

HACIENDA CARMEL COMMUNITY ASSOCIATION
MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS
Tuesday, November 24, 2020
Casa Fiesta

PRESENT:

Mr. Rex Young, President & Director
Ms. Linda Mullally, Vice President & Director
Mr. Art Sutton, Treasurer & Director
Mr. Tom Marshall, Corporate Secretary & Director
Ms. Fran Baca, Director
Mr. David Delwiche, Director
Ms. Judi Lehman, Director
Ms. Connie Winners, Director
Mr. Sam Womer, Director
Mr. Robert Hedberg, General Manager
Ms. Jeanne Mileti, Recording Secretary

22 members attended the open meeting in Casa Fiesta.

1. **CALL TO ORDER:** Following comments from one member regarding agenda items, the open meeting was called to order at 10:10 a.m. by Rex Young, President.

2. **APPROVAL OF MINUTES:** The Board considered the minutes of the October 22, 2020 regular Board meeting. Ms. Baca had a correction to page 5, paragraph 1, second to the last sentence: “ coverage would be reduced to \$30,000,000.” And to page 10, under Member Comments: Janes Bowles’ unit number is 260. Mr. Young had a correction to page 5, last paragraph: \$43,000 should be \$43,000,000. Mr. Hedberg had a correction to page 8, 1st paragraph, 6th line: “circumference” should be changed to “diameter.” Mr. Sutton made a motion to approve the minutes with the corrections. Ms. Baca seconded the motion which carried unanimously.

3. **PRESIDENT’S REPORT** The Board met in Executive Session at 9:00 a.m. Mr. Young reported that the Board held discussions relating to the items they are limited to: Contracts, legal, personnel, member issues, etc.

There were three letters received by the Board, all of them from Alexandra James. The first letter regarded management. Mr. Young noted that personnel issues are only discussed in Executive Session. The second letter had three items regarding COVID-19: “Have we tested visitors, vendors, caregivers or employees?” No. “Have we curtailed visitors and vendors from using bathrooms or ice and coke machines at Casa Amigos?” No. “Have we authorized any employees to not wear a mask outside?” Mr. Young explained that not wearing a mask outside is permitted, unless within 6’ of others. The third letter restated information previously provided regarding wood burning. Mr. Young noted no answer is required.

PRESIDENT’S REPORT, continued

Regarding letters to the Board, Mr. Young stated that he has answered every letter to the Board since he became President in June, adding substantially to the length of each Board meeting. During this period 87 letters have been received, with 46% of them written by 5 members. Many letters were of a repetitive nature, or expressed a concern that could have been addressed by a note or a call to the front desk or the business office, where the concern could have been forwarded to the grounds or maintenance supervisors, or answered by staff in the office. Starting today, all future letters to the Board will be posted on the bulletin board in the paperback room. Board responses will continue to be provided as needed.

Correspondence also included letters sent by the Association. One letter regarded a rules violation, and other letters were sent out regarding white window frames, which the Association will be re-painting with a color appropriate for our community.

The Board completed their review of the Governing Documents and a Town Hall meeting on the documents is scheduled for Wednesday, December 2nd, at 2 p.m. in Casa Fiesta. All members are invited to attend.

Mr. Young announced his appointment of this year’s Employee Christmas Fund Chair. Patty Doran has agreed to Chair the fund this year. The President explained that the Christmas Fund is not a bonus to employees, but rather a gift from members to the twenty-five employees of Hacienda Carmel. The fund is paid out by determining a generous base applied to each employee, then the remainder of the collected fund is distributed according to years of service. Part-time and first-year employees receive a pro-rated share. Donations should be made by December 13th, for distribution to employees on the 18th.

The Board received a petition with 46 signatures regarding rodenticides currently in use on the property. The General Manager will report on our research into the issue.

Mr. Young reported he has appointed an Ad Hoc Committee to review payroll and benefits, job descriptions, and the employee handbook.

