



**November 2013**

# SURFSIDE III e-NEWSLETTER

**Daniel Kessner – Editor**



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## FROM THE BOARD OF DIRECTORS

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### **Vote – Vote – Vote**

The annual election will be held on Saturday, December 14, 2013, at the annual meeting providing there is a quorum. There are 3 additional candidates besides the 5 incumbents running. In the last newsletter we published statements from many of the candidates including the 3 additional ones. Please review these and vote. The new Board will have significant responsibility for maintenance of the improvements that we have made, making payments on our 7.5 M\$ loan and budgeting and planning for the future. So, **please mail in your ballots** in the addressed postage paid envelopes and be sure to **sign them** by the property address. They should be received by the inspector of election before the December 14<sup>th</sup> meeting so that we know we have a quorum.

### **Next Board Meeting**

The next open Board meeting will be held on Saturday, November 23, 2013. This meeting is being added to the calendar so that we may be able to finalize the 2014 budget and distribute it before December 1.

### **J Street Landscaping Plan**

The J Street Landscaping plan will be presented by Michael Gilbert of Jordon, Gilbert, and Bain Landscape Architects, Inc. at the next open Board meeting on November 23, 2013.

### **2014 Budget**

The Board is finalizing the budget for 2014. We need to put funds in for tree trimming and termite service maintenance. We have not done much tree maintenance since 2010. Our insurance premium rose slightly and water will increase a little. We hope to be able to trade off other line items to fund the tree trimming and termite maintenance and avoid a dues increase.

75% of the budget is obligatory. Water, sewer, insurance, utilities and capital reserves make up 75% of the budget. The rest covers employees, elevator service, lawn care, building and grounds maintenance, pool services, financial reporting services, annual financial audit, sprinkler repairs, pest control, etc.

### **Strategic Plan**

The Board has completed a strategic plan. Surfside's strategy is to reorganize the service delivery model to focus on services to the community and not the individual units, and to use comparative advantage and technology as an employee multiplier.

Tactically this would mean transferring unit type expenses back to the owners. This would require changes to the governing documents that would result in water and sewer paid directly by the unit owners and not through the condo association. Unit owners would also pay for insurance coverage on their units. Monthly condo dues would drop ~70.-80 per month when these costs are transferred to owners.

Comparative advantage involves reorganizing the association employees to focus their efforts rather than spread their responsibilities across a wide spectrum of functions. Part-time personnel will be given a more narrow scope of responsibilities. Over time, full-time positions will be eliminated in favor of part-time or seasonal employees. This will also reduce payroll expenses and health care benefit costs.

Deploy technology solutions as an employee multiplier. This would mean purchasing software as a service

to consolidate and combine multiple systems of record. Currently we use separate spreadsheets to maintain records of owners, tenants, violations, maintenance requests, etc. There is no way to cross reference the information or to maintain ready records for owners to query. We are currently piloting an online system called Smart HOA.

Eventually, more than just record keeping can be done online including some or all of the following.

- New owner and tenant orientation.
- Financial invoicing and reporting
- Preparation of meeting minutes, and meeting agendas.
- Employee productivity monitoring and reporting
- Building and grounds maintenance schedules
- Building and grounds systems management.

### 2014 Projects

For the remainder of 2013, the Board has approved the following projects for completion by the end of 2013.

- Termite service maintenance inspection and warranty treatments.
- Roof repairs to extend the life of our roofs.
- Replacement of the existing tracked Industrial entrance vehicle gate with a new swing gate.
- Replacement of townhouse patio fencing on the Industrial entrance.
- Replacement of wrought iron fencing on the Industrial entrance.

For 2014 here are the projects the Board expects to complete.

- Townhouse patio fencing
- Condo sewer lateral line cleaning
- Beach bridge repairs
- Replace a portion of the street lights

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### COMMITTEE BRIEFS

For more information visit: <http://www.surfsideiii.com/docs/committee/committee.htm>  
Please contact the chair to volunteer.

