

**HACIENDA CARMEL COMMUNITY ASSOCIATION
MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS
Thursday, January 27, 2022
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
Mr. Bill Quinn, Director
Mr. Sam Womer, Director
Mr. Robert Hedberg, General Manager
Ms. Jeanne Mileti, Recording Secretary

ABSENT:

Ms. Elizabeth Husby, Director

Nineteen members attended the open meeting in Casa Fiesta.

1. **CALL TO ORDER:** The open meeting was called to order at 10:10 a.m. by Art Sutton, President.
2. **MEMBER COMMENTS ON AGENDA ITEMS:** None
3. **APPROVAL OF MINUTES:** The Board considered the minutes of the December 21, 2021, meeting. Ms. Adams made a motion to approve the minutes of the Board meeting of December 21st as submitted. 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 there are no significant delinquencies except the arrangement made with Central Coast Senior Services for deferral of three months of rent, to be paid back over a 9-month period. The proposed lien against APN 015 347 001 was dropped, as the past due amount has been paid in full and the account is now current.

There is a new Front Desk person, Rita Reyes, who seems to be working out quite well. She will begin her regular Saturday through Tuesday schedule next Monday.

The Board also discussed the upcoming Reserve expenditures. The Board decided to request that the Architectural Review committee work with the General Manager to obtain bids from three designers regarding Casa Central lobby furniture and general design.

The Board discussed the difference between a Financial Review and an Audit and will review the subject further.

PRESIDENT’S REPORT, continued

Mr. Sutton went over the member comments from the last meeting. Ms. Husby spoke about battery backups as an alternative to having a generator and Ms. Bowles thanked Mr. Quinn for his fire mitigation report.

Correspondence this month consisted of a letter to a resident regarding the condition of his unit. The General Manager wrote a letter to all employees regarding the importance of safety on the job. There was a letter from Jeanne Wooldridge with suggestions for Casa Amigos: grab bars in the shower, replacing the toilet seats with a higher grade, and re-installing the back doors in the downstairs rooms. There was a letter from the Mullallys as well with suggestions for Casa Amigos that included bedding and flooring designed for a more sanitary environment. There was a second letter from the Mullallys expressing concern about non-member participation in the Board meetings.

Further correspondence consisted of a letter from Hannah Priestley with suggestions for the lobby refurbishment, and a letter from Carolyn Hart with a request to change the Board meeting to evenings or Saturdays. Historically, when meetings have been held in the evenings or weekends, there are fewer attendees.

Mr. Sutton announced that the masking requirements, which are now in effect at Hacienda Carmel and elsewhere, include masking for all indoor venues, including pickleball and the fitness room.

We have received no penalties recently for unauthorized trash in the recycle bins, but the President urged all residents to remain vigilant and make sure only recyclable items make it into the blue bins. The recent Waste Management plan regarding food scraps, or compostable material, is not yet being enforced. They are working on the best way to have multi-unit complexes participate but, as of yet, we do not even have any of the green waste bins on the property so compostable materials should be disposed of in the regular garbage.

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

Carol Young
John Finley

Authorized Occupant, Leasing #34
Authorized Occupant, Purchasing #59

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

6. **GENERAL MANAGER’S REPORT:**

- **Sales & Rentals:** Mr. Hedberg announced that there are currently four units actively for sale and three of those are in contract, pending sale. The total number of sales year-to-date, since the beginning of the fiscal year, May 1, 2021, is twenty sales.

The units rented at this time total forty, out of a potential seventy-five rental spaces.

GENERAL MANAGER’S REPORT, continued

- **Miscellaneous Projects:** The General Manager reported that there are no special projects going on at this time. Grounds has been working on drainage areas and more trimming.
- **Personnel:** As previously mentioned, Rita Reyes will start her regular shift on Monday. Belinda Matthews in Security, who works only two nights a week, has given notice. We will be hiring a new individual who will take over three shifts, while Jason Barnes returns to Mondays.

In December, at the Employee Christmas Luncheon, the Robert P. Balles Employee of the Year award was presented to Yolanda Juarez in the housekeeping department. Yolanda is dependable and does a great job. The award was well deserved. Unfortunately, she could not be here today to accept the plaque but please congratulate her when you see her.

- **Other Matters:** Catherine Robinette contacted Waste Management about the upcoming compost recycling. They do not have a solution for us yet and will not be enforcing it until 2024. They will be doing a site visit here in February.