4. OCCUPANCY APPLICATIONS: The General Manager recommended approval of the following applicants who meet the requirements for occupancy:

Judy Earl	Authorized Occupant – Purchasing #181
Ruby Gonzales	Authorized Occupant – Purchasing #191
Ken Rothstein & Cheryl Einsele	Authorized Occupants – Purchasing #256
Charles & Junghee Laxton	Authorized Occupants – Purchasing #298
Jennifer Kamp	Authorized Occupant – Owner of #120
Laura Karzen	Authorized Occupant – Lessee #34
Karen Schofield	Authorized Occupant – Lessee #69
Elizabeth Smith	Authorized Occupant – Lessee #210

OCCUPANCY APPLICATIONS, continued

Mr. Hedberg noted that Ruby Gonzales is a current resident, and Jennifer Kamp is the daughter of Irene Bowling, formerly in #120. The three lessees all fill existing rental spots. The General Manager has spoken with all applicants and verified their qualifications for occupancy. Ms. Mullally made a motion to approve the applicants for occupancy. Mr. Womer seconded the motion which carried unanimously.

5. GENERAL MANAGER’S REPORT: Robert Hedberg, General Manager

- **Sales/Rental Activity:** Mr. Hedberg reported that there are currently two units on the market at Hacienda Carmel, and both are in contract pending sale. Total sales so far, this fiscal year, have been sixteen. All of those have been purchased since July 1st, after the COVID restrictions relaxed somewhat. As far as rentals go, there are still thirty-nine rented units, out of forty-eight possible. “Notice of Eligibility to Rent” letters are continuing to be sent out. On January 1st the new statute will take effect that modifies our rental limit to 25%, up from 15%. It appears this will not cause much to change at this point, as we do not even have a full 15% of owners wishing to rent.

Miscellaneous Projects: The General Manager noted he has talked to Golz Construction about the slurry seal that will complete the paving project done recently. A slurry seal requires a temperature of at least 60 degrees for a certain length of time. With the shade under the carports, and the cooler weather, it would not be prudent to apply it now. This work was originally planned for Spring/Summer of this year, and due to the COVID-19 restrictions it did not occur until late in the year. It appears now that we will have to wait until next Spring to complete the seal.

Meanwhile, the rest of the roads and parking areas at Hacienda Carmel are in need of striping, etc. Mr. Hedberg got a quote from Stripe-A-Lot, Inc. for re-painting of parking stalls, speed bumps (including BUMP and SLOW stenciling), crosswalks, speed limit numbers, handicapped signs, and directional arrows on paved surfaces throughout the property. It will not include those areas that are scheduled to be slurry sealed before the end of the fiscal year. A recommendation for the expenditure will be presented under today’s Finance Committee report.

The bookcases requested by the Book Shoppe were ordered, received, assembled, and installed. The staff of the Book Shoppe are very pleased with the result.

The bistro shutters were installed a week ago, and Hacienda Carmel staff will be darkening the strip of glass above them to tie them together. This will complete the Dining Room remodel.

Years ago, there were a handful of units that had white window frames installed. (Some of these units have only one window that has a white frame, such as the bathroom or kitchen.) The Association decided, some time back, that these should be painted an

GENERAL MANAGER’S REPORT, continued

approved color, for consistency of the architectural rules. We have purchased paint that will adhere to the vinyl and the maintenance crew will start working through the list one unit at a time. Residents will be notified before their windows are to be painted.

Well Water Usage Notification: Mr. Hedberg reported that we received a notice from the Monterey Peninsula Water Management District that was prompted by a second call from one of our residents regarding irrigation water running onto the sidewalk. The district is fining us \$300 this time and there is a graduated scale that will increase the fine considerably with further complaints. The General Manager noted that he spoke to the Water Management District and was able to pinpoint what sections (over near the Hair Salon) were being reported. He explained that in both areas, there is a slope that causes the runoff. He has had David Mora check the sprinklers and timers and he has talked to his crew about over-watering. Mr. Hedberg asks whoever is calling the Water Management District – please call the front desk or the General Manager directly if they see water runoff, so we can resolve the situation as quickly as possible. Circumventing the normal protocols could cost the Association considerable money.

Rodent Control: Last month the question of rodent bait stations in use at Hacienda Carmel, and provided by Ailing House Pest Control, was raised. The Board has now received a petition to discontinue use of the boxes. The Board asked the General Manager to research the boxes and alternatives. Bait stations are used in the common area and on the west end.

There are rodenticides that have been banned in the State of California, but the rodenticide in the bait stations we use has not been banned. The bait stations are not traps. The rectangular boxes have a small hole, small enough that domestic animals, birds, and other wildlife cannot enter. Since mice and rats can get thru very small openings they enter, go around a corner, and that is where the bait is located. When the bait is ingested by the rat or mouse it causes them to eventually die after leaving the bait station.

Regarding secondary mortality – in other words, what if another animal eats the poisoned rodent? With this particular rodenticide the animal would have to eat multiple rodents, in a very short period of time, to ingest enough rodenticide to harm them.

