

HACIENDA CARMEL COMMUNITY ASSOCIATION
MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS
Thursday, June 23, 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. Joan Murray, Director
Mr. Bill Quinn, Director
Mr. Mark Sconyers, Director
Mr. Rex Young, Director
Mr. Robert Hedberg, General Manager
Ms. Jeanne Mileti, Recording Secretary

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

1. **CALL TO ORDER:** The open meeting was called to order at 10:05 a.m. by Art Sutton, President.
2. **REVISION OF AGENDA:** Ms. Baca requested the minutes be removed from the Consent Agenda, pending proposed corrections.
3. **MEMBER COMMENTS ON AGENDA ITEMS:**
 - Linda Mullally, unit 13, is pleased to see Casa Amigos on today's agenda. She sent a letter to management and the Board requesting upgrades to the Casa Amigos rooms recently and passed along comments from both Mary Young and Hannah Priestly on the subject as well. She requested the upgrades start as soon as possible.
4. **APPROVAL OF MINUTES:** The Board considered the minutes of the May 26, 2022, regular Board meeting. Ms. Baca suggested a change to page 1, under the President's Report: In the second to the last line the date May 1st should be changed to June 1st, and in the second to the last paragraph the name Brendan Kelly is misspelled. On Page 4, under the Package Insurance Policy: The last sentence should be corrected to "renews in November [6]" And on Page 9, under Unfinished Business: Plant Moratorium should be changed to "Planting Moratorium." On Page 10, Reserve Study, second paragraph, it should read . . .van "remains on the list." Mary Pat Adams corrected the spelling on page 6 & 7 of John Trenner's name. Ms. Graham made a motion to approve the minutes of the May 26, 2022, meeting with the corrections. Mr. Quinn seconded the motion which carried unanimously.

5. **CONSENT AGENDA:**

a. **Occupancy Applications:**

Julie Jenkins Authorized Occupant Purchasing Unit #94

b. **Sales Activity & Rental Report**

1 unit in contract, pending sale. 3 unit sales since May 1, 2022. Current number of rentals is 40.

c. **Financial Report:**

- i. Review of non-finalized Financial Statement for May 2022
- ii. Approval of Reserve Fund Expenditures for May 2022 total \$6,429.06.
- iii. Ratify verification of accounting documents for May 2022.
- iv. Approval of Resolution 2022-002 to transfer funds in excess of \$10,000.

6. **PRESIDENT'S REPORT:** The Board met in Executive Session at 8:30 a.m. Mr. Sutton reported that in Executive Session the Board learned we have successfully hired two new gardeners: Josh Perez started Monday of this week, and Antonio Morales will start next week. We are still looking for a new hire at the Front Desk, with the General Manager working diligently on it. The Board approved addition of a tank to buffer pressure to the pump and motor needed on Well #2. They also approved a contract for removal of dead trees on the west end. The signs for the recycling areas have arrived and will be installed shortly. Reate Design has started the Lobby project and we should have a proposal in the near future. Work begins next week on the standpipe hose stations around the berm, to prepare them for fire control. The Board approved renewal of the Dining Room contract with Chef Bill for a period of two years, with a one-year option. And the Polywood table and chairs purchased for the pool dining area have been packed up for return and a full refund.

Mr. Sutton reported correspondence consisted of letters from the General Manager to a resident regarding an expired registration on a car parked at Hacienda Carmel, and another letter to a member regarding an unapproved paint color on the outside of their patio gate – this will be addressed by the Architectural Review Committee. A letter from Linda Mullally regarding Casa Amigos upgrades will be discussed under Unfinished Business.

7. **GENERAL MANAGER'S REPORT:**

- **Miscellaneous:** The General Manager reported that the utility carts are still on back-order. They will most likely be delivered in November. He will be meeting with the contractor this month to schedule asphalt work and should have the numbers for the July Board meeting. Hopefully, we can schedule the work for early August.

