



Montrêux

HOMEOWNERS ASSOCIATION

THE PRESIDENT'S REPORT

I feel the HOA, under the direction of the Board as well as the management of Mike Joseph of MKJ Co., has enjoyed a very productive year. Our accomplishments in 2011 were:

- Operational expenses were controlled well within budget.
- All capital projects were completed within budget and in a timely manner.
- The County resurfaced the roadway from the community entrance to SH 431.
- Vacant lot cleanliness and organization was improved significantly.
- Common area landscaping maintenance and enhancements added substantially to the look of the community. Thanks to Century Landscapes, the Montrêux common area and the Creekside Manors were recognized as the **Best Large Commercial Maintenance Projects** by the Nevada Landscape Association.
- The HOA now has its own website in concert with the Montrêux Golf and Country Club.
- An updated capital reserve study was completed and suggested changes implemented.
- A new level of cooperation and collaboration between the HOA and the RTO resulted in the event running smoother than ever.
- An ongoing dialogue with Sierra Fire Protection District and the Nevada Fire Safe Council was established.

Moving forward, the following are on the Board's 2012 priorities:

- Continue to control operational and capital expenses.
- Develop and implement a landscape enhancement plan of water conservation, tree replacement and hardscape improvements.
- Develop and implement a traffic safety program.
- Initiate a dialogue with the Washoe County School District regarding a school bus pick up and drop off location for Montrêux students.

- Expand the relationship with the Sierra Fire Protection District and the Nevada Fire Safe Council.
- Continue to work with NDOT for a safe ingress and egress for the Bordeaux and SH 431 intersection.
- Review, maintain and upgrade the community's traffic, street and identification signage.
- Initiate discussions with Washoe County regarding a Southern construction entrance off of Callahan Rd.
- Continue to acknowledge and attempt to accommodate the changing demographics of the community.
- Continue the dialogue with the RTO regarding a fee being paid to the Montrêux HOA.

I hope that all of the homeowners are pleased with the results the HOA Board has achieved.

Buz Carrade, President

ELECTION OF HOA BOARD MEMBERS

Two of the five HOA Board positions become vacant at the end of the 2011. Two candidates came forward for these positions and they will be seated on the Board January first. We appreciate the interest of Christy Pappas and Sue Currier to serve the community as members of the HOA Board.

Christy Pappas has been a Montrêux resident for 6 years. Also a member of Montrêux golf for 10 years, she is currently on the Club's Food and Beverage committee. Christy has 25 years of business management with companies such as:

- Yogurt World USA (President), with 6 franchises and 100 employees;
- Cytogenesis (VP Research) working with others to promote stem cells and medical devices; and
- NexGen Medical Systems (Director of Operations), where she is responsible for all HR, accounting, and coordination of clinical trials with the FDA.

Christy has considerable experience in web research and organization. She volunteers for the Nevada Humane Society, Thunderbird Lodge and the Sierra Club.

Sue Currier came to Montrêux 6 years ago from Saratoga, CA, and is a sports member of Montrêux. Like Christy, Sue currently serves on the Food and Beverage committee. She brings a

business background with 30 plus years experience in Human Resources for Fortune 500 companies including IBM, Cisco Systems, BEA and Intuit. Sue was General Manager for the IBM Country Club in Poughkeepsie, N.Y. for two years.

Sue brings her managerial and organizational skills to the HOA. As a Board member she recognizes the need to be aware of the unique environment of a Homeowners Association at a time of growth and changing family demographics. Sue feels it is important to maintain a high level of homeowner satisfaction which will continue to develop a strong sense of community and pride.

MONTRÉUX RESERVE STUDY 2012

During the first part of 2011, the Board initiated and approved a **Montréal Reserve Study** to assist in planning the 2012 budget. The Board decided the study should be conducted this year, one year sooner than the state required five year interval. In so doing, reserve study results support the first year of budgeting and operational planning done exclusively by the homeowners. The study helped the Board recognize an opportunity to increase detail in the Reserve expense categories which provides an increased measure of spending oversight.