Alternatives would be to replace the bait stations with mechanical traps. Unfortunately, these traps can harm domestic and other wild animals, as well as requiring frequent emptying and increased cost. Electronic traps are not feasible for large outside areas either. As we have seen no evidence of secondary mortality with the bait stations we are currently using, the Board would like to continue with their use.

Occupancy Information: The Annual Occupancy Information forms have been distributed. So far, we have received 178 of them back. Please remember these are required by the California Civil Code to be completed by all members every year and need to be returned to the Front Desk by the end of November.

GENERAL MANAGER’S REPORT, continued

Election Rules: On November 18th, a copy of the proposed election rules went out to all members on behalf of our legal firm, Berding & Weil. These rules received no input from the Board or management, as they are now required as part of the California Civil Code. The Board will approve them at their next regular meeting in December.

Town Hall Meeting: A Town Hall meeting to go over the proposed changes to the Governing Documents will be held at 2 p.m. on Wednesday, December 2nd in Casa Fiesta.

6. TREASURER’S REPORT: Art Sutton, Treasurer

- **Reserve Fund Expenditures:** Mr. Sutton went over the Reserve Fund expenditures for October. Expenses in the month of October included asphalt replacement/repairs for \$155,360 payed to Golz Construction; fence replacement/repairs in the amount of \$2,392.66, paid to M.J. Murphy; furnace replacement for \$2,765, which is a net amount – there was a heater installed by Zenda Heating that a member paid half of. We spent \$3,396.75 on landscape replacement. (Three vendors were involved: Drought Resistant Nursery \$1,637.54; Hana Gardens \$573.23; and Ewing Irrigation \$1,185.98.) We spent \$847.83 on landscape lighting replacement, paid to the Electric Bargain Store. \$407.17 was paid to Valley Saw and Garden for purchase of miscellaneous Grounds equipment. \$480.24 was paid to M.J. Murphy for roof repairs; and \$272.06 paid to Toyota Material Handling for golf cart repairs. Total expenditures from the Reserve Fund in the month of October were \$165,291.71. Ms. Mullally made a motion to approve the Reserve Fund expenditures for the month of October 2020, in the amount of \$165,291.71. Ms. Baca seconded the motion which carried unanimously.
- **Document Review:** The Treasurer reported that, as required by the Civil Code, he and the Board President reviewed the general ledger; payable and receivable ledgers; bank reconciliations, and unopened bank statements for the month of October 2020. They found everything in good order. Ms. Lehman made a motion to ratify the inspection. Ms. Mullally seconded the motion which carried unanimously.

7. COMMITTEE REPORTS: The following committees had reports:

- **Finance Committee:** Jackie Graham, Committee Chair, reported that the committee met on November 19th and have four recommendations for approval, the first being approval of the financial statements for October 2020. Ms. Baca made a motion to approve the October 2020 statements subject to audit. Mr. Delwiche seconded the motion which carried unanimously.

The committee reviewed and recommended approval of the purchase of two utility carts for Grounds and Maintenance. It was noted that, in the past, Hacienda Carmel purchased used golf carts which wear out rather quickly. Those, however, are not meant for commercial use, even when outfitted with a utility box. The carts to be purchased

COMMITTEE REPORTS, Finance, continued

are commercial utility vehicles which have a life of 10 years, as opposed to the 2 to 3 years the golf carts usually last. There were two quotes received, with the best price being quoted by Turf and Industrial Equipment in Santa Clara, who quoted \$16,499.75 (all inclusive). Ms. Winners made a motion to approve an amount not to exceed \$16,500 from the Reserve Fund, for the scheduled replacement of two carts. Ms. Mullally seconded the motion which carried unanimously.

The committee also reviewed a quote from Stripe-a-Lot for \$3,500 to repaint the street markings, as was reported by the General Manager under his report. Ms. Lehman made a motion to approve an expenditure from the Reserve Fund not to exceed \$3,500 for repainting the street markings. Ms. Winners seconded the motion which carried unanimously.

The last recommendation from committee is to approve the “Loyalty Update Plan” Agreement with Association Reserves to provide three years of Reserve Studies at \$4,220 per year. Association Reserves provides us with updated studies each year of the three-year cycle, which commences with a site visit this year. The cost of the study is up from \$3,840/year previously. The cost of the study is paid for out of the Reserve Fund. Ms. Mullally made a motion to approve the Loyalty Update Agreement and to expend \$4,220 for this year’s study from the Reserve Fund. Ms. Lehman seconded the motion which carried unanimously.