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**Neighborhood Watch Committee:** Val Lameka; 805-986-2855; [v.lameka@yahoo.com](mailto:v.lameka@yahoo.com)

We had a well attended Neighborhood Watch meeting on the first Thursday in October, and Senior Officer Bates gave us the September incident report. We were dismayed to hear that the reports of vandalism to vehicles near Building 1 were not reported to the police. Obviously the police can do nothing once your car has been attacked, but the police can and will take steps to prevent it from happening again. And, all Watchers need to call the police at 986-6530 if they see activity near the cars which is even remotely questionable. Your call will be anonymous if you like. Otherwise, in all of Port Hueneme, our police answered 601 Service calls and made 44 arrests.

Our next meeting will be November 7 at 7 pm in the clubhouse. If you have questions and reports please contact Valerie Lameka.

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### FROM THE EDITOR

Please send all newsletter submissions to me at [dkessner@csun.edu](mailto:dkessner@csun.edu). Please avoid any special formatting and use Arial 10-point font if you have it. The deadline is the 20<sup>th</sup> 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](http://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 has a free electronic newsletter with information on various city-related matters and events. To sign up to

receive it, visit the city website: <http://www.ci.port-hueneme.ca.us>, then in the column at the far left, click on "Sign Up for E-News."

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## OWNERS' CORNER

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The Owners' Corner is a place in the newsletter for owners to voice their observations and suggestions about the association operations or make announcements about any Surfside III social event or activity. While the newsletter Editor and the Board do review these submissions, the opinions and content only represent the author and not the association. We will refuse and return to the author for re-writing any material that is not factual or is in bad taste or denigrates any individual. We are not perfect and apologize in advance if you find the content of anything in this section offensive.

The Surfside III Condominium Association ("association") is not responsible for the content and accuracy of any information provided by owners or third parties. The association and its Board of Directors will not accept any liability for any direct, indirect, incidental, special or consequential damages that result from or are related to material submitted by the owners or other third parties. By submitting any material for publication in this newsletter, all individuals agree to indemnify, defend and hold the association, its officers, directors, members, representatives, managers and agents harmless to the fullest extent permitted by California Law, from any and all claims, actions, and/or lawsuits, arising out of or related in any way to their material published in this newsletter.

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By Dulce Setterfield, an owner & resident, Surfside III

Improved communications are sorely needed. Owners turn to the SSIII website and newsletter in good faith, to learn more about the community; to mark their calendars for upcoming meetings, to gain awareness of changes and issues, and perhaps with a concern or idea pertinent to a committee. Alas, we encounter gaps in basic information and find chronically flawed linkages. Our community deserves better; the bar is set abysmally low. Attempts to garner recognition by the board regarding existing gaps have met with denial and stonewalling. Improvements need to begin now, not be brushed aside until election results for next year's board are announced. Let's not be resigned to continuance of unreliable, confusing, and dysfunctional communications.

Overdue for Improvement: SSIII website

Neighborhood Watch Committee has a link for a Crime Free Lease Addendum. Clicking that link yields unrelated content: a few sentences about a meeting nearly six years ago. Nothing therein pertains to a lease addendum. If the lease addendum link is obsolete, it should be removed, not allowed to linger indefinitely. If a sample lease addendum truly exists and has current relevance, the addition of that content is overdue.

The same committee has a link for Committee Description. Clicking that link yields only a blank email display, not a description or charter or mission statement. For a truly tenacious owner, a mission statement can be found within the content that displays when clicking the link for Status of Activities. But how many people would think to click there? The webpage identifies the content as 2006 – 2007: is anybody hungry for 'status' that old?

Same committee, as explained above, has a Status of Activities link which when clicked displays info as to the committee mission and such (see text above, re: the confusion with Committee Description and Crime Free Lease Addendum links).

A committee named 'Beautification' received recognition from the board during the 9/28/2013 meeting. Although the necessity of posting content such as a committee chair link and the committee charter was acknowledged, posting has not occurred as of 10/20/2013; more than three weeks after the necessity of posting was voiced. With Beautification members already active on the grounds of SSIII, the community deserves to the benefit of transparency and accessibility that comes only with proper posting of the basics: committee chair and purpose for starters.

The webpage titled Board Meeting Schedule seems designed to deter people from easily finding when the next meeting is. Per the board's decision during the 9/28/2013 meeting, next meeting is 11/23/2013. But that date is absent from the schedule: more than 3 weeks after the board recognized the need for a November budget meeting.

