



March 2011

SURFSIDE III NEWSLETTER

Daniel Kessner – Editor



FROM THE BOARD OF DIRECTORS

FAQs on Budget

As the budget committee has dug into the budget to find places to cut expenses some owners have sent in questions. Here are some of them and the answers.

Q: Why isn't the existing SS III revenue sufficient to pay the bills?

A: The association is not receiving all of the income from owners due to high delinquencies.

Q: What is the annual revenue and the latest annual expenses?

A: Revenue should be 2.5 million including the special assessment portion. We received 2.392 million, a shortage of \$108,000. Expenses exceeded budget by \$125,000 for 2010.

Q: If the budget revenue is not sufficient, how much money does SS III need to balance the budget?

A: At least 100,000 in additional revenue or expense cuts in 2010.

Q: Is the projected revenue not being achieved due to what reason?

A: Delinquencies and water rate increases not covered in the 2010 budget.

Q: Has SS III encountered unexpected onetime expenses or expenses that will carry on for years? If so, what are they and what is their value?

A: No, all expenses are recurring, no one time issues.

Q: If the dues are increased to \$495/month, are reductions in amenities such as those listed in the green survey form still required?

A: No.

Q: What percentage of the property owners are in arrears of their monthly dues?

A: 25%

Q: How long have they been in arrears?

A: It varies depending on the owner. Some pay up while others become delinquent.

Q: How much money has been collected from delinquent accounts?

A: The association collected ~ 40,000 in 2010.

Q: As one proceeds to prepare a budget, one looks at revenue, expenses, and reserves. If all 309 SS III unit owners paid their monthly dues @ \$420, the HOA would receive \$129,780/month. The latest newsletter stated that the water rate increase, which is going from \$27,114/month to \$30,619/month in 2012, is the HOA's largest expense with an increase of \$3,505/month. Now, if the rates are raised to \$495, the HOA will receive \$152,955 or \$23,175/month more. Subtracting the \$3,505 from the \$23,175, one gets an amount of \$19,670/month. What other expenses will generate this amount of expenses to the HOA?

A: The deficit from last year has to be made up. We did not raise the dues enough in 2010 to cover all of the water expenses. So in 2011 we have to adjust the budget up to cover 2010 and 2011 water and utility expenses.

Q: In previous newsletters, it was stated that the HOA had a deficit of over \$300,000 because not all unit owners were paying their dues and that the dues of those paying would need to be increased to make up the shortfall. As of this date, what is the total due to the HOA from unit owners that are deficient in paying their dues? Is this the expense that is driving the increase in dues?

A: As of the end of January delinquencies total \$280,000. The net result of the high delinquencies is that the association does not have enough cash flow to pay all of its bills. The association has to delay the transfer of funds into capital reserves. Eventually that will result in not being able to complete all of the needed capital repairs or delays in those repairs.

Q: A recent HOA newsletter stated the tools available in order to obtain funds owed by delinquent unit owners. Have these measures been implemented and if so, how much owed money has been collected?

A: Yes they have been implemented and in 2010 the association collected ~40,000 in delinquencies.

Q: Once funds owed are received for delinquent monthly dues, where will these funds be deposited or what will they be used for? Since the paying unit owners have been in essence subsidizing the delinquent unit owners, shouldn't funds received be distributed equally to the paying unit owners?

A: Funds collected are put in the checking account. Funds collected from delinquent owners represent funds owed to the association not an unexpected windfall.

CHANGES TO RULES & REGULATIONS

All items discussed at the open meeting on October 9, 2010, and voted by the Board to be distributed by the Board for a 30-day comment period with the November 2010 Newsletter have been adopted by the Board effective February 12, 2011 at the open meeting on that date. The updated rules have been posted to our website, <http://www.surfsideiii.com>. Please go to the information page and then governing documents. You will see the entry: Surfside III Rules & Regulations. Only the updates which appeared the November 2010 Newsletter are republished below for your review:

Added To The Foreword:

It shall be an express condition of the leasing of any unit that the lessee read and agree to abide by all provisions of the CC&Rs, By-Laws, Rules and Regulations, and any and all other governing documents adopted by the Board of Directors of the Association. All unit owners are required to familiarize themselves and their lessees with the CC&Rs, By-Laws, Rules and Regulations, and all governing documents and/or the Davis-Stirling Act.