- **Investment:** Ms. Graham reported that the Investment Committee met following the Finance Committee meeting. The committee discussed a \$100,000 CD with Goldman Sachs that matured on November 5th. They settled on recommending purchase of a 24-month CD through Charles Schwab for \$100,000, which will fit in well with the current laddered CDs. Ms. Winners made a motion to approve the purchase of a \$100,000 CD brokered by Charles Schwab. Ms. Baca seconded the motion which carried unanimously.
- **Buildings and Grounds:** Donna Bessant, Committee Chair, reported that the committee met on November 11th. The committee reviewed and approved requests from three owners for work that falls under the purview of the Architectural Rules:

Units 47 & 79 – both requested permissions to install retractable screen doors.

Unit #256 – requested permission to remove the pony wall between the kitchen and living room, move a gas line to the kitchen and shed on the patio, and install a new dual-pane sliding glass door.

The committee discussed a variance requested by **Unit #47** to remove a plant in the common area in front of her trellis, which has grown quickly and is blocking her view. She is offering to purchase a replacement plant. The committee does not recommend removal as they feel the vegetation is appropriate for that space and can be trimmed.

COMMITTEE REPORTS, Buildings and Grounds, continued

Ms. Winners made a motion not to approve the request to remove the plant in front of #47. Ms. Mullally seconded the motion. The Board held a lengthy discussion and ultimately agreed that the plant could very well be moved to a more appropriate spot and a smaller plant installed there. Mr. Young called the question and the motion failed with no one voting in favor. Ms. Winners made another motion to grant the owner's request for removal of the plant by our ground's crew, with a replacement to be at the owner's expense. Ms. Mullally seconded the motion which carried unanimously.

Ms. Bessant reported that **Unit #21** requested permission to replace their front door, replace their existing furnace with three Envi wall panel heaters, and install a pre-manufactured shed on the patio. These three requests were approved by the committee. The owner also requested, along with **Unit #22**, to install a sidewalk from their respective patio gates to the street at their own expense. The committee recommended approval. Ms. Lehman made a motion to approve the request for installation of a sidewalk behind units 21 & 22, as proposed. Ms. Winners seconded the motion which carried unanimously.

- **Library/Book Shoppe:** Sam Womer gave the report for Anne Clark: The November issue "New to Your Hacienda Carmel Library" is located at the Book Bin and in the information center. The new December issue will be available for this week. Your HCCA Library has inventoried a lot of new books for your reading enjoyment. Check the New Book Section located on the lobby fireplace wall. Please use the check-out card when checking out your selected reading choice. Return HCCA Library books to the book bin within 3 weeks so your Hacienda neighbor can continue to enjoy our Libraries' books. Your Library "Bookies" recommend that after browsing the Library, take some extra time to use hand sanitizers located throughout the Lobby.

Everyone is invited to join the "Bookies" in celebrating the Book Shoppe Grand Reopening on Saturday, December 5th. Fortunately, we have been the recipients of a large donation of new, exquisite, and exciting books. Gift Shoppe gift certificates may now be redeemed. The Book Shoppe is open Saturdays from 11 a.m. to 2 p.m. Face coverings are required.

- **Garden Club:** John Hale, Garden Club council member, reported: The persimmons are now ripe and ready for picking and a lot of the Garden Club members have been waiting for this moment. The club has some new members and will be getting new boxes at the beginning of the new year. Right now, the members are working on a Thanksgiving Bake Sale and Jam Fest, featuring homemade jams, baked goods, and holiday crafts. The sale will be held on Wednesday, November 25th from 10 a.m. to 2 p.m. in Casa Fiesta. The Sunday gatherings are being resumed from 3:30 p.m. to 5 p.m. on Jan's Patio. We will be social distancing, wearing masks, and bringing our own individual food and beverages. Everyone is welcome to attend. The Garden Club quarterly meeting will be on Saturday, December 19th at 4 p.m. in Casa Fiesta. All are invited to attend.

