

HACIENDA CARMEL COMMUNITY ASSOCIATION
MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS
Thursday, October 28, 2021
Casa Fiesta

PRESENT:

Mr. Art Sutton, President & Director
Ms. Fran Baca, Vice President & Director
Ms. Jackie Graham, Treasurer & 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

31 members attended the open meeting in Casa Fiesta.

1. **CALL TO ORDER:** The open meeting was called to order at 10:06 a.m. by Art Sutton, President.
2. **MEMBER COMMENTS ON AGENDA ITEMS:** Linda Mullally, unit 13, asked that if the Board is considering a policy on portable generators, they establish a shutoff time of 10 p.m. She feels the policy regarding vaccinations for those staying in the Guest House is a very responsible thing. And she noted prior Boards discussed a policy about donations to the Association.
3. **APPROVAL OF MINUTES:** The Board considered the minutes of the September 23, 2021, meeting. Ms. Baca made a correction to Page 2, first line. “Mr. Sutton addressed the member comments *of* the last Board meeting.” Ms. Graham made a motion to approve the minutes of September 23, 2021, with the change as stated. Ms. Bessant seconded the motion which carried unanimously.
4. **PRESIDENT’S REPORT** The Board met in Executive Session at 8:30 a.m. Mr. Sutton reported that the Board discussed resident issues, contracts (the Board discussed the hair salon lease as well), and the governing documents which are on the way and will be signed and recorded upon receipt.

Correspondence consisted of a letter from Alexandra James, who called to get her statement balance and is subtracting a fine that she stated was imposed by the General Manager. There were two requests to take over the lease on the Hair Salon, both were discussed in executive session. There was a letter from Sara Harnish who would like to be addressed by her first name by employees. This letter was referred to the Employee Benefits and Handbook Committee. There was a letter signed by seven residents requesting signage and painted curbs to enforce the existing rule for parking on the entrance road to carport 3. This letter will be turned over to the Policy and Procedures Committee. There was a letter from the Hacienda Art Group suggesting the Association

PRESIDENT’S REPORT, continued

accept 20 pictures from the collection of Jerry Park’s work, to replace artwork in the common area for the year 2022. There was a letter from Bill Bowles requesting 5MPH signs be posted in carport 6. This letter will be referred to the Policy and Procedures Committee.

The Board also received a copy of a letter to the General Manager from Lauren Upson, thanking him and the maintenance staff for a quick and satisfactory resolution to a problem that developed in their ceiling. He noted an outside contractor had originally estimated between \$40,000 to \$50,000 to make the repair.

There was a second letter from Alexandra James regarding the lodging extended to our General Manager while his home was being remodeled. Mr. Sutton explained that this stay had knowledge and approval of the Board. Ms. Baca asked to address the letters from Ms. James: Ms. James’ first letter cites that she subtracted an amount from her bill that was for “a phony fire fine by Robert Hedberg.” Ms. Baca noted that according to Article 12 of our CC&Rs, the Board reviewed an incident report, thoroughly investigated it, came up with findings and held a hearing that Ms. James was asked to attend and did not, and then imposed a fine for a violation. The fine was imposed by the Board of Directors, not by the General Manager.

As to Ms. James’ letter regarding the General Manager’s use of a guest room, which she describes as a “silent agreement,” the Board handled it in Executive Session where, according to the civil code, personnel and member issues are handled, including her own. Ms. James asks, “What is the loss in revenue to the Hacienda Carmel homeowners?” Ms. Baca explained that the loss is zero. Because for us to have loss of revenue, Casa Amigos would have to be 100% booked and we would have to be turning away potential guests. We all know that during COVID the occupancy rate there was dismally low. Except for a couple of weekends recently, we have not been at full occupancy in Casa Amigos. As far as expense to the homeowners, it can be assumed that Robert took a shower and most likely turned on a light or television. We are talking pennies a day. The Board made this decision taking into account the circumstances, and we felt it was the right thing to do and the agreement was passed unanimously by all nine Board members.

Mr. Sutton reported that there has been a request to add an additional committee member to the Policy and Procedures committee. Mr. Sutton appointed Mary Pat Adams to that committee and the Board concurred with the appointment.

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

Paula & Joseph Osorio	Authorized Occupants, Purchasing #66
Mayra Zeleny	Authorized Occupant, Purchasing #81
Barbara Henares	Authorized Occupant, Purchasing #108
Julie Abrams	Authorized Occupant, Purchasing #155
Marc Romano	Authorized Occupant, Leasing #154
Loretta Williams	Authorized Occupant, Leasing #193

OCCUPANCY APPLICATIONS, continued

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

6. GENERAL MANAGER'S REPORT:

- **Sales & Rentals:** Mr. Hedberg announced that there are 2 units pending sale and those two are the only that we know of on the market at this time. The total number of sales year-to-date, since the beginning of the fiscal year, May 1, 2021, is 15 sales.

