

**HACIENDA CARMEL COMMUNITY ASSOCIATION
MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS
Thursday, August 25, 2022
Casa Fiesta**

PRESENT:

Mr. Art Sutton, President & Director
Ms. Fran Baca, Vice President & Director
Ms. Jackie Graham, Treasurer & Director
Ms. Mary Pat Adams, Director
Ms. Joan Murray, Director
Mr. Rex Young, Director
Mr. Robert Hedberg, General Manager
Ms. Jeanne Mileti, Recording Secretary

ABSENT:

Mr. David Delwiche, Corporate Secretary & Director
Mr. Bill Quinn, Director

Eighteen 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. Adams requested item 10(d) be added under New Business: "Garden Club Council Beekeeping Discussion." Ms. Baca requested the minutes of the July 28th Regular Board meeting be removed from the Consent Agenda.
3. **MEMBER COMMENTS ON AGENDA ITEMS:**
 - Sam Womer, unit 58, praised the Employee Compensation and Handbook Committee for a job well done on the employee handbook.
 - Valerie Fern, unit 205, requested the Board address the concerns about the visibility of the standpipe hose reels and signage.
4. **CONSENT AGENDA:**
 - a. **Occupancy Applications:**
Florence Stowell Authorized Occupant Leasing Unit #69

Sales Activity & Rental Report:
1 unit currently listed, pending sale. 6 unit sales since May 1, 2022. Current number of rentals is 42.

CONSENT AGENDA, continued

b. Financial Report:

- i. Review of non-finalized Financial Statement for July 2022
- ii. Approval of Reserve Fund Expenditures for July 2022; total \$11,782.00.
- iii. Verification of bank reconciliation & check register review for July 2022.

Ms. Graham made a motion to approve the Consent Agenda. Mr. Young seconded the motion which carried unanimously.

5. **APPROVAL OF MINUTES:** The Board considered the minutes of the July 28, 2022 Regular Board meeting. Ms. Baca made the following corrections: Page 1, item 2, in the third and fourth lines, the dates of 4/20/22 should be changed to 4/30/22. Page 5, 1st item, “New Board Member.” The word “applicants in the last sentence should be changed to “Members.” On Page 11, second paragraph beginning with “Subsequent to the report. . ., and through the end of #2 ending with “. . .other changes at Hacienda Carmel,” should be moved down three paragraphs and inserted after the third motion made by Mr. Quinn. Ms. Adams made a motion to approve the July 28, 2022 Board Meeting minutes with the changes as stated. Ms. Murray seconded the motion which carried unanimously.

The Board considered the minutes of the Employee Handbook Workshop of August 17, 2022. Ms. Baca made a motion to approve the minutes as submitted. Ms. Adams seconded the motion which carried unanimously.

6. **PRESIDENT’S REPORT:** The Board met in Executive Session at 8:30 a.m. Mr. Sutton reported that in Executive Session the Board discussed new hires, which will be reported by the General Manager. They discussed the new Health Reimbursement Account for employees, damage to one of the vehicles, and letters from residents that dealt with personnel issues. Also discussed were the quotes already received on a new shuttle van – they are waiting for one more quote and then the General Manager has been instructed to place an order. The Board additionally discussed changes to our flood policy but decided to wait for the renewal November 6th. Additionally, the standpipe stations were reviewed and there will be more information on that later in the meeting.

The Board asked for applications from those wishing to serve out the remainder of the two-year term vacated by Director Mark Sconyers. There was one application submitted by Sara Harnish, who meets the qualifications to fulfill the role. The Board confirmed the appointment of Sara Harnish to fill out the remaining 2-year term, with a motion by Ms. Adams. Ms. Graham seconded the motion which carried unanimously.

Mr. Sutton reviewed the member comments from the last regular Board meeting. John Hale suggested LED lighting in Casa Fiesta. This is being looked into. Pat Ostrom asked about the submission of written reports – they *can* be sent in prior to the meeting. Jane Bowles suggested a committee to address speeding. This will be incorporated into the Parking Committee.

PRESIDENT’S REPORT, continued

Correspondence consisted of a letter from Michael Zarefsky regarding bee hives or houses. This item was moved to New Business. Lynn Silver wrote requesting to put a storage unit in the RV parking lot – this has been referred to the Architectural Review Committee. And the Art Group wrote with a change to their request to name the art studio – to be discussed under New Business.

7. GENERAL MANAGER’S REPORT:

- **Miscellaneous Projects:** The General Manager reported that we are finally once again fully staffed. Nancy Conti completes the staff at the Front Desk, and after a few false-starts, Miguel Hernandez completes the grounds crew. Welcome to all new staff members.

