

**HACIENDA CARMEL COMMUNITY ASSOCIATION
MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS
Thursday, June 24, 2021
Casa Fiesta**

PRESENT:

Mr. Art Sutton, President & Director
Ms. Fran Baca, Vice President & Director
Mr. David Delwiche, Corporate Secretary & Director
Ms. Mary Pat Adams, Director
Ms. Donna Bessant, Director
Ms. Elizabeth Husby, Director
Mr. Bill Quinn, Director
Mr. Sam Womer, Director
Mr. Robert Hedberg, General Manager
Ms. Jeanne Mileti, Recording Secretary

24 members attended the open meeting in Casa Fiesta.

ABSENT:

Ms. Jackie Graham, Treasurer & Director (attended Executive Session)

1. **CALL TO ORDER:** The open meeting was called to order at 10:05 a.m. by Art Sutton, President. There were no comments on agenda items made by members.

2. **APPROVAL OF MINUTES:**

The Board considered the minutes of the May 27, 2021 meeting. Ms. Baca had a correction to Item 2, Page 1: The minutes approved were for April 22, 2021. Ms. Baca made a motion to approve the minutes, as corrected. Ms. Adams seconded the motion which carried unanimously.

The Board considered the minutes of the Organizational meeting of June 10, 2021. Ms. Husby made a motion to approve the minutes. Ms. Bessant seconded the motion which carried unanimously.

The Board considered the minutes of the Special Board meeting of June 17, 2021. Ms. Baca corrected the list of those present: Jeanne Mileti was not present. Mr. Quinn asked that Adams Stirling be identified as a law firm. Ms. Adams made a motion to approve the minutes of the meeting, as corrected. Mr. Womer seconded the motion which carried unanimously.

3. **PRESIDENT'S REPORT** The Board met in Executive Session at 8:30 a.m. Mr. Sutton reported that the Board discussed delinquencies, the contract for Casa Carmel, the Phase III Solar project, website implementation, and an HR consulting firm which will be available through HUB International at no charge to the Association.

Correspondence consisted of two letters from Alexandra James. The first was in response to Diane Freier's letter in May, and the second was to thank Judi Lehman for

PRESIDENT’S REPORT, continued

her work on Events and Entertainment. There was also a letter from Pat Ostrom about the hedgerow she proposes be installed around the Garden Club area. Mr. Sutton noted he would like to forward this letter to the Buildings and Grounds committee for their recommendation.

Mr. Sutton entertained suggestions for Committee appointments – first for the Finance Committee: Ms. Baca reported that Mark Sconyers, who served on the committee last year, has expressed interest in chairing the committee. She nominated him as Chair of the Finance Committee. Ms. Husby seconded the nomination which carried unanimously. (According to the Bylaws, the Finance Chair appoints the committee members.)

Buildings & Grounds: Ms. Bessant (former committee chair) noted she has received interest from three former committee members to continue serving on the committee: Ed Lange (who she recommends be Chair), Diane Freier, and Judith Woodruff, who has offered to continue as Alternate. Three new members additionally expressed interest in serving: Debi Champlin, Hannah Priestley, and Jeanne Wooldridge. Ms. Bessant made a motion to nominate all above named individuals to the committee. Ms. Adams seconded the nomination which carried unanimously.

Mr. Sutton asked that the Board suspend the appointment of a Welcoming Committee (a Standing Committee in the Bylaws). Ms. Adams made a motion to suspend appointment of the Welcoming committee. Ms. Bessant seconded the motion which carried unanimously.

Mr. Sutton also noted that the Board needs to vote to recognize the Events and Entertainment committee as a standing committee, as they come under the purview of the Board due to being funded in the Association’s budget annually. Ms. Husby made a motion to recognize E&E as a standing committee. Ms. Baca seconded the motion which carried unanimously. Ms. Baca nominated David Mullally to serve as Chair of Events and Entertainment. Ms. Bessant seconded the nomination which carried unanimously.

Mr. Sutton entertained appointments for ex-officios and liaisons for committees. Ms. Husby nominated Ms. Baca to serve as ex-officio of the Finance committee. Ms. Bessant seconded the nomination which carried unanimously.