The HOA budget consists of two expense groups, both funded by HOA annual **Income** (90% derived from homeowner assessments);

- an **Operating** budget (85% of annual Income) and
- a **Reserve** budget (15% of annual Income).

The Operating budget addresses annual operating expenses, like snow removal and routine maintenance like electrical repairs. The Reserve budget is designated for less frequent (and often more costly) repair and replacement expenses such as street resurfacing. To cover reserve expenses, communities like Montréal are required by state law to maintain highly regulated Reserve funding. Complying with the law ensures adequate funding to maintain Association assets by repairing or replacing common area components as they wear out.

The **Montréal Reserve Study** is conducted by a state approved agency. It was based on existing conditions, engineering assessments and cost estimating techniques consistent in application with previous Montréal studies.

The results, identified in a 115 page Master HOA Study and consistent with those of the Manors and Cottages, state the financial condition of the HOA is “**excellent**”. The annual Reserve contribution is calculated to be \$213,161 for 2012 through 2017. The monthly Reserve contribution from quarterly dues per homeowner is \$126.27. *October Reserve status indicates \$1.828M in total financial assets.*

The calculated 2012 annual **Reserve** contribution of \$213K is \$22K less than required by the 2011 budget; \$235K. This variance, the result of reconsidering the technique for maintenance of Montréal’s perimeter fence, allowed the Board to reallocate \$22K to the Operational budget while maintaining a fully funded Reserve position.

In accordance with state regulations, the results from this study will be used for Reserve budgeting and Operational planning each year going forward. The next reserve study is anticipated within five years or sooner if circumstances warrant. The Reserve study was conducted by *Resource 1 Building Consultants* of Reno, a professional firm registered by the State of Nevada for purposes of conducting these studies.

Copies of the Reserve Studies may be obtained by request from Mike Joseph.

- J. Lauretig, Treasurer

NEW HOA WEBSITE

It is now easier than ever to monitor HOA activities or to contact the HOA Board with your observations or concerns. Golf members are familiar with *Montréalxgolf.com* where they reserve their tee times. Now golf members, and all homeowners, can read HOA Board or Security notices, or contact the Property Manager without leaving the Montréalxgolf website.

You will now find two additional items of interest on the website. First, we will add the minutes of quarterly HOA meetings to the website. These can be found under the HOA Documents tab, along with all prior quarterly reports. It will be very easy for owners to follow every aspect of the HOA progress.

Secondly, we all recognize the friendly faces of our security force at the gate. But it is hard to remember all the names. We are adding a photo gallery of the security team to the website with all the names and titles.

WILDFIRE MITIGATION

Wildfire is a regional hazard and the recent Caughlin fire reminds us of the need to be prepared and to take steps to mitigate fire impact. On 9 December HOA board members met with acting Sierra Fire Protection District, SFPD, Battalion Chief, Tim Leighton, to review emergency planning and the upcoming changes in the District.

The Chief expects the new fire station on Arrowcreek Parkway to become staffed and operational in May, 2012. At that time, Montréal will be served primarily by the fire station on Joy Lake Road. Response times will be held to a minimum, as fire response teams will enter through existing gates on the South side of Montréal. Backup coverage will be provided from the new *Arrowcreek Parkway*

station and by volunteer crews located at the existing Mount Rose station.

Chief Leighton briefed the HOA Board on experience gained from the Caughlin fire. He emphasized the need for homeowners to develop a defensible space around their structures to minimize the impact of fire. He described how several of the properties destroyed by the Caughlin fire failed to do this. These houses had stucco finishes and tile roofs, but also had juniper shrubbery next to the house. Flying embers ignited the junipers. These in turn developed embers that were swept through vents into the attics of the homes, which were then destroyed.