The Board received a timeline on the lobby refurbishment along with a preliminary layout. More information in September.

The Guest House has been very busy but, nevertheless, we are on schedule to replace the flooring in Room 302 next week. The furniture has been ordered but the shipping puts it six-weeks out. And we should be receiving the final pieces of bedding very soon and will then change out all the beds to the triple-sheeting style.

Asphalt replacement and restoration will start the week of September 12th. We will know very soon which cars will need to be moved, and when. Residents will be notified.

We received a second quote on a shuttle van, for \$5,000 less than the first. We will get one more quote and then order the van. Hopefully we will receive it before the end of the year.

The company preparing a replacement estimate on the bridge (for insurance purposes) will be here within the next couple of weeks for a site visit to begin preliminary work on that project.

Vehicle registration updates continue. We are making sure all residents have the Hacienda Carmel sticker and/or are registered with the Association. We are also checking that all vehicles are currently registered with the DMV.

Utility carts – no change in status. They are still on order.

As of August 10th the kitchen has started to use a green waste bin. (Residential bins will be phased in sometime in the future.) We have also had to replace the ice machine in the kitchen, which has been rescheduled for replacement a few times. The recent Reserve Study has it to be replaced next year, but the \$5,100 price came in below the allocation.

GENERAL MANAGER’S REPORT, continued

8. FINANCIAL REPORT: Jackie Graham, Treasurer

- **Maturing T-Bills:** Ms. Graham reported that we have two Treasury Bills maturing and the Investment Committee met on August 17th to discuss them. The first to mature did so on August 18th. The T-Bill was for \$150,000 and the committee recommends purchase of a \$250,000 T-Bill or CD, whichever yielded the highest return, for a period of 6-months. (The additional \$100,000 was added from the excess of cash in our Schwab Reserve account.) The second \$100,000 T-Bill matures on September 1st and the committee recommends reinvesting \$150,000 (using \$50,000 of excess cash) for a period of one year.

9. COMMITTEE REPORTS: The following committees had reports:

- **Architectural Review:** Connie Winners, Committee member, reported – “The Architectural Review Committee received requests for change from Units 52, 65, 149, 137, and 290. All were properly submitted, in accordance with our Architectural Rules, and approved. There were no requests for variances this month.

“The Architectural Review Committee is currently researching outdoor dining and pool furniture. Updates will be forthcoming.

“A new patio gate policy is in progress and should be completed by next month.

“The Architectural Review Committee requests a Hacienda Carmel Board directive in order to pursue solutions for screening the dump area from the berm and nearby units.” Ms. Adams made a motion to direct the Architectural Review Committee to make recommendations to the Board about screening the dump area from the berm and nearby units. Ms. Graham seconded the motion which carried unanimously.

- **Events & Entertainment:** The report was submitted in writing: “On August 13, 2022 the E&E committee sponsored the Hacienda Carmel 60th Birthday Party. Between the social hour and the dinner we had approximately 90 people in attendance. In addition to the wonderful dinner, a live band played music for the attendees. Many of the guests took to the dance floor and a good time was had by all.

“The committee received a plethora of positive feedback from the guests. During the event Chef Bill was honored for improving the dining experience from the time he took over, ten years ago.

“The next event scheduled will be a piano recital by the famed Gustavo [Romero]. This will take place on September 4, 2022.

“As noted in the financial report, the period-to-date expenditures total \$2,280.44, with the remaining unused budget funds of \$3,719.56.”

COMMITTEE REPORTS, continued

- **Employee Benefits & Handbook:** Fran Baca reported:

Approval of Employee Handbook Revision

“The Employee Compensation and Handbook Committee has worked on the Employee Handbook Revision for eight months. On Friday, December 10, 2021, the committee received acknowledgment from Guardian HR Services that our handbook questionnaire and handbook had been received by them. Over the next eight months, the handbook was revised six times. On Wednesday, August 17, 2022, the Board of Directors held a workshop for the purpose of reading and reviewing the handbook in its entirety. The recommendations made by the Board at this workshop were incorporated into the seventh revision made to the handbook. Each board member was emailed a copy of the most recent draft and a copy was posted on the bulletin board.”

Ms. Baca made a motion that the board approve the HCCA Employee Handbook effective September 1, 2022. Ms. Graham seconded the motion which carried unanimously.