Ms. Baca nominated Donna Bessant to serve as ex-officio of the Buildings and Grounds committee. Ms. Husby seconded the nomination which carried unanimously.

Ms. Bessant nominated Mary Pat Adams to serve as liaison to the Garden Club. Ms. Baca seconded the nomination which carried unanimously.

PRESIDENT’S REPORT, continued

Ms. Baca nominated Sam Womer to serve as ex-officio to the Events and Entertainment committee. Ms. Adams seconded the nomination which carried unanimously.

The Library liaison was originally tabled, but Donna Bessant volunteered to serve. Nominated by Mary Pat Adams, the nomination carried unanimously.

Mr. Sutton noted that the Employee Benefits Review, an Ad Hoc committee, is reviewing benefits, the employee handbook, and job descriptions. He explained that the committee has further work to do and he will bring it forward at the next meeting.

The Investment Committee is formulated in the Bylaws. It consists of the Treasurer as Chair, the President of the Board, the Finance committee Chair, the General Manager, and the Accounting Manager.

Mr. Sutton gave the following suggestions for appointment of check signers: Jackie Graham, Art Sutton, Fran Baca, Dave Delwiche, and Mary Pat Adams. Ms. Bessant made a motion to approve the appointment of check signers, as named. Mr. Womer seconded the motion which carried unanimously.

Mr. Sutton created a sign-up sheet for Board members to rotate into attending the Finance committee meetings.

4. OCCUPANCY APPLICATIONS: The General Manager presented the following applicants for occupancy:

Catherine Doyle	Authorized Occupant, Purchasing #47
Joane Bettosini	Authorized Occupant, Purchasing #136
Pamela Jordan	Authorized Occupant, Purchasing #195
Roberta Infelise	Authorized Occupant, Leasing #253
Richard & Joyce Ogden	Authorized Occupants, Leasing #40

The General Manager has spoken with all applicants and verified their qualifications for occupancy. Ms. Adams made a motion to approve the applicants for occupancy. Mr. Delwiche seconded the motion which carried unanimously.

5. GENERAL MANAGER’S REPORT:

- **Sales & Rentals:** Mr. Hedberg announced that sales are brisk, and we are welcoming a lot of nice folks to Hacienda Carmel. There are no units actively for sale, with three units pending sale. There have been four total sales this fiscal year, which began May 1, 2021. The number of rented units now stands at forty. There are thirty-five additional openings for rentals.

GENERAL MANAGER’S REPORT, continued

- **Miscellaneous Projects:** The new website is very close to being completed. We keep adding and tweaking it and have added a member portal. The office staff will be having their training session the week of July 5th.

The paving work, which was done in two sessions, is completed. The General Manager noted he appreciates the patience of all residents in dealing with the inconvenience.

The annual mowing was recently done. We tried to get it done a little early this year, and if we need some trimming up later, that will be done.

The Governing Documents are with the attorneys. They are in the process of preparing the balloting information for the Association, and members will be voting on them most likely in early August.

The owl boxes are completed, painted, and posts to hold them have been ordered. Thank you again to member Jerry Park for building the owl boxes. We will be installing one box on the east end and one on the west end and, hopefully, will have some new residents soon.

Mr. Hedberg announced that, with the Board’s permission, we will be opening Casa Central again until 9 pm daily. The Dining Room is back up to full capacity and they are gradually getting the Bistro area re-opened as well.

6. **TREASURER’S REPORT: Art Sutton, President**

- **Reserve Fund Expenditures:** In Ms. Graham’s absence, Mr. Sutton reviewed the May 2021 Reserve expenses which included \$475.83 to MJ Murphy for fence replacement for unit 258; \$263.78 to Drought Resistant Nursery for landscape replacement in several areas around the grounds; and \$2,892.00 to Antonio Hernandez for repairs to Well #2. Total Reserve Fund expenditures for the month of May were \$3,631.61. Ms. Husby made a motion to approve the May 2021 Reserve Fund expenditures in the amount of \$3,631.61. Ms. Baca seconded the motion which carried unanimously.
- **Document Review:** The President reported that, as required by the Civil Code, he and the Treasurer reviewed the general ledger; payable and receivable ledgers; bank reconciliations for all seven accounts; and unopened bank statements for the month of May 2021. They found everything in good order. Mr. Quinn made a motion to ratify the inspection. Mr. Delwiche seconded the motion which carried unanimously.
- **May Financials:** The Finance Committee did not hold a meeting in the month of June. The auditors were here last week, and their closing entries will change both the figures reported for April, and the May statement.