COMMITTEE REPORTS, continued

- **Events & Entertainment:** Linda Mullally, Liaison, reported that the Halloween Parade was a success, with 40 people participating. The funniest costume prize went to Jeanne Wooldridge, best COVID mask went to Imogene Speiser, the scariest mask went to Dan Wyant, and the most colorful costume went to Lori Muender. The E&E committee discussed the New Year celebration and it was decided – since it will be 2021 for 12 months, and in the interest of safety – to postpone the celebration until such time it can be enjoyed in a way as yet to be decided. Ms. Mullally noted there was a presentation by a few residents about holding a book signing event. It was supposed to be sponsored by the Library/Book Shoppe and the Events and Entertainment committee; however, it will be sponsored solely by the Library/Book Shoppe.

Judi Lehman added that it was brought to the committee's attention that someone showed up for table tennis without a table tennis partner. We will be making a list of people who are willing to show up and play table tennis should this occur again. Table tennis equipment and the key are checked out at the Front Desk. Poker has, unfortunately, been sparsely attended. Ms. Lehman noted she is putting the word out that if more people do not show up, the activity will be put on hiatus until the days are longer. Poker is played the first and third Mondays of the month. Meditation has asked to be included in the weekly events. They meet Mondays. There was a good turnout for the mosaics workshop, and we will continue to monitor it. It takes a great deal of organization, equipment, and materials to facilitate your own project. There was some concern about where we are holding the workshop, so that will be addressed at the next committee meeting.

8. **OLD BUSINESS:**

- **Request for Removal of Tree:** The Board previously voted not to remove a tree outside the patio of unit 54. They have now received an appeal on that decision. The owners of unit 54 have discovered the tree is non-native and a non-heritage tree. It has the potential to grow quite large and is right next to their fence and under the electrical wires. Ms. Baca read the definition of a heritage tree – this tree does not fall under that distinction – and she made a motion to allow removal of the tree. Mr. Sutton seconded the motion. Following further discussion Mr. Young called for a vote and the motion carried with 8 directors voting in favor, 1 director abstaining.

9. **NEW BUSINESS:**

- **Request for Occupancy Variance:** Mr. Young reported that the owner of unit #6 has offered her unit, rent free, to a man and his 37-year old son who recently lost everything in the Carmel Fire. Previously, this unit owner allowed a refugee, who had a similar loss in the fire in Paradise, to stay in the unit. The owner is asking permission to allow this man and his son to stay in the unit for a 6-month period. Mr. Young emphasized that this is not a rental, but merely a short-term occupancy variance.

NEW BUSINESS, Request for Occupancy Variance, continued

Ms. Winners made a motion to approve the occupancy variance for unit 6. Mr. Womer seconded the motion which carried unanimously

- **Harassment Concern:** Mr. Young reported that the Board of Directors recently had an informal meeting with Hacienda Carmel residents regarding a rules violation for contacting a vendor. During the resident's discussion with the vendor, a Hacienda Carmel employee was identified and criticized for their length of employment with Hacienda Carmel. Mr. Young noted his concern here is, did this border on harassment?

The reason for bringing this up is to talk about harassment. Currently all Hacienda Carmel employees have either just completed a 'required by law' training seminar on harassment, or they are still in the process of completing the training. This training is required to be taken by all employees every two years because of increased activity regarding harassment in the workplace.

Mr. Young noted he is mentioning this because Hacienda Carmel has had previous experience with a lawsuit involving harassment. He explained that if an employee chooses to file a lawsuit for harassment by a Hacienda Carmel resident, the lawsuit will not only hold Hacienda Carmel accountable, it will also hold the Hacienda Carmel resident personally accountable. This could not only cost our association money, but the Hacienda Carmel resident as well.

All Directors weighed in on the issue, noting that the stress this causes an individual employee is not acceptable, and that a suit for such action can cost the association in increased insurance premiums as well. The General Manager, on behalf of every employee at Hacienda Carmel, thanked the Board for addressing this issue.

10. COMMENT PERIOD FOR MEMBERS:

- Diane Gray, unit 221, feels that the bait traps do kill wildlife.
- Marcia Hardy unit 47, thanked the Board, and asked that the pool hours be changed.
- Doug Leach, unit 8, is concerned about speeding vehicles in Hacienda Carmel.
- Jeanne Wooldridge, unit 175, inquired about the water management district warning.
- Mary Lou Donegan, unit 291, expressed concern about the solar project and requested the funding of Reserves be increased.
- Cecile Starr, unit 81, asked about the harassment video.

- 11. ADJOURNMENT:** The meeting was adjourned at 12:16 p.m. The next regular meeting of the Board will be held on Tuesday, December 22nd at 10:00 a.m. The Board will meet at 8:30 a.m., prior to the open meeting, in the Egon Durr Room.