The units rented at this time total 40, out of a potential 75 rental spaces.

- **Miscellaneous Projects:** The General Manager reported that the asphalt work for this year has been completed. Unfortunately, weather prevented the final seal coat from being applied. It will most likely be applied in the spring. The roofing project is winding down and should be completed very soon.

The General Manager shared his admiration for staff members that came in on their weekend off to fix an emergency water break in front of the assisted care facility. David Mora, Francisco Ortega, Augustine Corres, and Eliel Aquino all came in at a moment's notice and had the break completely repaired and the water back on by 9 p.m.

Those who walk the berm will notice there has been a lot of clearing of brush. The project will continue until these fire mitigation measures are completed.

Booster Shot Clinic: VNA will provide a COVID booster shot clinic at Hacienda Carmel a week from Friday, on November 5th in Casa Fiesta, from 9:30 a.m. to noon. The General Manager is still trying to obtain the details, i.e., will they only give boosters to those people who were vaccinated here originally, or can others get the booster too? When the information is in hand a flyer will go out.

Thank you to Board: Mr. Hedberg expressed his sincere thanks to the Board of Directors for letting him utilize a room during his recent remodel. He is very grateful. He assured the members that he washed all his own towels and sheets, and never displaced a paying guest in the time he stayed there.

Other Matters: Mary Pat Adams asked the General Manager about a large dead tree by carport 3. Mr. Hedberg noted he will have David Mora look at it.

7. FINANCIAL REPORT: Jackie Graham, Treasurer

- **Financial Statements:** Ms. Graham reported the Finance Committee met on October 21st and recommended approval of the September 2021 financial statements. Mr. Quinn made a motion to approve the financial statements for the month of September 2021, subject to audit. Mr. Delwiche seconded the motion which carried unanimously.

FINANCIAL REPORT, continued

- **Reserve Fund Expenditures:** Ms. Graham reviewed the Reserve Fund expenditures for the month of September: We spent \$1,426.17 on repairs to the building exteriors, and \$256.26 on fence repairs, both of which were paid to M.J. Murphy Lumber. We also spent \$7,699.80 on a Board-approved reimbursement to a member for damage done by a sewer line backup. Total expenditures for the month of September were \$9,382.23
 - **Document Review:** The Treasurer reported that, as required by the Civil Code, she and the President reviewed the general ledger; payable and receivable ledgers; bank reconciliations for all seven accounts; and unopened bank statements for the month of September 2021. They found everything in good order. Mr. Quinn made a motion to ratify the inspection. Mr. Womer seconded the motion which carried unanimously.
 - **Renewal of Bridge Insurance:** The bridge policy is offered through Golden Bear Insurance once again. It covers the bridge for normal damage (such as a car driving into the railing) with a \$5,000 deductible. It also has ‘difference in conditions’ coverage which insures for both flood or earthquake damage or destruction, with those perils having a deductible of \$210,000. The expiring premium of the bridge insurance is \$54,103. The new premium is \$59,640, an increase of approximately 10.3%, which is better than we expected. Mr. Quinn made a motion to approve renewal of the Bridge policy through Golden Bear, for \$59,640. Mr. Womer seconded the motion which carried unanimously.
 - **Renewal of Flood Insurance:** The flood policy is once again 7 layers of coverage – no one carrier is willing to carry the total amount. (The renewal rate for this policy was kept flat, but the rate per covered square foot was increased to cover requirements). We are attempting to bring the property coverage amounts up to a more realistic level over a two-year period. The increase in coverage brings the premium up to an approximate 15% increase over last year, for a total of \$345,405.88. Mr. Delwiche made a motion to approve renewal of the layered flood policy for a premium of \$345,405.88. Mr. Womer seconded the motion which carried unanimously.
 - **Financing Insurance Policies:** The Finance Committee reviewed options to finance the two renewing policies and recommended the two policies be financed through First Insurance, with a down payment of \$260,000, five payments, and a total finance charge of \$2,091.67. The Board considered selling a few CDs in the Reserve Fund as an alternate, however, Ms. Graham cautioned that the penalties for early sale would rely on the market at the time and could mean the loss of some principal. Ms. Husby made a motion to accept the recommendation of the Finance Committee and finance the policies through First Insurance. Ms. Bessant seconded the motion which carried unanimously.
- 8. COMMITTEE REPORTS:** The following committees had reports:
- **Buildings and Grounds:** Donna Bessant, Board Ex Officio, reported that the committee met on October 13th. Ed Lange is leaving Hacienda Carmel so Diane Freier will take over as Chair. Judith Woodruff, the current alternate, will sit in until a new committee member is added.