TREASURER’S REPORT, continued

- **Investment Committee Recommendation:** Mr. Sutton noted he met with the Association’s Treasurer, Jackie Graham, and they recommend the \$150,000 CD that will mature on July 6th be rolled into another CD for a period of 2-years, with a maturity date in July of 2023. Mr. Sutton spoke about the importance of keeping the Reserve Fund money in CD’s, rather than speculate with other investments, in the best interest of the Association. Ms. Bessant made a motion to approve rollover of the CD maturing July 6th, into a 2-year CD in the amount of \$150,000. Ms. Husby seconded the motion which carried unanimously.

7. **COMMITTEE REPORTS:** The following committees had reports:

- **Buildings and Grounds:** Donna Bessant, (former) Committee Chair, reported that the committee met on June 9th. Units 31, 59 ,83, & 106 all requested permission to change out windows and/or doors. All fell under the purview of the Architectural Rules and were approved by committee. Unit 13 requested permission to install a screen door, and unit 186 requested permission to install a Dutch door. Both were approved by committee. There were two requests to install plaques on benches, made by units 108 & 186. One of the plaques will honor Anne Clark and will be placed outside of the Book Shoppe. Both plaques were approved.

The Board received a request from the tenant in unit 98 to keep the burlap shades she has installed in her patio and was asked to remove. The committee forwarded the request to the Board as a variance but did not recommend it be passed. Since the request was received, however, the owner of the unit has asked the tenant to remove the shades, so no action is necessary by the Board.

Another variance was created as the committee received a request to remove all the junipers in front of unit 261. The committee recommends denial of the request at this time, until a community-wide evaluation of all juniper bushes is completed at the direction of the Board. Ms. Adams made a motion to deny the request by unit 261, and amended the motion to add, “subject to further review by Buildings and Grounds.” Mr. Womer seconded the motion which carried unanimously.

The final committee recommendation regards the planting of a Crabapple tree, requested by the tenant in 292 in memoriam to his wife. The item was inadvertently left off the last agenda and posted to this one as an addendum. David Mora has recommended an appropriate spot for the tree and the committee recommends approval. Ms. Bessant made a motion to approve the planting of a Crabapple tree in memoriam to DeDe White. Mr. Womer seconded the motion which carried unanimously.

Ms. Bessant noted Ed Lange has been very aggressive about helping with the recycling problem. The committee will continue the discussion and she recommends the Board does too. Mr. Hedberg noted we have not received a bill for penalties in the last month, so the efforts by a few members is paying off (and a lot of the credit goes to Ed Lange). He added that he has ordered some rubber trash cans to place in each recycle area, to make it easier for people to empty the plastic bag into the recycle bin and throw the used bag into the trash.

COMMITTEE REPORTS, continued

- **Garden Club:** Pat Ostrom reported for the Garden Club: “Garden box plants are growing, and berries are ripening. Members had a recent avocado harvest, with another one coming in September. New members have been joining, including the household of our illustrious Board President, the Suttons.

“Our membership quarterly meeting is scheduled for this Saturday, June 26th, at 4 pm in Casa Fiesta. Again, the Board is welcome to attend. The Sunday gatherings on Jan’s Patio have been fully attended by all.”

- **Events & Entertainment:** Joanne Sarrica reported that the committee met on June 15th for a special meeting, primarily to discuss the August 21, 2021 Hacienda Birthday dinner dance, and to report on the success of the Memorial Day event. The General Manager gave a budget report. The cost for the food served to attendees was \$2,464.70 for 140 meals. The Firefly Band cost \$500, so we estimate \$3,000 in expense so far this fiscal year, which started May 1st. The E&E budget for fiscal year 2021-2022 is \$6,000.

