



**BEAR BRAND RANCH REPORTER
BEAR BRAND RANCH COMMUNITY ASSOCIATION**

Board of Directors

Ed Zalta, President
Michael Berumen, Vice President
Fred Burbank, Secretary
Wayne Mertes, Treasurer
Bill Schenck, Director

NEXT MEETINGS

All residents are invited to attend

January 2009 Meeting Dates to be determined

**Meeting Agenda posted on bulletin board
4 days prior to meeting date**

Board Meetings are held quarterly.
(January, April, July, October)
Your participation matters!!!

Client Services

Carol Griffin, Maintenance Requests
*(949) 582-7770 *fax (949) 582-7796
e-mail: carolg@progressivecm.com

Glenda Reid, Community Manager
*(949) 582-7770 *fax (949) 582-7796
e-mail: glendar@progressivecm.com

Shelley Logan, Accounts Receivable
*(949) 582-7770 X104 *fax (949) 582-7796
e-mail: shelleyl@progressivecm.com (your payments)



**President's Report November 2008
The Streets in BBRCA**

The following is background for the actions taken by the Board on November 6, 2008

1. The consulting engineer (Tom Kirk of Wildman Engineering) has extensively reviewed our streets and determined that Old Ranch Road, Jen Court and Searidge are in dire need of repairs or the Association will face a huge expense for street replacement over the next several years. His report stated that "some form of restructuring was needed on Old Ranch Road and at least two other streets or there was the risk that the pavements could fall into a phase of rapid failure from which there

would be no possibility of salvaging the original structure...therefore requiring extraordinary measures of very high cost, including deep excavation, special treatments, a thick layer of aggregate base and the full new section of asphalt concrete pavement".

2. The engineer's report has been placed on the web site for those of you interested in reviewing his complete report and the basis for his recommendations.
[06/06/08 Street Engineering Report](#)
[11/09/08 Amended Street Engineering Report](#)
3. During the prior decades, road repairs were "patched" and resulted in high annual maintenance costs with a contribution to reserves for street repairs at an average of \$100,000 per year. Obviously, given the above, that is no longer an option.
4. The reserve study estimates an expenditure of \$2.7M over the next 30 years if the patching method were to continue. In light of the report cited above, even this amount was deemed inadequate as simple patching would not suffice to avoid the huge expenditure predicted for these streets.
5. The Board obtained bids for repairing the critical areas as well as the other streets with material that would provide a 25-30 year life. This project would eliminate the cost of annual patching and annual contributions to the reserve fund.
6. An assessment was preferred over dues increase (as the latter has a way of never being reduced).
7. Detailed information was mailed to all members, e-mailed, and put on the web site followed by ballots seeking approval of a one time assessment.
8. The governing documents require a 2/3 vote of the membership (85 votes). The vote was by secret ballot. An independent agency was retained to receive, open and count the ballots.
9. By twice extending the voting period, two repeated mailings, many phone calls to those who had not voted, and personal calls we managed to get 100 ballots returned over a period of 120 days.
10. The assessment failed 61 to 39.
11. The Board's responsibilities are clearly spelled out in the Articles of Incorporation: "primary purposes are to provide for the maintenance, preservation, and architectural control of the development".
12. Thus, the Board is committed to comply with the governing documents and to do so in the most-cost effective manner possible to avoid the huge cost associated with continued delays on repairs to Old Ranch Road, Jen Court, and Searidge.