COMMITTEE REPORTS, Buildings and Grounds, continued

The unit 285 fence panel repair which was discussed last month is being resolved. They are taking out the plastic and leaving the transparent glass panels.

The committee declined the request from a member to paint a section of curb adjacent to unit #206 as a loading zone. If it continues to be a problem, they will look at it again.

Unit #112 submitted a request to add lattice to their patio fence. The request complied with the Architectural Rules and was approved by the committee. There was an additional request by a member to have a canvas cloth between patios removed. The issue was resolved.

The committee recommended an extension for the toilet seat be installed in the men's room in Casa Central, and asked the General Manager to make that purchase.

Unit #159 requested that the oak trees adjacent to units #159 & #160 be removed due to oak moth infestation. The request is a variance to be determined by the Board, however, the committee felt the oak moth problem is cyclical and randomly occurs. They recommend the trees remain and not be removed. The Board discussed the issue and Mr. Delwiche explained that this is affecting only two trees in the area and the worm infestation is overwhelming when it is happening. The Board discussed the issue in great detail, at the end of which Ms. Graham made a motion to follow the recommendation of the Buildings and Grounds Committee and deny removal of the trees. Mr. Womer seconded the motion which carried with five in favor, four opposed. Mr. Hedberg noted that the CC&Rs state an owner may appeal a decision by the Board, and if the Board does reconsider this then suitable replacement trees should be found.

There have been several requests by residents to purchase small portable generators to be used during power outages. The committee discussed the requests in detail and decided to recommend to the Board that they allow members to purchase and use a small portable generator on the grounds, only in case of a power outage. They felt there should be a written policy on the matter and Ms. Bessant and Mr. Hedberg volunteered to draft such a policy, which has been done (and is attached to these minutes as Appendix I). Following discussion by the Board, Ms. Husby made a motion to table the issue so that residents can weigh in on the matter. Mr. Quinn seconded the motion which carried with seven voting in favor, one opposed.

- **Fire-risk Assessment & Mitigation:** Mr. Quinn reported that on “Tuesday, September 28th, HCCA was visited by Paul Cano, fire-risk consultant for HCCA and HUB. In the meeting with Mr. Cano and Art Sutton, Robert Hedberg, and [Bill Quinn], Mr. Cano outlined his plan to survey our property, and he was given a tour of the grounds by all of those in attendance. Later that day, and for part of the following day, Mr. Cano did his own survey, taking photos.

“At that meeting, Mr. Cano was given a list of the recommendation approved by the Board in its September 23rd meeting and was asked to address those specific items in his report to us.

“On October 21st, HCCA received three of a total of four reports on HCCA fire-risks and mitigation methods, which was immediately sent to all of the members of the Fire-Risk

COMMITTEE REPORTS, Fire-risk Assessment & Mitigation, continued

Assessment & Mitigation Committee for their review, with notice that another final report would be forthcoming from Mr. Cano.

“On October 25th, HCCA received the last, or fourth, of Mr. Cano’s reports, which was again sent around to the members of the committee for their review. In that transmittal memo, a date was also set for next week in order that the committee can discuss all these reports in detail, make any necessary recommendations, and thereafter report its finding to the Board at its November 23rd meeting.”

- **Policies & Procedures:** Elizabeth Husby, Chair, reported that the committee met and developed written procedures for annual Board actions (draft attached to these minutes as Appendix II). Ms. Adams made a motion to approve the procedures as presented by the committee. Mr. Quinn seconded the motion which carried unanimously.

The committee also came up with a written policy for the Hacienda Carmel Employee Holiday Fund. (Draft policy attached to these minutes as Appendix III). Ms. Adams made a motion to approve the policy as drafted by the committee. Mr. Quinn seconded the motion with a change to the last line. . . “until such time as it is revised or *repealed* by the Board of Directors.” Ms. Adams agreed with the change. The motion carried unanimously. Ms. Baca explained that the fund will remain the Employee *Christmas* Fund for this year only, as we need time to change the account with the bank, check stamps, etc. Also, this policy merely documents a practice that has been in effect since 1992.