The shuttle van that we were hoping to purchase is the electric version of Ford's passenger van. As it turns out, Ford will not be producing that model anytime soon. Mr. Hedberg got information about a company that could convert the utility van model (which is being produced by Ford as an electric vehicle) to a passenger van. Their conversions start at \$110,000 – so that is off the table (they will only do the model 350).

GENERAL MANAGER’S REPORT, continued

In the meantime, we are looking at other brands but may have to replace the van with a gas model this time.

The General Manager has started talking to First Alarm about the recent technology that is available for addressable fire alarms systems. This will help him develop a proposal for bids on the system replacement.

There is no need now, with the installation of a vinyl floor in Casa Fiesta, to keep the dance floor. It was purchased with the Appreciation Fund many years ago for \$9,100. Mr. Hedberg feels we may be able to get \$4,000 to \$5,000 for it. Ms. Baca made a motion to direct the General Manager to put the floor up for sale and get as much as we can. She modified her motion to direct the General Manager to go ahead with the sale when a buyer is found – no need to bring a sale amount back to the Board for approval. Ms. Graham seconded the motion which carried unanimously.

Mr. Hedberg announced that Agustin Corres’ wife has sent a thank you card, on behalf of the entire family, in gratitude for the outpouring of sympathy, well wishes, and support that the residents of Hacienda Carmel have shown them.

Three employees have met milestones recently, as reported at the Annual Meeting. Jason Barnes, who reached the 20-year mark will, in accordance with policy, be given a gift card for \$250.

Ms. Baca noted that when we got the bids for the Casa Fiesta flooring, we got a bid for \$2,700 to do the storage room. There were other options discussed at the time – extending the tile from the kitchen, epoxy, or leave as-is. As the Board is making an effort to listen to the concerns of members as is outlined in #5 of the Board’s Goals, she feels we should move ahead with one of the other options, since there is obvious reaction to leaving the floor as-is. Ms. Baca made a motion that the Board direct the General Manager to in turn direct the maintenance department to clear out the storage room next to Casa Fiesta, pull up the carpeting, and prepare the concrete floor for application of one or two coats of epoxy, as necessary, and that this work be completed within the next 30 days. Mr. Young seconded the motion which carried unanimously.

- **Other Matters:** The General Manager reported that he has been the recipient of another defamatory accusation by a member who notoriously makes and distributes false statements about him. Directly addressing the member at the meeting, he warned this will no longer be tolerated.

8. FINANCIAL REPORT: Jackie Graham, Treasurer

UPCOMING CD: Ms. Graham reported that we have a CD in the Reserve Fund that will be maturing July 7th. Because the Finance Committee did not meet in the month of June the Investment Committee did not meet either. The committee should meet before the CD matures to determine whether or not to reinvest at this time.

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

- **Architectural Review:** Donna Bessant reported – The committee met on June 8th and discussed a number of requests. Minutes of the meeting have been released in draft form. Unit 203 requested approval to paint a non-visible portion of the exterior wall on her patio a color that is not on the approved colors list. Samples were reviewed by the Board members and, although the Architectural Review committee recommended the Board not approve the variance, the majority of Board members felt that because the color is extremely close to an approved color, and will not be visible outside of the patio, the owner should be granted the variance. Ms. Baca made a motion to approve the variance requested by unit 203. Mr. Young seconded the motion which carried with one Director opposed.

Unit 220 was granted approval of removal of walls between entry way and kitchen, and removal of soffits in living room, addition of new patio shed, and skylights in kitchen, living room and second bedroom. They also requested installation of a new attic level furnace, which was tabled by the Architectural Review Committee pending more information. The only remaining request is a variance to remove the existing ceiling and create a vaulted ceiling in the kitchen and living room. Ms. Adams made a motion to approve the variance to create a vaulted ceiling. Mr. Young seconded the motion. Mr. Quinn disagreed with the motion as he feels a similar project done in his building created a diminishment of air quality in his unit. The motion failed with six directors voting in opposition. Ms. Graham made a motion to refer the variance back to Architectural Review for further study of the ventilation in the residential buildings. Ms. Adams seconded the motion which carried unanimously.