7. **FINANCIAL REPORT: Jackie Graham, Treasurer**

- **Financial Statements:** Ms. Graham reported the Finance Committee met on December 20th and recommended approval of the December 2021 financial statements. Ms. Graham noted that she compares month to month looking for any anomalies. Ms. Baca made a motion to approve the financial statements for the month of December 2021, subject to audit. Mr. Quinn seconded the motion which carried unanimously.
- **Reserve Fund Expenditures:** Ms. Graham reviewed the Reserve Fund expenditures for the month of December 2021. The expenditures included the first half of the Reserve Study payment to Association Reserves for \$2,110.00; updates to the accounting software from Opus Consulting for \$925.00, and a dryer replacement paid to Built-In-Distributors for \$716.54. Total expenditures were \$3,751.54. Mr. Delwiche made a motion to approve the December 2021 Reserve Fund expenditures for a total of \$3,751.54. Ms. Baca seconded the motion which carried unanimously.
- **Documents Review:** The Treasurer reported that both she and the Board President reviewed the bank reconciliations, payables, general ledger, and aged-trial balance for the month ended December 31, 2021 and found all to be in good order. Ms. Adams made a motion to ratify the review for December. Ms. Bessant seconded the motion which carried unanimously.
- **Utility Cart Replacements:** The Reserve Study has an allocation this year to replace another two utility carts. The committee reviewed the carts and recommended the purchase of two carts, the same make and model as those replaced last year, for a total of \$18,605.08, to be purchased from Turf and Industrial Equipment. The allocation for the two carts in the Reserve Study is \$17,000 – so prices have gone up. Ms. Graham noted that the Reserve Fund is one pot of money. It is allocated according to the best estimate

FINANCIAL REPORT, Utility Cart Replacements, continued

of the replacement cost and the life of the item. Replacement of an item is not confined to the amount allocated because the Reserve Study is a fluid document. Ms. Adams made a motion to approve the scheduled replacement of two utility carts from the Reserve Fund for \$18,605.08, payable to Turf and Industrial Equipment. Mr. Quinn seconded the motion which carried unanimously.

- **Security/Transport Vehicle:** The Finance Committee additionally recommended replacement of the security/transportation cart, which was originally a gift from the Appreciation Fund. The General Manager located a used vehicle that is 3-years old and under warranty for \$7,500, also from Turf and Industrial Equipment. Ms. Bessant made a motion to approve purchase of a security cart from Turf and Industrial Equipment for a total of \$7,500 from the Reserve Fund. Ms. Adams seconded the motion which carried unanimously.
- **Investment Committee:** The Investment Committee met immediately following the Finance Committee on the 20th. The recommended the rollover of a CD that will mature on February 7, 2022, to an 18-month CD for \$150,000, to be brokered through Charles Schwab. Mr. Quinn made a motion to approve the new CD. Ms. Adams seconded the motion which carried unanimously.

8. COMMITTEE REPORTS: The following committees had reports:

- **Architectural Review:** Ms. Bessant reported: “The Architectural Review Committee met on Wednesday, January 12, 2022.

“The only *Request for Change or Addition to a Unit* was submitted by the owners of unit 34. They asked for permission to put lattice on the backyard gate and the fence on each side of the gate so that those areas are the same height as the rest of the lattice-topped fence. Following a brief discussion by the Committee members, the request was approved.

“Under *Old Business* was the topic of recycling and a report by Committee member Debi Champlin on what she learned since our last meeting about how local communities are attempting to comply with recycling guidelines. Debi visited Del Mesa, Pacific Meadows, and the Cottages of Carmel. The details vary but, like Hacienda Carmel, all these communities are struggling with compliance. Debi spoke to Liz at Waste Management, who didn’t have any specific recommendations but said, “It’s a people thing.” It needs to be simple enough that people can understand and comply. Liz is willing to come to Hacienda for an hour or so to talk to residents about recycling, as was done a few years ago.

“Committee members discussed having Spanish-language signage and agreed that it may help with recycling compliance. A motion was made and approved unanimously to recommend to the Board that management be directed to post signs about recycling in Spanish.

“There was no *New Business* on the agenda.

COMMITTEE REPORTS, Architectural Review, continued

“The *open comment* period included the subjects of incentives for correct recycling, an RV parked in a loading zone, a trash trailer parked for an extended amount of time, a damaged truck onsite, and runoff of irrigation water onto the sidewalks.”

- **Fire-risk Assessment & Mitigation:** Mr. Quinn reported: “The Fire-Risk Assessment and Mitigation Committee has not held an in-person meeting during the time since the last regular Board meeting of 12/23/21. However, progress was made on several fronts regarding the implementation of certain recommendations and goals set forth in the Committee’s Report to the Board of that date, which was adopted by the Board.