A newcomer to our website might not even know to scroll down to find any 2013 information, because oddly, the top of the page displays 2014 meeting dates (as forecast), followed by 2015. A yellow highlighted row between years states "2014 Above - 2015 Below" with no mention that 2013 can also be found...far below. We must scroll beyond 2015 to find any 2013 meeting dates. And the anticipated November 2013 meeting date (per the board's decision on 9/28/2013) remains absent, as I write on 10/20/2013. The longer the board waits to update the website calendar, the greater the possibility of keeping HOA members from showing up for a requisite budget meeting.

Below the 2014 dates, the webpage states that meetings are held second Saturday, every other month, starting with February. But it is not clear if the board means: starting next February? Or prior February? If new owners hear mention of an upcoming November meeting and turn to the website for facts, it would be reasonable to guess that 11/9/2013, the second Saturday in November, as the day to show up for a meeting (unless perchance a last-minute change occurs). There is nothing on the website indicating any date in November has been scheduled. HOA members should not have to resort to guesswork. I was confused and disheartened by website dysfunction in 2012 and prior years, I was a renter then. An owner now, the stakes are higher.

True or False or Maybe Nobody Cares: SSIII Newsletter

Stated in our July 2013 SSIII Newsletter: "Any Architectural Modification forms can be handled between the meetings if they clearly meet our guidelines. Our Board member, Mike Madrigal, has been authorized to approve them by our President. The Board will review this authority at the next open meeting."

We had open meetings in August and September; neither agenda included a review of the authority stated above. This matter was explicitly brought to the board's attention during the Forum at the tail end of the 9/28/2013 meeting. The board did not acknowledge that a gap exists between what our July newsletter reported and how business is conducted, ongoing. So I emailed our president in October to again request clarification and received no response. It seems reasonable to expect that board members familiarize with each edition of newsletter, be accountable for text therein regarding expectations for an upcoming meeting, and follow up accordingly.

Stated in the Editor's Note of the October SSIII Newsletter, regarding the Architectural Committee: "The committee chair's e-mail for the architectural committee has been corrected." This statement was false the day it was published (9/28/2013). Faulty linkage in fact remained faulty (useless) another 10 days beyond the distribution of the October edition of our newsletter. Only further prodding, with more individuals in the email loop, got results.

The outcome of a belated fix, after the newsletter said that fix was already done: loss of credibility for both newsletter and website. Surely our 'communications bar' can be raised, going forward. Integrity matters. Follow up matters. Promptness makes a difference.

I served as volunteer webmaster, with a smattering of technical skills, 14 years ago: for a website serving a recreational club of a few hundred people. I also wrote newsletter articles. What was then at stake, with respect to the timeliness and accuracy of communications, was not the high stakes as we face at Surfside III: with hundreds of property owners, some living onsite, some not. In 1999, the recreational club's president was intolerant of any lag regarding repair to website functionality and timely updating. Digital content and functionality call for committed monitoring: diligent checking and rechecking by a webmaster committed to follow up, as warranted. With the aforementioned club, inclusion of text within the club's newsletter saying a known website flaw had been corrected—if in fact it remained unusable when the newsletter was published—that would have been unacceptable.

A loss of credibility affects all parties associated with the SSIII newsletter and website. Let's see to raising the bar in 2013: not (yawn) later on, after sliding into a new year and facing fresh challenges.

### **Editor's Response:**

I'd like to thank Dulce for her thorough and thoughtful observations about the website. While I understand the frustration she feels, I would also like to take a few moments to put the present situation into a larger context (and I've already been in touch with her about this). A number of years ago, one of our Board members, Ira Green, took it upon himself to start posting meeting minutes and newsletters on a Website. This effort was recognized for its benefit, and soon more material was submitted for posting. This was an unfunded volunteer effort. Tim McCoy, also an owner at Surfside III, has been providing, without charge, the server that hosts the website. He and George Gibby provide the maintenance of the server software and hardware. All of these individuals volunteer their time and resources. Keeping the website current depends on contributors sending updates to Ira with the word POST in the title. The chair of the Neighborhood Watch committee provides invaluable service to Surfside III. This is the first time anyone has commented about the content of her page.