Ms. Bessant noted the Architectural Review Committee currently has some projects, such as the outdoor dining furniture, and suggestions the committee has come up with for the lobby refurbishment, which will carry over into the new committee year. She would like Board direction regarding these projects.

- **Events & Entertainment:** David Mullally reported that they had a very successful Memorial Day celebration, serving over 125 hotdogs, listening to the Dixieland Band, playing games, and socializing. It was probably the most well attended event we have had here. Thank you to the committee, the volunteers, and the whole community for participating in this really great celebration. On June 12th we had the youth music recital, which a number of you attended. We had over forty-five people there listening to the recital of some very talented local piano students, some of whom perform at the Bach Festival and with the Monterey Symphony. Mr. Mullally noted this is his last report as E&E Committee Chair. The new Chair will take over at the next meeting. He thanked the Board for appointing him as Chair and looks forward to supporting Events and Entertainment in the new committee year.
- **Ad-Hoc Audit Committee:** Ms. Baca noted this report is information only. “The committee was comprised of Mark Sconyers (sitting in for Art Sutton), Jackie Graham, and Fran Baca, met with the auditors on Tuesday, July 14th, 2022. Mila Krasnova, the audit partner, was ill and not in attendance. Joy Lee, Partner; and Brad Levine, staff accountant, attended the meeting. After introductions, Fran stated that one

COMMITTEE REPORTS, Ad-Hoc Audit, continued

of the reasons for the ad-hoc committee was for the auditors to assess that the representations made to them by management are consistent with the Board's understanding of those representations. She stated that the Board is interested in having the auditors develop a procedure for future meetings between the auditors and the Board, as is customary with organizations that have audit committees. Joy Lee said she would relay that information to Mila Krasnova. She also said that very few of their clients have audit committees and that very few of their clients are self-managed.

“Joy stated that the bulk of the audit is performed remotely. The two areas of concentration onsite are minutes and payroll. Joy was spending Tuesday afternoon reviewing the minutes of both the open meetings and the executive sessions, to determine if there are projects or legal matters requiring their attention. Brad was testing payroll, which approximates 50% of our budget. Confirmation of cash is not performed as a routine procedure. If deemed necessary, cash and savings accounts are confirmed via a bank confirmation letter. Cash in checking accounts is tested by review of statements and bank reconciliations,

“When asked about accounting software specific to HOAs, Brad mentioned TOPS. He also said there was another program but could not remember the name. (By e-mail on June 20, 2022, Brad stated that the other program is VANTACA. He said he is not very familiar with it, but the reports look good, and their clients appear to be happy with it.) Joy asked why we are asking about other software, and if we are having problems with ours. Fran responded that our software is old, and if the time comes that there is no longer support for it, we would like to have knowledge about possible replacements.

“Because of the absence of the audit partner, Mila Krasnova, the meeting was somewhat disappointing. Development of the procedure between the Audit Partner and the HOA Audit Committee is delayed a year.”

- **Employee Benefits & Handbook:** Fran Baca advised that this report is information only – no action required at this time. “The committee has completed its review of the current employee handbook. In the next week, the draft will be distributed to the Board of Directors and to the folks at Guardian HR Services for review. A copy of the draft will also be posted on the Bulletin Board. The posting will be announced in the Bulletin under the General Manager's Notes.

“The purpose of the review of the handbook is primarily twofold:

- To ensure compliance with current law, and
- To ensure that sections applicable to HCCA specifically are necessary and adequate.

“In addition to complying with current law the following changes were made:

- Elimination of the “Association's Mission” replaced with a comprehensive introduction
- Change to how residents are addressed by employees
- Elimination of the subject of tipping, the Holiday Fund, and Employee of the Year Award. (These to be addressed in other documents.)

