

**HACIENDA CARMEL COMMUNITY ASSOCIATION
MINUTES OF THE OPEN WORKSHOP MEETING OF THE
BOARD OF DIRECTORS & FINANCE COMMITTEE**

Wednesday, March 2, 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. Mark Sconyers, Finance Committee Chair.
Ms. Suzi Crary, Finance Committee member
Ms. Karen Kelly, Finance Committee member
Mr. Gus Underdown, Finance Committee member
Mr. Robert Hedberg, General Manager
Ms. Jeanne Mileti, Recording Secretary

Twenty-one members attended the open meeting in Casa Fiesta.

1. **CALL TO ORDER:** The open meeting was called to order at 2:12 pm by Art Sutton, President.
2. **CHANGES TO AGENDA:** Mr. Sutton announced that items 1 and 4 on the Agenda are to be tabled until the Board's regular March meeting. He also added an opportunity for members to make comments before the meeting and after.
3. **MEMBER COMMENTS ON AGENDA ITEMS:** None
4. **CONTRACT FOR GRANT WRITER:** The Board approved a contract with a grant writing service (Candela Content) to pursue grant writing for fire mitigation measures at Hacienda Carmel.
5. **BUDGET FOR FY 2022-2023:** Mr. Sutton thanked Karen Kelly, of the Finance Committee, for providing a big-screen version of the budget so that those attending can follow along.

The budget is arranged to show income from departmental and non-departmental sources, offset by expenses (which include those assigned to a department and the monthly transfer to the Reserve Fund.) The difference will determine how much we need to increase the maintenance fees to break even. Mr. Sutton noted that we don't have a lot of choices in changing the figures. We must provide for the expected expenses that the Association will incur. The second draft budget, which the Board and Committee are working from at this meeting, requires an 8.04% increase in maintenance fees to break even.

BUDGET FOR FY 2022-2023, continued

The draft budget assumes a 9% increase in electricity, a 3% increase in gas, and higher water charges due to much higher fluctuations in seasonal rates. Insurance policies, which we do not anticipate will cease increasing, have a 20% increase for the package policy; 5% increase on Flood, Directors and Officers, and Liquor; and a 9% increase on Bridge insurance. There are also a few contractual items we have been notified will go up, such as the addressable fire alarm system, and laundry expenses. Starting with income, the Board discussed every component in detail and made the following adjustments to the draft budget:

The carport rental fees will be raised by 40%, or \$35 per month.

The storage rentals consist of lockers of various sizes and the West End vehicle storage area. All storage charges were increased by 20%

The Guest House rates will be increased to \$120 for a standard room and \$155 for the apartment. The budget will be based on a 30% occupancy rate.

Transfer Fee income was increased to \$27,000 per year, in anticipation of a brisk sales market.

Maintenance and Grounds departments income were slightly increased. Grounds ‘Repairs and Maintenance’ was increased from \$500 to \$2,000 in anticipation of the probability that machines will need to be serviced. Laundry in the Guest House was increased to \$26,000 due to the new way Mission Linen is charging for linen service, and the inability to find another vendor willing to take on a small account.

The Board has made the decision to fund Reserves at the rate recommended by our Reserve analyst. Three years ago, our percentage funded in Reserves was dangerously close to “Weak.” Since the Board has been funding according to the expert’s recommendation, we have recovered to over 47% funded this year, and will go even higher next year. The Board feels it is prudent to fund Reserves at the 60% to 65% level.

The Board approved changes to the employee compensation and benefit package that will be discussed at the next workshop and are already included in the budget figures. Fran Baca will explain the changes and their impact on the budget.

The Board also discussed several suggestions including raising the auxiliary charges with the budget increase each year, seasonal rates in the Guest House, charging a surcharge for units with air conditioning, hot tubs, etc., and self-insuring the bridge. No action on the suggestions was taken. The new budget draft, with the changes, reflected a 7.304% increase. The second workshop will be one week from today at the same place and time.

6. COMMENT PERIOD FOR MEMBERS:

- Robin Conlow, unit 48, objected to the carport fees being raised at twice the rate of the other auxiliary fees (storage, Guest House). She recommended the Guest House parking lot be used for guests only.

BUDGET FOR FY 2022-2023, continued

- Bob Kampworth, unit 200, asked if the solar panels are included in the Reserve Study.

Mr. Hedberg explained that we do not own the panels yet, but after the buyout in January of 2023 they will be added as a component in the Reserve Study. (Buyout is \$136,600.)

- Hazel Braudrick, unit 268, expressed her appreciation for all the work done by the Board, Finance Committee and Staff – it is not an easy process. She noted that members who do not attend the budget meetings don't have insight into the reasoning behind the outcome.

7. **ADJOURNMENT:** The meeting was adjourned at 4:10 p.m. The next Budget Workshop will be held on Wednesday, March 9, 2022 at 2:00 p.m. in the Casa Fiesta.