“First, the Committee’s revision of the HCCA’s Policies on tree planting and skylights, as authorized by the Board in its adoption of the Committee’s 12/23/21 Report to the Board, has been completed. Copies of the two revised Policies were sent to the members of the Board and, while the agenda does not provide for their approval and adoption for this meeting, they are now in circulation for review and discussion. It should be noted that the revised Policies do not purport to change any of their existing provisions, but rather that they contain new language and provisions that relates specifically to risk from and mitigation of wildland fires.

“Second, progress has been made in the Committee’s search for a grant writer to order to submit grant requests to State and Federal governments (and non-governmental organizations) to assist the HCCA with funds to defend against and mitigate wildland fires. One such grant writer has been identified, who is also a resident of Hacienda Carmel, who is temporarily out of town until early February, but the Committee’s intent is to make contact with this person at the first opportunity in order to expedite the grant submission process owing to the current availability of grant funding earmarked for fire safety and mitigation.

“The Committee plans to hold a meeting in the near future for the purpose focusing on the Short-Term recommendations in its 12/23/21 Report to the Board, with the goal of completing them during this calendar year.

- **Policies & Procedures:** Fran Baca reported that the committee has one draft policy ready to be submitted for Board consideration: A proposed policy regarding Employment of HCCA residents. The draft policy reads as follows: *a) Any person who is a current resident of Hacienda Carmel shall not be eligible for employment in any capacity by the Association, other than as a temporary paid consultant to the Board of Directors with the arrangement approved in writing prior to the commencement of any work. B) Any current employee of the Association shall not be eligible for residency in a Unit at Hacienda Carmel as an approved occupant in any capacity. Any exceptions to this policy must be approved in writing by the HCCA Board of Directors.* Ms. Adams made a motion to approve the policy on Hacienda Carmel employment as drafted. Ms. Graham seconded the motion which carried unanimously.

Ms. Baca noted the agenda also includes the new Ground Rule regarding the attendance of non-members at Board meetings. The committee discussed the rule and feels it does not require changes. The comment periods at the Board meetings will remain for Association members only.

COMMITTEE REPORTS, continued

- **Employee Benefits & Handbook:** Fran Baca reported that there is no report this month. The committee is still waiting to hear from the HR services provided through HUB International on a re-write of the employee handbook.
- **Library/Book Shoppe:** Dale Agron reported: The Book Shoppe and Library are doing quite well. The Book Shoppe took a two-week break during the holidays and the volunteers did some re-organizing and they now have many new books.

The volunteers and the liaison have been re-organizing the Library recently, and we thank everyone for their donations. Also, thank you to Administration for the new bookshelves and thanks to all patrons who have been writing on the check-out slips legibly, and returning their books on time.

- **Garden Club:** Pat Ostrom reported: “We recently had our Quarterly Membership meeting in Casa Fiesta, reporting a total of fifty-nine members in the Hacienda Carmel Garden Club. Thank you to Daniel Rios and Robert Hedberg for a fine setup.

“We have a work-day planned for this Saturday, January 29, 2022, 9:30 am to 12:00 pm. All are welcome to join us. The persimmons have been harvested and are being enjoyed by members and non-members alike. Garden boxes are being tended as members catch up on the latest garden plans. Our greenhouse will be receiving some needed new equipment and repairs. We will be planting three new plants, a Eureka Lemon, and two hibiscuses, received from a generous Hacienda resident who has [recently] joined our community. Our Sunday Gatherings continue with the winter hours of 3:30 pm to 5:30 pm, open to all residents. Thank you.”

- **Events & Entertainment:** David Mullally reported: Thank you to the community for the support and encouragement. It is always appreciated. We have received many donations. We received a very generous donation recently from Jean Artz.

Recent events – New Year’s Eve we had sixty-seven people attend. The Firefly Band, along with a DJ seemed to work out very well, so we have booked the Firefly Band for next year as well. A special thank you to Connie Winners for her donation and creation of the beautiful flowers that graced the tables.

Our Greek Dinner – *Mamma Mia*, was a great success. Fifty-one people, and thirty-seven of them stayed for the movie. Someone commented after, “I didn’t attend because, how good a dinner can you get for \$10?” Well, they have heard how good the dinner was and they have sworn to attend the next one!

Our Welcome Committee is going strong – welcoming our new residents and meeting them personally, presenting them with information about the community and a \$10 Dining Room gift certificate.

Upcoming events – The Aquarius Zodiac Luncheon is February 5th. If you are an Aquarius please sign up at the Front Desk. On Sunday, February 13th, the Cypressaires, a male barbershop harmony chorus, will perform at 2 pm. And on Monday, February 14th – Valentine’s Day – we will hold Hacienda Bandstand (sort of like American Bandstand) at 4 p.m. Dance to music videos on the big screen in the West Room.