Recently, Surfside III had to defend itself against a 5-week lawsuit. We won on every count and were also awarded our legal fees. Among the comments made by the Judge were that the transparency and content of our website was a model for homeowner associations. In addition, he said that the Board actions in response to a very serious maintenance condition were really very effective!

We are currently transitioning to a professionally run website run by SmartHOA. However, we will still be dependent upon receiving current information. If Dulce or anyone else out there would be willing to help out, we invite you to begin by working with the Neighborhood Watch Chair to develop a webpage, and then maintain the page each month with updated meeting and minutes content. Clearly such a webpage could be developed for each active committee. There is also the need to develop a clear explanation of the upcoming J Street Drain Project Development.

Of course we welcome all volunteers and invite you to contribute to the website. We also welcome all criticism, but hope that it will be followed up with proposed solutions.

Dan Kessner

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## CONTACT INFORMATION

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### 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**

OFFICE OPEN:

Mondays & Fridays – 8 am-12 noon

Wednesdays – 1-5 pm

THERE WILL BE NO ON-SITE TELEPHONE SERVICE WHEN THE OFFICE IS CLOSED.

**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>  
[manager@surfsideiii.com](mailto:manager@surfsideiii.com)  
Phone: 805-488-8484

#### **Carol Short, 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

#### **Donalea Bauer, Vice President, community manager**

Email: [donalea@lordonmanagement.com](mailto:donalea@lordonmanagement.com)  
Phone: 800-729-5673 x 3342

#### **Jennifer M. Critchfield, assistant community manager**

Email: [jcritchfield@lordonmanagement.com](mailto:jcritchfield@lordonmanagement.com)  
Phone: 800-729-5673 x 3380

#### **Our Board:**

Bill Betts - President [bill.betts@surfsideiii.com](mailto:bill.betts@surfsideiii.com)  
Ira Green - Vice-president [ira.green@surfsideiii.com](mailto:ira.green@surfsideiii.com)  
Alexander Urnersbach - Treasurer [alex.urnersbach@surfsideiii.com](mailto:alex.urnersbach@surfsideiii.com)  
Anthony Truex - Secretary [tony.truex@surfsideiii.com](mailto:tony.truex@surfsideiii.com)  
Michael Madrigal - Director [michael.madrigal@surfsideiii.com](mailto:michael.madrigal@surfsideiii.com)

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### **LORDON MANAGEMENT: OTHER DEPARTMENT EXTENSIONS**

All escrow matters: Nicole Castillo, ext. 3339; [nicole@lordonmanagement.com](mailto:nicole@lordonmanagement.com)  
All insurance and collections: Emily Polchow, ext. 3337; [epolchow@lordonmanagement.com](mailto:epolchow@lordonmanagement.com)  
Your account, billing address, etc: Liz Lopez, ext. 3319; [llopez@lordonmanagement.com](mailto:llopez@lordonmanagement.com)  
Liens, legal issues: Donalea Bauer (see above)



Serving California's Community Associations

September 29, October 20, 2013

### **BLACKLIST PROBLEM CONTRACTORS?**

**QUESTION:** Is it permissible to blacklist a contractor in our newsletter or would we need to say something to the effect of "Contact a board member for a list of contractors who've done a good job and ones to avoid"?

**ANSWER:** This comes up from time-to-time in associations I represent. It happens more often in condominium developments because of common elements inside condo walls. Following are your options:

**Good Contractors.** Associations can keep a list of "recommended" vendors (such as electricians and plumbers) for owners to use. Doing so has two benefits: (i) it's a great convenience to owners who have no idea who to hire and (ii) you get vendors who are familiar with the development, do good work, and are properly licensed and insured (assuming the association screened them).

**Bad Contractors.** When it comes to "bad" vendors, associations can do the following:

1. Owner Reviews. They can keep a list of homeowner "reviews" of various contractors, just as the Better Business Bureau, YELP and others do. The association does not make any recommendations, it simply compiles reviews--good, bad and ugly--and makes them available to homeowners.

2. Recommendations. Associations can take a more affirmative role by publishing a list of vendors they advise against using. They can make their recommendations based on complaints they receive as well as their own experience with contractors who violate the association's rules.