COMMITTEE REPORTS, Ad-Hoc Audit, continued

“The Board and the membership are asked to review the draft. Members with concerns or questions are asked to relay them to Fran Baca, so that they can be addressed at the July meeting. The Board is asked to be ready to discuss the draft at the July meeting and approve the revised handbook pending clearance from the folks at Guardian. We will seek the professional advice/approval of Guardian HR Services prior to requesting a quote from them for translating the manual from English to Spanish.

“The committee is making the following recommendations and will request approval from the Board in July:

1. That the subject of tipping be addressed in the “Welcome to Hacienda Carmel” booklet, which was approved in November 2020. (The prior Ground Rules document was over 40-pages long. In 2019 the work to split the document in two was begun. The revised Ground Rules document was approved in February 2020, and the Welcome to Hacienda Carmel document was approved in November of 2020.)
 2. The Committee found that the language in the handbook related to how employees interact with residents, and how they contract with residents for outside (private) work is adequate, but enforcement of the contract is not. The committee will recommend that this matter be delegated to Policies and Procedures for development of a Ground Rule.
 3. The committee believes that mention of the Holiday Fund is not appropriate or required to be included in the EE Handbook, as the Board adopted a written policy on administration of the Holiday Fund last fiscal year. However, there is nothing in writing regarding the Employee of the Year award, and the Committee will recommend that the matter will be delegated to Policies and Procedures for discussion and possible development of a written Board action procedure.”
- **Fire-risk Assessment & Mitigation:** Mr. Quinn reported: “First, the Committee is glad to report that the Board of Directors has approved the bid from California Fire Protection to renovate eight of our nine existing standpipes that are all connected to our two groundwater wells, by fitting them with 1 ½-inch firehose valves for wetting the surrounding vegetation and related fire-suppression work, and so creating that number of fire-fighting stations around Hacienda Carmel equipped with hoses and two operative valves each, a 1 ½ and a 2 ½ inch valve. We may also be fortunate to see an increase in the existing PSI in the underground system which, when last tested was 40, in order to project streams of water farther out than before well #2 was recently upgraded with a new pump, increasing that well’s normal pressure.

“Work continues on meeting the deadline for submission of a grant request to the Cypress District of CalFire for matching grants for wildland fire fuel reduction projects. This effort is being undertaken primarily by Director Mary Pat Adams, with some *pro bono* assistance from our contracted grant writer, Cheryl Einsele. The objective of the current grant is to remove wildland fire fuels from the West of the campus, and to that end the GM has already procured bids from three separate tree and/or vegetation removal companies to do this removal work.

COMMITTEE REPORTS, Fire-risk Assessment & Mitigation, continued

“Now, I would like to call on Director Mary Pat Adams to provide and update on any new or further information regarding the current status of the Cypress District of CalFire for matching-grant submission.”

Ms. Adams reported that the Cypress Fire Protection District is our district, and we are creating this application for matching funds for fuel reduction. We are focusing right now on the west end because we feel that best meets the requirements of this particular grant. It is due soon, so we are working on it right now.

Mr. Quinn continued: “In addition to the foregoing items, the Committee is glad to report that the Association spent a small amount of the Vegetation Removal & Wildfire Hazard Mitigation funds in the Reserve account to remove the field of large weeds and similar invasive vegetation from the field immediately south of the south berm, and across to the southwest corner of the campus, restoring our improving firebreak against wildland fires from the hills immediately to the south of Hacienda Carmel.

“Finally, the Committee looks forward to a renewal of its operations with the appointments by the Board of Directors of some former and some new members of the Fire Risk Assessment & Mitigation Committee, in order to continue the work, set forth in the Committee’s December 21, 2021 Report to the Board.”