In earlier quarterly reports, we provided information on the Living with Fire publications that tell how to create a defensible space. All this information is immediately available to you now on our website. Go to www.Montrêuxgolf.com and click on the HOA tab in the upper right hand corner. In the page that pops up, there is a gray bar across the top and the word "emergency" appears in the center. Click on "emergency". Then click on "Evacuation or Wildfire" as it appears in the upper left of the next page. Read text on the page that appears and then select the line A Guide for the Homeowner – Eastern Sierra Front Version.

Fire crews will also come to your house and assess your property. They will give you specific instructions on creating a defensible space. You can set up this assessment by contacting our property manager, Mike Joseph. Be aware of the fire hazard. As a property owner, you are in the best position to minimize the potential damage of a wildfire.

TREASURER'S REPORT

The third Quarter performance, ending in September, exhibited YTD **Income** of \$1.08M and **Reserves** of \$204.4K; both categories remain on track. (Note; Reserves are primarily invested in CDs that are all within the insured limit of \$250K). Similarly, the third Quarter's **Operational Budget** demonstrated a Positive Variance of \$4K; operational expenses exhibited YTD Actuals of \$880.3K compared to the YTD Budgeted figure of \$885.4K. The HOA continued to experience manageable delinquency levels. Approximately 42% of delinquencies (\$25K) are associated with foreclosures. Relief in foreclosure related income is expected during the fourth Quarter of 2011 due to property sales and bank payments. Specifically, end of month delinquencies for September totaled \$61.2K, compared to \$42.7K for June. The **Balance Sheet** registered Total Assets of \$2.09 Million.

The third quarter **Operational Budget** experienced significant **Positive Variances** of \$45.2K in accounts associated with Security, (Salary,

Payroll Taxes and Unemployment Insurance), all attributable to staff management and scheduling. However, staff health insurance continues to exhibit a **Negative Variance**; \$11.2K for the Quarter and will end in a negative variance for the year. (Note: this variance is directly the result of the HOA transition to complete homeowner control as this move required that the Security Staff be insured singularly by the HOA and not in conjunction with Montrêux Development. Furthermore, these circumstances were not made known to the HOA during Budget planning in 2010 and remained unrealized until January of 2011.) Additional **Negative Variances** of significance included \$12.9K in Electrical Supplies and Repairs driven by new irrigation timers and repairs. Irrigation exhibited a negative variance of \$27K driven by an irrigation leak. Investigation by the County and the HOA revealed an undetected double fault in a remote portion of the irrigation system. Washoe County provided a \$3.5K reimbursement.

The **Reserves** total investment **Assets** were \$1.762M YTD and continued to demonstrate a small return. (As of October 31, the Reserves assets equaled \$1.828M.) The month of August experienced the maturing of two investment CDs in the Reserves portfolio. These funds have been reinvested in CDs in a ladder fashion of six to eighteen month duration not to exceed \$250k in any single certificate and represent a continuance of the existing portfolio strategy. YTD **Reserves** expenditures totaled \$131.1K compared to the budgeted annual dollars of \$73.4K; the **Negative Variance** was driven by an increase in the scope and complexity of Streets maintenance. (Note; Reserves expenditures represent maintenance for curbs, street maintenance, painting, slurry and perimeter fences.)

Lastly, a Reserve Study was conducted in August with the purpose of fine tuning the Reserves and completing State NRS requirements. The study has been received and approved by the HOA. Findings and results of the study have been incorporated into the 2012 budget plan. (Reference the associated article in this document title **Montrêux Reserve Study 2012** for additional details regarding the Reserves. Additionally, the Board has mailed, to each homeowner, a copy of the **2012 Budget Plan comparing 2011 and 2012**.)

For the remainder of the year, irrigation's negative variance will be reduced due to the accrual of budgeted funds in this category in October. Additionally, expenses will generally experience seasonal effects, most notably in snow removal. Based on October figures and barring unforeseen circumstances, it would appear that the HOA will remain within the Budget for 2011.

