



HOA Zoom Meeting July 1, 2024: Dale Meredith, DBA, Presenter
Minutes prepared by A. Krupinski

Meeting was called to order at 7:32 pm on Zoom

Presenter: Dale Meredith, HOA project manager, Design Build Associates (DBA)

Dale’s Slide Presentation is attached. You can also access the slides on DBA’s website, www.dbuild.com and select “Client Login”. The password for our condo is: 14242reno
Important project information will be posted on DBA’s website as work progresses.

Major topics covered are summarized here.

- DBA Credentials: 40 years providing construction oversight mainly assisting HOAs
- Two phases for DBA involvement:
Phase 1) pre-construction: HOA Board did excellent job pre-qualifying scope of work and contractors, limiting DBA’s billable hours needed for phase 1. DBA reviewed contractors’ proposals to confirm scope of work and vendor qualifications. Based on DBA’s review of vendors, the HOA Board selected Trifecta. DBA working with banks to obtain a construction loan, the last step needed to distribute ballot. Phase 2) Construction: With ballot approval, DBA will oversee Trifecta’s work schedule and progress, check quality and adherence to contract terms, manage budget and funds distribution, and represent the HOA’s best interests throughout project. Dale will be on site 3 to 4 days a week.
- Scope of work to include repairs to leaking windows, leaking doors, balcony decks, upper roof deck, walkways, pergolas and overall elastomeric paint.
- HOA Communications will be managed by Dale, including weekly updates. Unit owners will receive 7-day notices posted on front doors when work is scheduled on their unit.
- Project Budget: Current total budget is \$817,913, (\$31,458 per unit). This includes the Trifecta proposal (\$766,455 -same as April 12 estimate shared with residents), a 10% contingency (\$76,646), permit fees and termite treatments (\$13,665) and estimated DBA management fees for duration of the project (\$88,000). Subtracted is a credit for funds collected from the January special assessment (-\$126,853).
- Sources of funding: Sources include Annual Operating Budget (dues), Reserves, Special Assessments, Bank Loans. The HOA’s recent Reserves Study shows Reserves for Capital

Projects are at a borderline weak level. Therefore, funding for project requires a special assessment and an HOA construction bank loan/line of credit.

- Payment Options: Homeowners have two options for paying assessment: pay in cash installments or participate in HOA bank construction loan.
- Loan Details: Exact details on interest rates, loan term and monthly payments are not finalized yet. Most likely, the rate will be between 6.25% to 7.00% for a term of 10 or 12 years. Possible monthly loan payments range from \$317.67 to \$357.20 but these are estimates only. We are waiting for a bank letter of commitment to confirm exact rates and monthly payments. These will be included in the ballot scheduled to mail before the end of July.
- Ballot: There are two questions on the ballot. **BOTH MUST BE APPROVED FOR THE PROJECT TO MOVE FORWARD.** The First Question seeks approval for the special assessment total of \$817,912 (\$31,458 per unit). The second questions seeks approve of the construction bank loan to secure the assessment.

Following are some questions submitted previously by owners.

Q. If more work is needed than planned, how will you prioritize contingency funds?

A. I will keep track of unexpected issues as they develop; decisions on funding are made on an on-going basis with the contractor and the HOA board.

Q. If we pay the assessment in cash, will there be installments and 30-day lead times.

A. Once the ballot is approved, you'll have 30 days (subject to exact schedules) to decide how to pay: by cash installment or by HOA loan. (Post-meeting note: There will be a cash installment schedule announced with the ballot. Watch for updated information.)

Q. How will claims be handled if my windows leak after the job is completed?

A. The standard industry warranty is usually 1 year but Trifecta is offering much better warranties: 5 years on labor, 7 years on paint labor, 2 years on waterproofing. Claims after completion are handled with the contractor directly.