3. Blacklist. The final option is to ban bad vendors, i.e., they are not allowed in the development. This is especially relevant in condominium developments where contractors (such as electricians and plumbers) open common area walls to perform work. If their work is shoddy, it can result in significant damage to the common areas and other units. Since the association controls the common areas, boards have a right to protect the association from contractors who (i) damage the common areas, (ii) violate the association's parking rules, hours of construction, etc., and (iii) perform shoddy work that could result in harm to common areas and surrounding units from water damage, mold, electrical fires and the like. Arguably, boards have a duty to ban such contractors.

**Litigation Threats.** One contractor I banned threatened to sue the association, me and anyone else connected to his "blacklisting." When I responded to his lawyer with a list of violations, damage, and the association's legal control of the common areas, the contractor went away. That does not mean a contractor won't some day sue but the odds are against it. He would have to pay out of pocket for the litigation, defend his own bad acts, and convince a judge that he had a "right" to perform work on the association's common areas. I don't see that happening.

**RECOMMENDATION:** If boards create a list of recommended contractors and/or bans bad contractors, they need a paper trail justifying their decision in the event they need to defend it. The vendor list can be published in the newsletter or kept in the association's office.

### **CONTRACTOR'S LICENSE FOR MANAGERS**

Earlier this year I raised concerns about a change in the law that put managers at risk of being unlicensed contractors if they solicited bids and oversaw common area maintenance projects for their associations. That problem has been addressed by the Legislature. It amended the Business and Professions Code to include the following:

The term "contractor" or "consultant" does not include a common interest development manager, as defined in Section 11501, and a common interest development manager is not required to have a contractor's license when performing management services, as defined in subdivision (d) of Section 11500. ([B&P §7026.1\(b\).](#))

Governor Brown signed the change into law, which takes effect January 1, 2014.

**RECOMMENDATION:** The exemption does not mean that managers can now run construction projects without a license. Managers need to be prudent about the level of work they engage in and the size of the job. Associations should always use licensed and insured contractors. In addition, the larger the project the greater the need for a [construction manager](#).

### **CAN TREASURERS BUY CDs?**

**QUESTION:** Our board does not have an investment firm to help them. They just let the treasurer take a check and buy a CD when they have extra money. Is that legal?

**ANSWER:** It is perfectly legal. There is no requirement that boards have investment advisers and there is nothing wrong in buying certificates of deposit. CDs are probably the most common form of investment for homeowner associations. They are safe because they are backed by the full faith and credit of the United States (although that seems increasingly shaky.)

In the event of a bank failure, the Federal Deposit Insurance Corporation (FDIC) pays each depositor their principal and accrued interest up to \$250,000 as of the date of the bank's closing. Even though the Federal Reserve has been flooding the market with cheap money (a precursor to inflation) and artificially driving interest rates to record lows, CDs are still one of the safest investment vehicles for associations.

**RECOMMENDATION:** For associations with large reserve deposits, using an investment adviser to develop a written investment policy is a good idea. Do NOT pay a [board member](#) to manage your funds. Instead, use an independent third party professional to develop a sound [investment policy](#). Also, have your attorney review your governing documents to see if there are any restrictions on how monies can be invested. It is surprising the things I find in CC&Rs and bylaws.

## **ELECTRONIC BALLOTING**

**QUESTION:** Our HOA website has a feature for electronic balloting that we were planning to use this year. It provides for secret ballots, i.e., we only see which properties have voted and the totals by candidate, not who voted for whom. Would that qualify or are all forms of electronic balloting prohibited? Paper balloting seems very archaic for such a progressive state.

**ANSWER:** Electronic balloting was introduced to the Legislature earlier this year as [AB 1360](#). The author, Senator Torres, said that "This bill is part of our effort to modernize the democratic process for community associations and will help increase involvement while reducing costs." Although the bill has wide-spread support, some security concerns were raised. To address those concerns, the bill was temporarily put on hold. As a result, e-voting is not yet an authorized form of balloting for associations.

**RECOMMENDATION:** Those who want to see electronic voting pass should [support CLAC](#). This organization is your voice in Sacramento and has been instrumental in promoting good legislation for homeowners and opposing the truly bad stuff that oozes out each year. If you can write them a check for \$20, \$50 or \$100 dollars, it's worth the investment. Donations can be sent to CAI-CLAC, 5355 Parkford Circle, Granite Bay, CA 95744.