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Virtual Spring Forum

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## Bakersfield Forum Scenarios

### **SB 323:**

*Political Nightmare HOA is going through a controversial election with five Board seats and seven candidates. One of the candidates does not reside at the development; and another candidate was transferred a 1% interest in a unit eight months ago. Before the election, several of the candidates decide to go door-to-door to persuade owners to vote for their group.*

*The group also holds a townhall meeting in-person at the clubhouse to bash the opposing candidates; the group mails out flyers to further their smear campaign; and the group holds a Zoom meeting where they decide to spread several lies about their opponents, including false claims of embezzlement.*

*What should the Political Nightmare HOA do, if anything, in response to these actions?*

### **Financial Forecasting in 2021**

*Financial Disaster HOA has not increased its dues for the past seven years. The Board is incredibly proud of this accomplishment and regularly reminds residents in the monthly newsletter how lucky the community is. Despite this, the reserves are only funded to 29%, as the Board has been decreasing the reserve contributions each year to make up for the shortfall in the operating budget.*

*When the COVID-19 pandemic hit, the delinquency rates in the community increased 25%, and monthly income became insufficient to cover expenses, resulting in several contractors going unpaid for months. As a result of lack of payment, the street sweeper, pool maintenance vendor, and electrician have stopped performing work until payment is tendered.*

*The Board wants to borrow these funds from reserves so the contractors can resume work, but these funds are currently earmarked for an emergency asphalt replacement project needed to address years of deferred maintenance.*

*What should the Board of Financial Disaster HOA do?*