Q. How will you handle wood rot found around windows and near balcony doors?

A. This will be handled on a case by case basis and recommendations made.

Following are questions from this Zoom meeting attendees:

Q. My 3rd floor balcony swing door is leaking; will you fix this?

A. Yes, both sliding doors and swing doors leading to 3rd floor balconies will be repaired.

Q. Will work begin before the rainy season or will you wait until next year?

A. The goal is to start by end of September. We are waiting for the bank loan commitment. With this commitment, we will get the ballot out in July, results in August, and start work by late September or October 1st before the first rains in November/December. Trifecta has weather protection gear and will schedule work to address leaks as quickly as possible through the fall and into winter. (Note: Painting will be last, in the spring.)

Q. If I participate in the HOA loan, can I payoff my loan balance at any time?

A. Yes, but the payoff amount will be based on the bank's payoff terms (and your property manager's payoff terms since the property manager is paying the loan monthly). Some banks allow loan payoffs once a year, others twice a year. (Both the bank and the property manager will determine your exact payoff amount based on their payment schedules.)

The lender can provide an amortization schedule at any time so you can check on your balance.

SALE: If you sell your unit, the loan balance must be paid off at Escrow.

Kim Krupinski added: Only the owners who participate in the loan will pay the loan origination and service fees, which are built into the loan balance (see slide). Owners who pay the special assessment in cash will not pay these loan fees.

Q. How long will the repairs take for the windows that are being removed?

A. Windows are removed and replaced the same day. Only if a window is damaged, the area may have to be boarded and a replacement window ordered. Replacing sliding doors and doorsill thresholds could take up to 3-days. (Process and timing will be described in owner's 7-day notice.)

Q. How long will it take to do the balconies?

A. Balcony repairs and re-coating will take about a week and a half because the work is more involved. Wood may have to be replaced. So the process takes longer.

Kim Krupinski added that since exterior scaffolding will be used to work on the balconies, this will minimize disruption of having workers enter through the unit.

Q. Where in the building will the work start?

A. Most likely work will begin with 3rd floor balconies and windows (but this will be reviewed with the contractor at start of work).

NOTE: Trifecta will need to utilize all guest parking spaces to store its supplies and materials, and may also need space inside the locked garage. We will work to accommodate their needs.

Q. Will the new stucco paint cover the streaks on the sides of the building?

A. Yes, Trifecta has a process that will cover the current streaks. (Note: the rough stucco surfaces are more difficult to eliminate than streaks but that is Trifecta's goal.)

Q. How long will the job take to complete?

A. The work should take between 6 to 7 months although rains could affect this. Trifecta is estimating 9 months on the outside since we are starting just before the rainy season.

Q. If they don't fix my leaking windows before the rains start, is there any temporary fix?

A. It's possible to cover a window with a plastic material if scaffolding is available. However, the leaks may not be coming from the window itself so this may not work very well.

Once Trifecta removes one window to exam the flashing and construction we'll understand the leak sources better.

Kim added: We surveyed owners again recently to update the list of leaking windows and doors. Owners should report any new leaks to Rubin or the HOA at 14242burbankHOA@gmail.com.

Q. Doesn't scaffolding present safety issues?

A. This is a concern with scaffolding. To help prevent problems, the construction crew is directed to remove lower level ladders at night. But residents should take precautions by making sure doors and windows are locked securely. Also be mindful of privacy issues during the day when workmen are using scaffolding.

Q. Are there leaks from the roof?

A. I've checked the roof and I'm not aware that the roof surface is currently a source of leaks. I know that sections of the roof have been rebuilt over the past 2 years. Once the rains start, we'll stay alert. If anyone notes a problem, please contact Rubin and me immediately.

(Note: the roof's hard deck surface is scheduled for repairs to correct leaks to exterior walls and ceilings below.)

CLOSING REMARKS:

Both questions on the upcoming ballot must be approved for any repair work to start.

HOA members must approve both the special assessment and the bank loan/line of credit.

Remember that approving the bank loan does not mean you have to participate in the bank loan. But loan approval is necessary to secure the full amount of the assessment so that we can sign the contractor's contract. No contractor will start a job this size without a full guarantee of funding.