Dissolution of the Employee Compensation and Handbook Committee

“The Employee Compensation and Handbook Committee was convened by the Board two fiscal years ago and was tasked with three items: 1) review of the employee compensation package, 2) revision of the Employee Handbook, and 3) development of employee job descriptions. Items 1 and 2 have been accomplished.”

Ms. Baca made a motion that the board dissolve the Employee Compensation and Handbook Committee and delegate the development of employee job descriptions to the Policies and Procedures Committee. Ms. Adams seconded the motion which carried unanimously.

Stated Policies within the Employee Handbook

“As stated in the Introduction to the Employee Handbook, the handbook describes the employment policies of the Association. While many of the procedures for implementing the Association’s policies are clearly expressed in the handbook, some of the policies require additional documentation outside of the handbook. These policies are:

1. P.10, Anti-harassment Training.
2. P.11, Proof of Right to Work.
3. P.13, Private Work by Association Employees.
4. P.16, Meal & Rest Periods, specifically, “on call” employees during rest periods.
5. P.18, Performance Evaluations.
6. P.35, Safety Program, i.e., Injury and Illness Prevention Program.
7. P.36, Infectious Disease Control Policy.
8. P.62, Acknowledgement of Receipt of Employee Handbook.”

COMMITTEE REPORTS, Employee Benefits & Handbook, continued

Ms. Baca made a motion that items 1-8 above be delegated to the Policies and Procedures Committee for development of procedures to implement said policies and/or development of procedures for documentation in the employee personnel files as applicable. Ms. Adams seconded the motion which carried unanimously.

- **Fire-risk Assessment & Mitigation:** Ms. Adams reported:

“Since the report of the Fire Risk Assessment & Mitigation Committee at the July Board meeting, there have been steady advancements made in achieving the goals of the Association regarding the protection of our Community from wildland fires. Perhaps the most significant event in that time frame was the approval of our grant application on July 28 by the Cypress Fire District for reduction and removal of wildland fire fuels. The amount of the grant was \$12,000.00, which has already been applied to that stated goal by means of hiring a contractor to do some of this needed work, that being Lopez Tree Service.

“Regarding specific on-going projects, our contractor for the retrofit of the Community’s standpipe system connected to our groundwater wells, California Fire Protection, has now retrofitted six of our nine existing standpipes that are all connected to our two groundwater wells. Two standpipes were found to be non-operational due to existing damage to underground pipes, so the HCCA maintenance crew will be repairing those so the standpipe project can be completed. Once that work is completed, our contractor can complete those two standpipe retrofits.

“We will continue to work with California Fire Protection and Cypress Fire Protection District on the topic of making the hose reel standpipe signage less visible from the view of Residents but still useful for those fighting fire.

“Our contractor, Lopez Tree Service, hired to remove dead trees and reduce other fire fuels on the West End of our property, has completed their work. The work lasted two days – August 3rd and 4th – during which time Lopez removed several large dead trees, and limbed many trees up to 10-feet from the ground to achieve State standards of vertical distancing. Lopez masticated or hauled all of the dead and trimmed wood from the HCCA property for disposal at another site. Among the tasks Lopez completed was trimming a wooded area in front of the RV storage and solid waste transfer area, which left it visible to those on the berm and in the garden area. As you’ve heard in the previous report, the Architectural Review Committee is looking at this issue and will make recommendation for Board action as appropriate.

“Work has proceeded well in the identification of a landscape designer to develop a Master Vegetation and Planting Design as recommended by the Committee at its last meeting. Part of this plan would be a list of designated plants meeting the requirements of being attractive, indigenous or native, drought-resistant, fire-resistant, and low-maintenance (or not labor-intensive) to the extent possible.

“To conclude, further progress has also been made toward the development of an updated plat map for all the various parcels owned by the HCCA. A search in our own land records revealed several plat maps from various time periods of the past 60 years, which has allowed us to narrow the scope of our request to a professional contractor capable of producing a high-quality combined-parcel plat map of the entire HCCA property, as was

COMMITTEE REPORTS, Fire-risk Assessment & Mitigation, continued

approved by the Board at the last meeting. Finally, we have now fully identified all the records locations of all of HCCA property parcels within the on-line system used by the Monterey County Assessor's Office, allowing us to view all the parcel plat maps on-line."

Ms. Adams added that there will be a meeting next week with Cypress Fire District. At that time they will discuss the standpipe visibility. Mr. Sutton noted the Board is not ignoring the issue, but working on a solution.

- **Policies & Procedures:** Mary Pat Adams, Chair, reported: "The Committee met on August 11, 2022 with members Fran Baca and Sara Harnish, Rex Young, chair Mary Pat Adams and advisor Robert Hedberg.