Added To Part I:

INTERNAL DISPUTE RESOLUTION POLICY

Subject to certain exceptions, Civil Code Section 1369.510 et seq. requires owners within a common interest subdivision and the Association to participate in a form of Alternative Dispute Resolution ("ADR") prior to initiating litigation to enforce the Association's governing documents.

The form of ADR may either be binding or non-binding, at the option of the parties. The ADR statute also provides that the failure of either the Association or any owner to offer ADR prior to initiating litigation is a potential basis for having your lawsuit dismissed. Additionally, the statute further provides that any party's refusal to participate in ADR prior to the filing of a lawsuit may be considered by the court in its determination of the amount of attorney's fees awarded to the prevailing party.

In addition to the provisions of Civil Code Section 1369.510 et seq., the Association also hereby adopts the provisions of Civil Code

Section 1363.830 and 1363.840 as a fair and reasonable internal dispute resolution procedure to attempt to resolve disputes between owners and the Association. Please review these code sections in the event you have a dispute with the Association.

Amended and Added To Part II: Rental Of Owners' Units

2. All owners are required to enter into a written lease and/or rental agreement with each tenant who rents the owner(s)' unit for any period of time. Owners are further required to provide a signed copy of the written lease to the Property Management Corporation within five (5) working days after the tenant(s)' occupancy.
3. Any lease for rental of a unit must include a provision that the tenant(s) acknowledge that the terms of said lease are subject in all respects to the provisions of the CC&Rs, the By-Laws of the Association, and all Rules and Regulations adopted by the Board.
9. Owners shall notify the onsite manager in writing within ten (10) days upon a vacancy in their unit(s).
10. The Association is in no way responsible for the security of owners, tenants, occupants, guests and invitees of owners and owners' tenants. There is no security furnished by the Association for any parties listed above or anyone else while at the association. Owners and tenants understand that they are solely responsible for any injury that may be sustained by the criminal acts of other owners, tenants or third persons while at the Association.
11. The Association strongly recommends that owners perform credit and background checks prior to renting his/her unit to a prospective tenant(s). All unit owners are responsible for ensuring tenant(s) compliance with the CC&Rs, By-Laws, Rules and Regulations, and all governing documents of the Association.

COMMITTEE BRIEFS

For more information visit: <http://www.surfsideiii.com/docs/committee/committee.htm>

Please contact the chair to volunteer.

Budget Committee: Michelle Hoffman; ss3budget@gmail.com

Thank you to those who turned in their Budget Committee Surveys. Following are the highlights of the survey.

To date, we have 31 responses, approximately 10% of the association. The complete survey will be available online.

24 respondents stated they do not use the car wash and another 5 sent hand written notes requesting the car wash be closed. Almost everyone who responded uses the exit gate between buildings 4 & 5. Most respondents did not check the pool, spa, gym or sauna. Those who checked the pool area replied that they use the pool area and gym infrequently. Almost half of the respondents use the library and borrow/donate books & magazines.

More surveys are still arriving, we will publish the final results in the April newsletter.

This month the Budget Committee made two recommendations to the Board, one to remove the car wash, another to lock up the saunas due to most usage by unsupervised teens, vandalism and people going from the pool to sauna, causing a wet floor (trip hazard) . The closure of the saunas was approved. In addition to the Budget Committee recommendations, the Board is hard at work looking for further budget cuts.

The Budget Committee is continuing to look at low-flow shower heads, a pool cover to cut down on heat loss from the pool and spa, the cost of other RV storage lots around Port Hueneme, outside irrigation, and labor costs.

Please continue to send in any suggestions you may have regarding the budget. There are very few of us who can afford an increase in our dues. We can be reached at ss3budget@gmail.com, hand carry a written note to the onsite office, or mail your thoughts to Budget Committee, c/o Surfside III, 600 Sunfish Way, Port Hueneme, CA 93041.