- J. Lauretig, Treasurer

PROPERTY MANAGER'S REPORT

As many of you know, living in a mountain community such as Montréux can be trying at times with native animals such as raccoons, a variety of birds and even an occasional bear. If you find yourself in need of controlling these pesky creatures, there are companies in the Reno area that can be of assistance. The Association is not endorsing any one company, however by doing a Google search you can find companies such as Critter Control that specialize in the removal of native animals.

In regards to household pets especially dogs, it is every owners responsibility to keep dogs on a leash or other restraint when outside your property boundaries. The Association would like to remind all pet owners to respect the common areas and your neighbor's properties by properly cleaning up after your pet and to keep them under control at all times. Thank you!

I hope all of you had a Merry Christmas and have a wonderful new year.

Below are friendly reminders that all property owners and golf members should be aware of:

- Please remember that ***any changes*** you wish to make to the exterior of your property whether it's changing the color scheme of your home, revising your landscaping, adding a play structure, trampoline, etc. must first be submitted to the Design Review Committee before any work is commenced. It is also a good idea not to schedule contractors until you receive final approval. If you are unsure as to the process for review and approval, please contact Mike Joseph at 853-9056 for details.
- Don't forget to secure your trash receptacle lids and any other refuse that is out on collection day. (Monday)
- When you or your snow removal company are clearing your driveway and walkways, please do not discard the snow into the streets. This can be hazardous to snow removal personnel and their equipment. Thank you!

Property Manager, Mike Joseph at 853-9056.

SECURITY REPORT

On behalf of your Montréux Security staff, I would like to offer our warmest wishes for a happy and safe holiday season to you and your family.

Snow Removal & Road Condition Updates:

With the winter and snow season approaching, we will be actively involved in the snow removal process and keeping you informed via the website or telephone regarding snow conditions in our community. Montréux has over 11 miles of two way roadways and walking paths which need to be

cleared during a snow event. Snow removal crews are notified by Security staff once the snow reaches 2 inches in depth at the top of Lausanne Drive. Once the streets are cleared, Security will dispatch sand at intersections and problem areas. Remember that road sanding is intended to only to be an aid to vehicle traction and is not a substitute for driving in a safe and prudent manner for the existing conditions.

The Security office is responsible for road condition updates within Montréux. These updates can be accessed by going to www.Montréuxgolf.com. If you have a snow removal question or concern, please contact Montréux Security at 775-849-9780 or security1@mtxhoa.com. Security is in direct contact with snow removal crews and will advise them of any situation that needs attention.

Water Shut-off: With our low winter temperatures it is not unusual to have residents experience frozen or broken water pipes. Knowing the location of your in-ground water shut-off valve at the meter, and keeping it clear of snow, can expedite emergency shut-off and reduce the extent of expensive water damage. If you would like assistance in locating your meter, contact Washoe County Utilities at 775-954-4601, before the snow flies and they will assist you.

Public Safety and Adherence to Traffic Controls: Montréux Security and the HOA Board would like to remind all residents, members, guests, employees and service personnel that it is your responsibility to obey traffic control measures while driving on the streets of our community. All vehicles, including golf carts, are subject to the same traffic laws and rules of the road that are in place on public streets. Traffic safety and the adherence to traffic laws is a concern and are the responsibility of all of us that live, recreate and work in Montréux. In the interest of public safety, the prevention of accidents, injuries and property damage, it is hoped that individuals will comply voluntarily.

Traffic enforcement and compliance with traffic regulations is a legitimate concern in all communities, and Montréux is no exception. We all want to live in a community that is comfortable, enjoyable, and as safe as possible. Although not our primary mission, traffic enforcement is taken seriously by the Montréux Security staff. Montréux Security commits as many man hours as possible to regulate traffic through complaint response, public awareness and Property Manager notification without compromising effective gate, perimeter security and patrol functions.

If you have not done so already, visit our website at www.Montréuxgolf.com/hoa/Montréux-security

Pete Christoffersen, Director of Security
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