"There are no action items for the Board at this time and we continue to work on a number of proposed policies and procedures as follows:

1. The Committee continued revisions to the nominating committee Board procedure and plans to have a document for the Board to consider at the September Board meeting.
2. The Committee discussed a proposed Board procedure for the GM review and continues to work on this.
3. The Committee discussed adding information about tipping of staff to the Welcome to Hacienda booklet and continues to work on this.
4. The Committee discussed adding information about the HCCA Private Work Policy as an additional Ground Rule for Residents and continues to work on this.
5. The Committee discussed creating a Board Action Procedure for any contributions, donations or restricted funds that HCCA may receive from residents or others and continues to work on this.
6. The Committee discussed its recent work on a Document retention policy and continues to work on this.
7. Job descriptions for staff - on hold pending Board approval of revised Employee Handbook.

"The Committee will meet next on Thursday, September 8, from 9:15 to 10:45 a.m. in the Durr Room."

COMMITTEE REPORTS, continued

- **Garden Club:** Pat Ostrom reported: “I would like to request board consideration regarding the bee keeping issue. I refer you to the letter from Michael Zarefsky, on behalf of the HCGC Council, which is included in your packet. We are requesting board approval for keeping bees, either in bee hives or in native houses. We are only seeking board approval so that we may bring this matter to the membership at our quarterly meeting on September 24th. No financial support or assistance is needed by the board beyond its’ approval .

“Thank you to all who helped make our August 13th plant sale a success! It was one of the best ever! In the garden, members continue to tend and harvest from their garden boxes. Orchard plums have been harvested. Lemons are still available along with some oranges. Four new fruit trees are being planned for the orchard including three varied apple trees and one tangerine tree. The Sunday Gathering at 4 pm continues to draw a good crowd. It is, of course, open to all. Thank you. “

Library: Mart Molle reported: “Since my last monthly report, the Library has added 24 donated books and 3 newly-purchased books. The names of these books, along with a new “Library Guest Book” for member comments, are available at the library checkout counter. We have also begun a slow process of weeding out some of the existing books to make room for new ones. As more space becomes available, we plan to reorganize our collection and create a few additional categories. This will make it easier for our members to locate books they may be interested in”

- **Book Shoppe:** Patricia Little-Auguston reported: “July was a busy month at the Book Shoppe, welcoming new volunteers and getting everyone settled into routines. If you have been thinking about working in the Book Shoppe, please come join us. With traffic to the Shoppe increasing, and sales steadily ticking upward, we are thinking about adding another day (perhaps Wednesday) to our schedule. I want to remind everyone to enter our drawing for a special edition of Lewis Carroll’s complete stories and poems. The winner will be picked on Nov. 19. Our next drawing, which starts on Nov. 19, will be an intriguing jigsaw puzzle. The creator of the puzzle is offering cash prizes up to \$2-million for those who complete the puzzle. The Book Shoppe has acquired one puzzle for this drawing, one which will go to a winner on Dec.17. Get details at the Book Shoppe. All proceeds from the drawings will go toward new books for the Library. Come by and see us soon. Saturdays 11-2. Pat Little-Auguston (831) 293-3153”

10. **UNFINISHED BUSINESS:**

- **Formation of Parking Committee:** Mr. Sutton asked that anyone interested in serving on the Parking Committee let him know.
- **Pool Deck & Outdoor Dining Furniture:** These items were referred to the Architectural Review Committee and there have been no new quotes.

11. **NEW BUSINESS:**

Reserve Study presentation to Finance Committee by Fran Baca: Fran Baca made the following proposal to the Board: In December 2021, the Board adopted the report of the Fire Risk Assessment and Mitigation Committee, and in March 2022, the Board adopted its own Board Goals. At the adoption of both of these documents, my questions were what is it going to cost to implement these goals? How are we going to pay for the work necessary to achieve these goals? To the extent that we pay for this work with grant money, it will cost nothing. To the extent that we pay for this work with operating funds, the Board will have to approve and fund the expenditures.

A follow-up question, however, is how can we pay for this work with the least impact to HOA fees? We have a real planning opportunity to the extent that we can pay for this work out of the Reserve Fund. The Reserve Fund comprises our component parts, i.e., our depreciable assets with useful lives generally 30 years or less (there are a few over 30 years). I have ideas for expanding components, adding components, deleting components and adjusting the useful lives of certain components.