Neighborhood Watch Committee: Val Lameka; 805-986-2855; v.lameka@yahoo.com

We learned much about the Port of Hueneme from Will Berg, Director of Marketing and Public Information. Anyone can call him at

805-488-3677 for a free tour of this important facility. He is speaking to all of the Neighborhood Watch groups to enlist our "noticing" skills. Possible terrorist threats are always a great concern. If we notice something that just doesn't seem "right," we should call the Port Hueneme Police at 986-6530. We have three Terrorism Liaison Officers who will record and check out reports.

Here at Surfside III, police activity has been routine..... no serious problems. Just for your information, however, there has been a rash of burglaries of small businesses in the area. They appear to occur between midnight and 5 am, and the police would appreciate your reporting on any suspicious activity. The next Neighborhood Watch meeting will be Thursday, March 3, at 7 pm in the Clubhouse. Good job, folks, and call Val Lameka with any questions or reports.

The following forums will discuss the proposal to change the name of our city to "Hueneme Beach." You are invited to attend these meetings to hear what your neighbors have to say and to voice your opinion to the City Council on this issue.

Wednesday, March 16 at 2 pm at the Hueneme Bay Clubhouse (2600 Lido Blvd)

Wednesday, Apr. 27 at 6 pm at the Community Center (550 Park Ave)

For more information, please call 986-6501.

FROM THE EDITOR

Please send all newsletter submissions to me at dkessner@csun.edu. Please avoid any special formatting and use Arial 10-point font if you have it. The deadline is the 10th of each month for the following month's issue. Owners and renters should be aware that the Newsletter is always available on the website: www.surfsideiii.com. This includes back issues.

The **Owners' Corner** is a forum for all of you to voice your opinions on anything that might be of interest to everyone else. Please feel free to take advantage of this.

The City of Port Hueneme now has a free electronic newsletter with information on various city-related matters and events. To sign up to receive it, visit the city website: www.ci.port-hueneme.ca.us, then in the column at the far left, click on "Sign Up for E-News."

Dan Kessner

CONTACT INFORMATION

MAINTENANCE/RESIDENT SUPPORT (PHONE NUMBERS AND E-MAILS BELOW):

Contact Lordon Management, Jennifer Critchfield; for e-mails always copy Donalea Bauer

Include your phone number(s) and/or e-mail for response before end of next business day. If you get her voice mail, but would like to speak with her directly, hit zero and talk to the operator.

If more urgent, call Donalea Bauer.

Surfside III On-site Property Manager's Office: 600 Sunfish Way, Port Hueneme, CA 93041

Phone: 805-488-8484

Please note that calls regarding maintenance or billing should be directed to Lordon Management.

Surfside III Direct Contact:

Surfside III COA
600 Sunfish Way
Port Hueneme, CA 93041
<http://www.surfsideiii.com>

Donalea Bauer, Vice President, community manager

Email: donaleabauer@lordonmanagement.com

Phone: 800-729-5673 x 3342

Jennifer M. Critchfield, assistant community manager

Email: jcritchfield@lordonmanagement.com

manager@surfsideiii.com

Phone: 805-488-8484

Scott Walker, On-site Property Manager
Carol Short, Assistant On-site Property Manager

Management Company:

Lordon Property Management

1275 Center Court Drive

Covina, CA 91724

Phone: 800-729-5673

For after-hours emergencies, dial 5 or
626-771-1075

Phone: 800-729-5673 x 3380

Our Board:

Bill Betts - President bill.betts@surfsideiii.com

Ira Green - Vice-president ira.green@surfsidediii.com

Skip Perry - Treasurer skip.perry@surfsideiii.com

Michael Madrigal - Secretary michael.madrigal@surfsideiii.com

Bob Banfill - Director bob.banfill@surfsideiii.com

LORDON MANAGEMENT: OTHER DEPARTMENT EXTENSIONS

All escrow matters: Kasey Lane, ext. 3339; klane@lordonmanagement.com

All insurance and collections: Patty Bosch-Barrios, ext. 3337; pbarrios@lordonmanagement.com

Your account, billing address, etc: Liz Lopez, ext. 3319; llopez@lordonmanagement.com

Liens, legal issues: Donalea Bauer (see above)