Audit

A contract was awarded to Jose M. Mejares, C.P.A. to perform the audit for 2009 and 2010. This is the person who did our audit for the past two years.

Carpeting in Clubhouse

A contract was awarded to Phillips Abbey Carpet for \$1,430 to replace the carpeting with a commercial Field Trip carpeting over a 3/8" synthetic commercial cushion. Thanks are given to Darlene Barrail and Shirl Finn for all their efforts in evaluating options and obtaining samples to show the Board. Funds are available in the Reserves.

Painting

Richard Bernier reported that all of the Condo landings and balconies have been completed.

Villa Trieste Website

www.villatrieste.com will be internet ready by the end of the week. The newsletter will no longer be emailed to those that are on the email list. For those who are not on the email

list but have internet connection the newsletter will be available to you via the VT website. A few kinks have to be worked out in the website. If you have any problems or requests contact
www.villatriestecommunity@cox.net

Social Committee

Submitted by **Lisa Reczek**

“An Evening in Paris” was the theme for the Malta Way social. The Eiffel Tower theme set the pace and atmosphere for a wonderful Paris experience together with the residents donning Parisian garb. The food presented was an exceptional treat. The hostesses photographed the diners for a memento of the evening. What a unique gesture.

The sounds of ump-pa-pa were heard in the clubhouse during October’s Social “Octoberfest” hosted by Tripoli Way. The celebration continued when the host drove the tap into the barrel with a five-pound hammer and announced O’zapft! It is tapped! The first mug of beer was passed on to the first table and continued with the remaining tables being served.

True to tradition the hosts did not disappoint the guests with hearty fare and desserts served buffet style. If you couldn’t attend this year try to make it next year.

The monthly socials are the second Thursday of the month. November social will be hosted by Genoa Way and the December social by Cartegena Way. The following activities are planned for the remainder of 2009:

November 15, Afternoon Tea to honor Committee Chairpersons.

November 20, Bunch for Lunch

November 29, Sunday Cocktails

December 13, Holiday Afternoon Tea Four Seasons.

“Christmas with Elvis”, clubhouse TBA

The Social Committee is working very hard planning social functions for the community.

The Post Office has disallowed placing flyers on the mail boxes so that limits our ability to get the information to you. By frequenting the clubhouse you can read the details in the flyers on our social activities.



Book Club

Submitted by **Linda Kaess**

The Villa Trieste Book club needs a few good readers! We are a friendly social group and we meet the 4th Wednesday of every month at 7 pm in the clubhouse – except for December when we will be having our annual Christmas luncheon. This year our luncheon will be at Mimi’s on Friday, December 18 at 2:30 pm. A sign up sheet is in the clubhouse. Spouses are welcome.

Our reading for November is a choice between two books dealing with the life and loves of renowned architect Frank Lloyd Wright.

You can read either Loving Frank by Nancy Horan or The Women by T.C. Boyle. We always have a lot of fun and it helps keep our minds active and open by channeling us to read things we never might have considered on our own. We always have coffee and snacks too. So why not try the book club.

WOMEN'S RESOURCE CENTER

FOOD DRIVE

Submitted by Mitzi Koch

Thank you to those who have already donated to the food drive. We will continue to collect the food till mid November. So be generous !!
The box in the club house awaits.



Remember November 11
National Veterans Day
Observance.

**HAPPY
THANKSGIVING!**