I believe my ideas are worth discussion and the best place to discuss them is with the Finance Committee of which I am the ex officio. The Finance Committee comprises four members with strong financial backgrounds. Also present at Finance Committee meetings are the Board president and treasurer and a different board director observing each month. In addition, the General Manager and Association Accountant are also present at the meetings.

I am requesting Board authority to make a Reserve Study presentation to the Finance Committee in September. The purpose would be for the Finance Committee to review the Reserve Study and make recommendations to the Board no later than December 2022 so that the Board could consider those recommendations when the Reserve Study is updated in January 2023.

To that end, I request that the Board direct me to make a Reserve Study presentation to the Finance Committee at its September 15, 2022 meeting, and that the Finance Committee be charged with making recommendations to the Board regarding updates to the Reserve Study no later than December 22, 2022.

Mary Pat Adams made a motion that the Board direct Fran Baca to make a Reserve Study presentation to the Finance Committee at its September 15, 2022 meeting, and that the Finance Committee be charged with making recommendations to the Board regarding updates to the Reserve Study no later than December 22, 2022. Ms. Graham seconded the motion which carried unanimously.

Renaming of Art Studio/Patio: Mr. Sutton reported that the Art Group initially suggested the Board approve a change in the name of the Art Studio. Now they would like to name the patio adjacent to the studio the June I. Poe Patio. Mr. Sutton read the letter from the Art Group Council dated August 13th: “The Art Group would like to make a revised suggestion to honor June Poe’s many years of service. The metal plaque could be placed on the Art Studio patio: “June I Poe Patio.” If this suggestion is a go, over the first suggestion, the Art Council would like to plant a rose there in June’s honor.”

NEW BUSINESS, Renaming of Art Studio/Patio, continued

Ms. Adams made a motion to approve the request from the Art Group for their suggested name change. Ms. Murray seconded the motion which carried unanimously.

Casa Fiesta Lighting: Mr. Sutton reported there have been a few suggestions regarding lighting in Casa Fiesta; first, to change the lighting out to LED, and second, to restore the draperies behind the stage to drapes that can be opened up. The General Manager suggested we have our electrician look at replacing the fixtures, and see what the LED lighting looks like before we open up the windows behind the stage. He will have a proposal for the Board by the next regular Board meeting.

Garden Club Council Beekkeeping Discussion: Ms. Adams quoted from Mike Zarefsky's memo to Board on behalf of the Garden Club Council:

"For several years many of the Garden Club members have been requesting that we somehow increase the bee population in the orchard and garden area. Bees are the most productive pollinators in the world and bees and other pollinators account for 1/3 of the world's food production. This would result in greatly increased production in the orchard and vegetable boxes."

The Council is looking at two proposals, one for bee hives used by honey bees, or what are sometimes called European honey bees, and another for houses for the native solitary bees that live in our region, where no honey is produced. The Council understands that the Board would need to approve of this additional use of the garden space for bee keeping. If the Board approves this additional use, the Council intends to ask Garden Club members at the September 24, quarterly meeting if they support a plan to bring more bees to the garden and which proposal they approve.

There was some discussion of the topic and the Board was asked to consider the information in the Mike Zarefsky memo for possible action at the September 22, Board meeting.

12. COMMENT PERIOD FOR MEMBERS:

- Judith Woodruff, unit 73, suggested colored rectangular Botts dots on the roadway to denote locations of standpipes, such as are used to identify fire hydrants.
- Pat Ostrom, unit 286, would like the Board to give thoughtful consideration to the proposal to accommodate bees in the west end, and agreed that the Garden Club would need to be granted permission for additional use by the Board to accommodate the beekkeeping proposal.
- Pat Parrish, unit 42, thanked the Board for taking the pleas regarding the standpipe visibility seriously.
- John Hale, unit 158, does not like RV parking area used for storage. Feels the county may object as well.

COMMENT PERIOD FOR MEMBERS, continued

- Imogene Speiser, unit 122, thanked the Board for providing the hearing aids for the sound system.
- Valerie Fern, unit 205, is hoping for a resolution on the visible standpipes. She would like to have the one by her unit moved.
- Linda Smith, unit 247, reported continuing overwatering in the common area near her unit. She requested the excessive use of water be stopped.
- Dale Agron, unit 297, presented lint samples from the dryers in laundry room 12, and feels the lint may cause a fire. She additionally thanked Pat Little Augustin for her work in the Book Shop.

13. **ADJOURNMENT:** The meeting was adjourned at 11:28 a.m. with a motion by Ms. Murray. The next regular meeting of the Board will be held on Thursday, September 22, 2022 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.