Ms. Husby noted the committee also talked about parking and recommended the Board have a workshop on that subject. Policy on Harassment: The Committee had a discussion on harassment and our harassment policy. The General Manager provided each committee member with a full copy of the Ground Rules and pointed out the harassment policy. We were also provided with a copy of the notice that was posted November 24, 2015. The General Manager also stated that our procedures for following through on alleged harassment claims are covered in our governing docs, which reads: *The board shall investigate every instance of alleged harassment, issue its findings and take action (assess fines) as deemed appropriate.* Based on the General Manager’s assessment that our current policy is adequate, the committee determined that further action regarding an update of the harassment policy is not necessary at this time.

- **Employee Benefits & Handbook:** This committee will reconvene this year to follow up on the revision of the employee handbook and job descriptions. They are scheduled to have their first meeting the week after Thanksgiving. Our Insurer HUB International has set us up with a company that can help us with the development of the employee handbook, and we will be taking them up on their offer.
- **Library/Book Shoppe:** Dale Agron reported that the 12th anniversary of the Book Shoppe will be celebrated this weekend. Everyone will receive a flyer and a coupon good for one free hardcover book, a custom-made bookmark, or a packet of cards. We have received a flood of wonderful books in the past months. Please come by on Saturday, October 30th from 11 to 2. She is so happy that the Library is much loved. People are doing a wonderful job of checking out books – about 10 a day.

COMMITTEE REPORTS, continued

- **Garden Club:** Pat Ostrom reported for the Garden Club: “The Eureka lemon and the Washington orange are growing well in the orchard. The grapefruit continues to produce and be available for garden members. Members have been working in the native garden area, in the potting area, and are planning for the Garden Club Thanksgiving Bake and Jam Fest. Our recent succulent sale was a great success with a cat, a witch, a Van Gough fan, a woman carrying pumpkins on her ears, and friends selling to the public. A great time had by all! Thank you to the many of whom supported the Hacienda Carmel Garden Club.”
- **Events & Entertainment:** Linda Mullally reported that at the November 12th meeting they had a balance of \$3,162.52. Those numbers do not reflect the subsidies for the Octoberfest. Speaking of the Octoberfest, it was a huge success. The food was outstanding. Mary Young and Jeanne Wooldridge were busy helping with the decorations and we also had great support from the residents who attended, which was almost 90 people! A shout out to Greg in Security who helped shuttle table and chairs back, and to Robert Hedberg who comes in on his weekends when we have these events to help, and to take the stress off of the committee members.

Several notes of appreciation: to the residents who have sent thank you’s to the E&E Committee – it lets us know that we are doing something right. The money donations have been pouring in – thank you to Fran Baca, Julie Anongos, Valerie Fern, Wendy Bates, Bobbie Jensen in memory of Tom, Joanne Sarrica, Elizabeth Husby, Robin Conlow, and to the Board for transferring the remainder of the Appreciation Fund to the E&E. Guy Boehmer had a donation of \$190 towards the dart board setup, and these came from Julie and Fran, Gail Bower, Elinor, Lisa, Sue Henderson and Ed, Imogene, Joanne and Guy, Linda Smith, and Michael Zarefsky. All that money pulled together helped to make that dart room happen. And Jerry Park donated a new canopy. Thank you to all for all of your donations.

Coming up: November 3rd Stars and S’mores. MIRA has loaned us some high-powered telescopes and the Mullally’s will be sponsoring s’mores with their newly acquired s’more cooker. November 7th – Bay Belles right here in Casa Fiesta. Boomer Humor will be held on November 20th. Unfortunately, we will not be getting a corporate sponsor for that event. Don’t know if this was a unanimous decision by the Board but Ms. Mullally noted the corporate sponsor that was secured was not in anticipation of future contracts to the Association. The roofers were giving us a \$500 donation in appreciation for all the business that we gave them, now with the end of the roofing project. She noted they will make it happen without the donation, but just wanted to make it clear what the intent was. (Mr. Sutton explained that the Board erred on the side of ethics.)

There will be flyers for all upcoming events posted in the information center. Ms. Mullally noted that working with E&E this year is proving to be a real pleasure. The super team consists of Joanne Sarrica, Margie and Bill Bennett, Ollie White, Jeanne Wooldridge, Michael Zarefsky, Mary Young, Laurie Muender, Joellen Bruce, David Mullally, and Linda. And they wish to thank Charlie and Eileen Robinson for always being there to support them at the end and beginning of events. Going into the Holidays we are planning high spirits and lots of activities to keep us happy.