Ms. Sarrica welcomed David Mullally as the new Chair of E&E. She noted she is happy to give up the co-chair position, which she shared with Judy Lehman, as it is time for a change.

E&E is happy to announce that they will be sponsoring a “games with apple pie and ice cream” event on July 4th, from 1:00 to 3:00 pm on the Bowling Green. There will be some dance music, although it will not be live. A flyer will be posted in Casa Central.

The 59th Hacienda Carmel Birthday Party, coming up Saturday, August 21st, will be a dinner dance in Casa Fiesta. Andrea’s Fault trio will provide the music, and they will play from 6 pm to 8 pm. Details regarding the cocktails, dinner menu, and signups, will be available after the July 6th E&E meeting.

E&E remains committed to enhancing the community’s quality of life through activities and entertaining events. We invite residents to join the E&E Team’s volunteers, and/or to provide input on events you would enjoy. The regular meetings occur on the first Tuesday of every month in the Durr Room. All residents are welcome to attend.

8. **OLD BUSINESS:** None

9. **NEW BUSINESS:**

- **Renewal of Casa Carmel Lease Agreement:** The General Manager reported that the initial lease agreement with Central Coast Senior Services (CCSS), which expires July 31st, was for a five-year term. During those five years the amount of the monthly lease payment was on an escalating schedule which maxed out last year. The monthly payment for the facility is now \$7,500 per month. The proposed renewal agreement is for a three-year term, and leaves the current monthly rental amount the same for the duration of the lease.

OLD BUSINESS, Renewal of Casa Carmel Lease, continued

Mr. Hedberg explained that over the past year a lot of businesses closed, resulting in a good deal of empty commercial space. Rental prices on commercial real estate have remained the same, or lowered in some cases, as a result.

The agreement remains the same as it has been regarding responsibilities by both parties. Mr. Hedberg recommended the Board approve the renewal. CCSS is in agreement with it. Ms. Adams made a motion to approve the renewal of the lease agreement with Central Coast Senior Services for lease of the Casa Carmel facility for a three-year term. Mr. Womer seconded the motion which carried unanimously.

- **Governing Documents Update:** Ms. Baca reminded the membership that legal counsel is in process of preparing the election on the updated Governing Documents. We can expect to have the election in early August.

Ms. Adams asked if it is too late for editing. She noted some spelling errors in the legal description of the property. Mr. Quinn explained that the legal description is filed with the Secretary of State and there is a process to make changes to the document on file. Following Board discussion there was no desire to delay the process of the Governing Document election to make the changes.

10. COMMENT PERIOD FOR MEMBERS:

- Liz Tarozzi, unit 261, stated she filed the request for removal of the junipers. She feels the common area by her unit is not being taken care of by the gardening staff.
- Jane Bowles, unit 260, recognized Joanne Sarrica and Judi Lehman for the great job they did on the E&E committee.
- Mary Lou Donegan, unit 291, suggested the Treasurer report on deposits to the Reserve Fund at the Board meeting each month. She also spoke about the commitment to solar.

Ms. Baca explained that the transfers to Reserves are the same each month: \$41,600 for transfer of maintenance fees, \$15,000 to pay back the loan (for a 10-month period), and interest income, which is around \$300 per month.

- Mary Lou Donegan, unit 291, feels the Davis Stirling Act says Board members cannot give feedback to member comments.

COMMENT PERIOD FOR MEMBERS, continued

Mr. Sutton noted the Davis Stirling Act says the Board cannot make decisions on non-agenda items, otherwise they can answer the questions and concerns of the members.

- Connie Winners, unit 299, noted that if a member makes a statement that is incorrect, the Board should correct it – it is a learning process for the members.

11. **ADJOURNMENT**: The meeting was adjourned at 11:20 a.m., with a motion by Ms. Bessant, seconded by Mr. Womer. The next regular meeting of the Board will be held on Thursday, July 22nd, at 10:00 a.m. in Casa Fiesta. The Board will meet at 8:30 a.m. in the Durr Room, prior to the open meeting.