COMMITTEE REPORTS, Events & Entertainment, continued

Also on Valentine’s Day, Events and Entertainment is sponsoring an “Employee Appreciation Pizza Party.” We will be treating all the employees to pizza at lunch time and Lori Muender will also be creating a big thank you card that everyone can sign. It will be in the paperback room starting on February 6th so we can gather signatures.

9. UNFINISHED BUSINESS: The General Manager reported:

- **Electric Leaf Blowers:** Subsequent to the last Board meeting we received one of the E-Go blowers, recommended by the Pacific Grove Public Works department. Grounds reports that it does not have as much power as the gas blowers, but they will continue to use it and report back.
- **Casa Fiesta Flooring:** Mr. Hedberg reported that he is continuing to gather bids on vinyl plank flooring and polished concrete. He is finding that polishing the existing concrete will cost about \$18,000, whereas the vinyl plank flooring, with a cushioning base, will cost around \$25,000. He will continue to gather more bids.
- **Casa Central Lobby Furniture:** Mr. Hedberg noted the Board has referred this to the Architectural Review Committee.
- **Pool Deck Furniture:** The General Manager reported that he has researched outdoor dining furniture and recommends the Trex brand of table and chairs. For one table and four chairs with a twenty-year warranty, the purchase price is \$2,500. For a lesser quality set, with a five-year warranty, the purchase price is \$1,700. Mr. Hedberg made a recommendation to the Board to purchase one of the better-quality tables and chairs to see how it fits our needs. Ms. Graham made a motion to approve purchase of one Trex set of outdoor dining furniture for an amount not to exceed \$2,600 from the Reserve Fund. Ms. Adams seconded the motion. The Board discussed the purchase, and it was suggested that the Board refer replacement of the Pool Furniture to the Architectural Review Committee. Ms. Adams withdrew her second on the previous motion and made a motion to refer replacement of the Pool Furniture to the Architectural Review Committee. Ms. Bessant seconded the motion which carried unanimously.
- **Parking Workshop:** Ms. Baca noted the Board’s agenda has been full and made a motion that the parking workshop be tabled to another month. Ms. Adams seconded the motion which carried unanimously.

10. NEW BUSINESS:

- **Reserve Study:** Mr. Hedberg reported on the new Reserve Study, which was recently done for fiscal year 2022-2023. Thanks in large part to the Board’s decision to transfer the recommended amount to the fund, the percentage funded jumped from 34.7% to 47.4%. Several of the changes made to components this year included moving the life of the addressable fire alarm system from 3 years to 1 year, as we are servicing it more, and First Alarm is telling us it is becoming more difficult to find replacement parts. Also, the components in and around the pool, including the chain link and metal fencing, pool deck, tile coping, etc. have all been changed to a one-year life, and the projected costs adjusted, so that the

NEW BUSINESS, Reserve Study, continued

- pool repairs can all be done as one project for less disruption. We have additionally asked the reserve analyst to add an annual component for vegetation removal for fire hazard mitigation, even if we utilize our own crew. It was added with an anticipated annual cost of \$25,000. [The Executive Summary of the study will be included in the Annual Disclosures to Members.]
- **401(k) Plan:** Ms. Baca reported that the Board held an Executive Session on January 19th to discuss the 401k plan, and that meeting expanded into a discussion of compensation and benefits. Over the years the salary to benefit ratio has become unbalanced for an operation of this size and the Board is looking for ways to increase salaries and contain benefits while creating a win, win situation for both employees and the Association. Staff will be meeting with our insurance broker on Monday to crunch some numbers and the Board will follow up, hopefully to have solid proposals that can be discussed at the February meeting.

11. COMMENT PERIOD FOR MEMBERS:

- Diane Freier, unit #135, noted that the Architectural Review recommended Spanish language signs for the recycling areas and still need a Board motion on the recommendation.
- Niki Tugwell, unit 282, thanked the Board for their work and reporting. She would like to see Solar Phase III on the agenda, as well as EV stations for electric cars.
- David Mullally, unit 13, has some ideas on improving the pool area and will submit them to the Architectural Review Committee and Management.
- Dale Agron, unit 297, thanked management for better lighting on the grounds, but feels there are still some areas that need to be reviewed.

- 12. ADJOURNMENT:** The meeting was adjourned at 11:37 a.m. with a motion by Ms. Bessant. The next regular meeting of the Board will be held on Thursday, February 24th, 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.