9. **UNFINISHED BUSINESS:**

- **Leaf Blowers:** Mr. Hedberg reported that he contacted the Director of Public Works for Pacific Grove and talked to him about their conversion to all-electric. Mr. Hedberg noted that the electric tools are not as effective and still make noise, but there may be a backpack type battery powered blower that would work. Ms. Adams said the previous Board, in July 2020, had asked that suitable electric (battery charged) leaf blowers and trimmers be purchased and put into service as a trial and asked about the delay in this. She mentioned the environmental and health related issues with gas powered grounds equipment and said that while the grounds crew may be resistant to this change, the health and safety of our residents and staff are primary. Ms. Adams also noted a new State of California law, AB 1346, recently signed by Gov. Newsom, which bans the sale of gas-powered landscaping equipment by 2024.
- **Proof of Vaccine for Guest House:** The proof of vaccine protocols for guests staying in Casa Amigos was approved last month. All entries on the books are coded and the Front Desk staff has been instructed to ask the resident making the reservation to verify all guests are vaccinated.
- **Unit 285 Fence Panels:** Mr. Hedberg spoke to the owners. The plastic panels were removed, leaving clear glass panels in place. No further action is needed.

10. **NEW BUSINESS**

- **Upcoming Replacements:** The General Manager reported that the next three replacements scheduled in the Reserve Study are:
 - 1) Replacement of Casa Fiesta flooring. This has an allocation of \$16,200 in Reserves and it is pretty obvious that the best choice would be some type of hardwood. Mr. Sutton noted he would like the pickle ball players to have some input on the final choice.
 - 2) Replacement of Lobby furniture. This has an allocation of \$15,000 in Reserves. All furniture should be commercial grade.
 - 3) Replacement of Pool furniture. This has an allocation of \$3,245 in Reserves. However, since we have now established an outdoor dining area on the pool deck, we need to add outdoor dining tables to this component.

The Board discussed the items, with some Directors requesting replacements should be done by committee so that personal preferences can be taken into account. Mr. Sutton noted he is not of the opinion that we need another committee. He feels the General Manager is very capable of researching the projects, getting the options, and bringing the options and prices to the Board.

UNFINISHED BUSINESS, continued

- **Authorize Acceptance of Artwork:** The Board considered a proposal by the Artists of Hacienda Carmel (AoHC) and Jerry Park, who would like to donate 20 paintings to the Association. The AoHC is requesting permission to switch all artwork in the common areas out to Mr. Park's works for the year of 2022, and then decide if any stay, a few are switched back, or if everything returns to the way it is now. The paintings they are recommending switching to the common areas would not be for sale at this time but if any paintings, other than those donated to Hacienda Carmel, are sold the proceeds will all go to the AoHC. Ms. Adams made a motion to accept the offer of the donated pieces from Jerry Park and any other pieces they might make an offer on to purchase. Ms. Bessant seconded the motion. The Board discussed the matter and the motion carried unanimously.

11. COMMENT PERIOD FOR MEMBERS:

- Mary Molle, unit #169, was one of the units that requested generators and have since been investigating the new lithium backup batteries instead of propane. She also requested no more gas tools be purchased until a plan is established.
- Jane Bowles, unit 260, objects to having to write her unit number and name on the envelope when she sends in her donation to the Employee Holiday Fund. She added that noise should be a consideration on flooring.
- Jeanne Wooldridge, unit 175, thanked Jerry Park for his fabulous exhibit and stated that she agrees with the Board's compassionate decision to allow the General Manager to stay in the Guest House.
- Linda Mullally, unit 13, congratulated the Board for bringing in professional resources to set policies (i.e., HUB). Perhaps an arborist is needed on the tree issue. She reiterated a curfew time for generators. She feels there are rebates available for switching gas to electric products. And she feels personal tastes are a problem when it comes to lobby furniture and that the Association should use a professional.
- John Hale, unit 158, feels the trees need to be trimmed down because they block a lot of sunshine. He is concerned about spraying and would like notification of such. He researched a new commode for the men's room and Kohler has a dimension for that.
- Bill Bennett, unit 227, spoke on behalf of the trees and would like them to remain there.
- Dale Agron, unit 297, spoke against spraying for oak moths, which are cyclical. In the past the spray has killed birds, which eat bugs and have their homes in the trees.
- Judith Woodruff, unit 73, noted there is a product out there that is eco-friendly and does not harm birds.

12. **ADJOURNMENT**: The meeting was adjourned at 12:33 p.m., with a motion by Ms. Bessant. The next regular meeting of the Board will be held on Tuesday, November 23, 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.