13. The Board felt that re-voting by sending out yet another written ballot would be yet another exercise in futility given past experiences of re-balloting, the economic downturn, the fact that there are some 12 homes for sale in BBR (two presently in foreclosure), and some 25-30 homeowners who never vote.
14. The Board instructed the consulting engineer to make a recommendation that would repair the roads in a phased-in fashion with new materials that offer a 25-30 year life. Phase I would be those streets in need of urgent repair and would be done in 2008-2009 and Phase II done in 2009-2010.
15. By this approach, the annual expenditures for street repairs (averaging \$100,000) would be minuscule as the projected life of the new material is 25-30 years. We would also avoid the huge cost associated with complete replacement of the areas in dire need of repair.
16. To do this, we needed to find another way to comply with our responsibilities under the governing documents and the failed assessment vote. Since simply continuing the patching would be throwing good money after bad, the only other cost-effective method is to transfer money from the Reserves as a dues increase for this year is not an option.
17. The Civil Code requires that any transfer of funds from Reserves must be accompanied by a statement as to how the Reserves would be replenished. Consequently, there will be a dues increase beginning July 2009 by an amount to be determined by the Board based on actual costs of Phase I and estimated costs of Phase II. For estimation purposes, the dues increase will be in the neighborhood of \$109/month. The projections of a new Reserve study to be done in March 2009 will be used to determine the dues increase. To be included in this determination will be the significantly lowered reserve requirement for street repairs provided by the longer life of the new material.

At a noticed meeting held on Nov. 6, 2008, the Board took the following actions:

1. Adopted the recommendations of the Consulting Engineer for Phase I in 2008-2009 and Phase II in 2009-2010.
2. Requested competitive bids for Phase I with a start date around February 2009.
3. Authorized the transfer of funds from the Reserves during 2008-2009 and 2009-2010 as needed to pay for the street repairs.

4. Directed that the reserve study in March 2009 be focused on the future cost of Phase II, the reduction in future Reserve allocations for street repairs given the elimination of the annual contribution to Reserves for street repairs, and the monthly allocation to Reserves required to keep the percentage of Reserve funding at 70%.
5. Approved the proposal for engineering oversight of the bidding and construction of the repairs to make certain that the successful bidder complies with all aspects of the contract specifications.
6. Directed that at the appropriate time, to request competitive bids for Phase II.
7. Approved a dues increase beginning July 2009 to repay the reserve fund and provide funds for Phase II of the recommendations (amount to be determined by bids/reserve study).

In summary, this approach allows us to prevent a predicted huge expenditure, eliminate the need for additional funds now, allow the market forces now in play to reduce the cost of asphalt from its previous very high price, and complete the work in two years.

The membership must be cognizant of the tendency for dues increases designed to fund specific projects to become permanent –the very reason why the Board elected the assessment route. There is the potential for abuse once dues are increased. The presumption by this Board is that the dues will need to be reduced after the next two years by a subsequent Board and not maintained at the higher level.

In keeping with the significant economic downturn and the need to reduce costs, the Board had already gotten competitive bids on our major contracts (landscape, security, management) and all but eliminated the huge burden of legal costs. We will now focus on the next largest budget item, security, to try to identify additional areas of cost savings.

Ed Zalta, MD
President



Architectural Review Procedures

The Architectural Committee meets monthly on the **First Wednesday of each month at 10:00 A.M.** at the Progressive offices. **You must submit your plans prior to the meeting to be placed on the agenda.**

Upcoming Architectural Meetings:

December 3 – Submittal deadline November 19th

January 7 – Submittal deadline December 23rd by 11:00 a.m.

For additional information on the architectural review process and the application and Design Guidelines, log on to the association's website at www.progressivecm.com/bearbrand and click on Forms-Architectural. As a reminder, contractor hours are 8:00 a.m. to 5:00 p.m. Monday through Friday and 8:00 a.m. to 1:00 p.m. on Saturday and no admittance on Sunday.



LANDSCAPE

With the cooler weather coming, it is time to check our irrigation and timers to decrease the watering. Let's work together to save water and also minimize the water run-off into the street gutters. Thank you very much!



HOLIDAY SCHEDULE

Progressive Community Management will be closed Tuesday, December 23, 2008 at noon through Friday, January 2, 2009 to share the Holidays with our families. 24 hour emergency service is always available by calling our regular business line at (949) 582-7770 and following the emergency paging instructions. We wish you an enjoyable and safe holiday season!