- **Policies & Procedures:** Fran Baca , reported: Elizabeth Husby, Chair, could not be here today but asked that Ms. Baca report that the committee has no new policies to present to the Board at this time. After the new committee is convened, and the new Chair is appointed, she will hand over all of her notes and files to the new Chairperson.
- **Garden Club:** Pat Ostrom reported: “The olallieberries in the west end of the orchard are ripening. Members are also harvesting the remaining lemons. Produce is being harvested from the garden boxes. A Douglas Iris meadow has been planted, replacing a removed coyote bush in the native garden. The HCGC Amanda Preece presentation, ‘Creating a Habitat in Your Own Backyard’ was well attended by the Hacienda community, informative and thoroughly enjoyable. Preparation for the Thursday, July 7th, 12-4 pm Garden Club Plant Sale is in process. We invite you all to attend!”

10. UNFINISHED BUSINESS:

- **Parking Workshop:** Ms. Graham made a motion to approve the May 24, 2022, Parking Workshop minutes, with corrections made by Ms. Baca: On page 5, #13 the name Brendan Kelly was corrected. Also, in his comments she questioned the word “saturation.” Mr. Quinn seconded the motion which carried unanimously.

The Board discussed formation of a Parking Committee and Ms. Adams made a motion that the Board appoint a Parking Committee to manage the parking workshop information and carry it forward. Ms. Graham seconded the motion which carried unanimously.

UNFINISHED BUSINESS, continued

- **Electric Leaf Blowers:** Tabled.
- **Pool Deck Furniture:** Mr. Sutton noted that the Polywood furniture is being returned for a full refund. Further, the Board has decided to have the designer take a look at outside dining furniture – so we are awaiting his recommendations.
- **Casa Amigos:** The Board has approved \$5,000 to do a sample room in Casa Amigos, however, Ms. Baca noted there is concern about the bedding in the rooms and a request that it be addressed in all rooms now. Ms. Adams made a motion to ask the General Manager to bring to the Board an estimate to replace all beds with platform beds, flooring, and linens. Ms. Baca seconded the motion which carried unanimously. The Board discussed the issue and determined that even when the new platform beds are installed, the current bed sizes will remain the same. With this in mind, Ms. Baca made a motion to deal with the subject of bedding now and authorize the General Manager to obtain bedding for all rooms now at a cost not to exceed \$7,000. Ms. Adams seconded the motion which carried unanimously. The sample room was tabled for now.
- **Planting Moratorium:** Mr. Sutton explained that the planting moratorium expired with the outgoing Board. The Board discussed the landscaping plants that are currently being used by the Association. The General Manager noted the list was approved by the Board in April of 2015; they are part of a professional design; none of them are on the “bad list” from FireWise; and the theme is attractive and liked by the membership. Ms. Adams stated that none of the plants are native and are not on the approved Firewise list (although they are not on the non-approved list either), and some are not drought resistant. The plants that the Board determined should be planted in front of 260, 261 are not available at our local nurseries. Mr. Sutton asked that the Board table the current plant list for now and directed the General Manager to work with Ms. Adams to find the plants she desires for the front of 260, 261.
- **Alternate Board Meeting Times:** Tabled.
- **Board Goals:** Tabled.
- **401k Plan Restatement:** Approved in Executive Session.

11. **NEW BUSINESS:**

- **Appointment of Committees & ExOfficios:** Mr. Sutton announced the following appointments:
 - **Finance Committee :** Karen Kelly, Chair; Jackie Graham, Treasurer and Committee member; Suzi Crary, Committee member; Gus Underdown, Committee member; Holly Carlin, Committee member; and Fran Baca, Ex Officio. Ms. Graham made a motion to approve the appointment of the Finance Committee. Ms. Adams seconded the motion which carried unanimously.
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NEW BUSINESS, Appointments of Committees, continued

- **Employee Benefits & Handbook:** Mr. Sutton announced this committee will remain with Fran Baca, Art Sutton, and David Delwiche, unless the Board objects. The Board concurred with the appointments.
- **Investment Committee:** This committee is made up of the Finance Committee Chair, Karen Kelly; the Treasurer, Jackie Graham; the Board President, Art Sutton; the General Manager, Robert Hedberg; and the Assistant General Manager, Jeanne Mileti.
- **Fire Risk Assessment:** Mr. Sutton suggested we maintain the current committee: Bill Quinn, Chair; Mary Pat Adams, Committee member; David Delwiche, Committee member; Peigi Duvall, Committee member; and Art Sutton, Committee member. Peigi Duvall, however, has asked to be dismissed from the committee so Mr. Sutton asked for a volunteer from the Architectural Review Committee, and Jeanne Wooldridge volunteered. The Board concurred.
- **Policies & Procedures:** The committee will consist of Mary Pat Adams, Chair; Fran Baca, Committee member; Rex Young, Committee member; and Sara Harnish, Committee member. Ms. Graham made a motion to approve the appointments to the Policies & Procedures Committee. Mr. Quinn seconded the motion which carried unanimously.
- **Architectural Review:** Mr. Sutton requested a secret ballot vote by the Board for this committee, as there were eight residents who expressed interest in serving. The Board voted for the committee, the Chair of the committee, and the alternate committee member. The committee will consist of Donna Bessant, Chair; Paul Carriere, Committee member; Brendan Kelly, Committee member; Connie Winners, Committee member; Jeanne Wooldridge, Committee member; and Judith Woodruff, Alternate. Mary Pat Adams will serve as Ex Officio.
- **Events & Entertainment:** The Board appointed Joanne Sarrica Chair of the Events & Entertainment Committee. Joan Murray will serve as Ex-Officio.
- **Other Appointments:** Fran Baca and Jackie Graham will review the accounting records and bank statements each month. The Parking Committee appointment was tabled. Mary Pat Adams will serve as Liaison to the Garden Club, and the Book Shop Liaison was not appointed.
- **Written Committee Reports:** The Board requests that all residents giving a committee report at the Board meeting, submit those reports in writing to the Board President by the third Thursday of each month. Reports will be included in the minutes instead of being read at the meeting. The motion to approve the Board request, as stated, was made by Ms. Baca, seconded by Ms. Adams, and unanimously approved.

NEW BUSINESS, continued

- **Private Work by Employees/Hold Harmless Agreement:** Mr. Sutton explained that residents are required to sign a hold harmless agreement for any work done by Hacienda Carmel employees on their own time. Forms are available in the information rack by the Front Desk. The Board determined in Executive Session today that the form being utilized is sufficient until a new form is established at the committee level and approved by the Board.
- **Memorial Bench:** Mr. Quinn made a motion to purchase (notwithstanding any other policy or Ground Rule of Hacienda Carmel) a memorial bench, with a plaque, in honor of Agustin Corres, to be placed in the section of grounds that he tended. Mr. Young seconded the motion. The bench will be made of recycled plastic and requires no maintenance. The cost is approximately \$365. The motion carried unanimously.
- **Rescind Vaccination Verification:** Ms. Baca made a motion to rescind the vaccination verification for visitors staying in the Guest House, which was put into place during COVID. Mr. Quinn seconded the motion which carried unanimously.

12. **COMMENT PERIOD FOR MEMBERS:**

- Linda Mullally, unit 13, spoke of the importance of drought resistant plants, converting to electric blowers, purchasing appropriate dining furniture for the outdoor area by the pool, and purchasing commercial grade pool deck furniture when the pool area is redone next year. She also spoke further about the linens in Casa Amigos, primarily the triple sheeting method, which uses sheets we already have.
- Mary Lou Donegan, unit 291, opined on the guest rooms in Casa Amigos and invited all residents to look at them. Additionally, she asked that the Reserve Fund expenditures be printed on the agenda.
- Jeanne Wooldridge, unit 175, requested the area in front of 260 & 261 be planted, and agreed about the guest rooms needing a remodel.

13. **ADJOURNMENT:** The meeting was adjourned at 12:42 p.m. The next regular meeting of the Board will be held on Thursday, July 28, 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.