

HACIENDA CARMEL COMMUNITY ASSOCIATION
MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS
Thursday, October 23, 2025
Casa Fiesta

PRESENT:

Mr. Ken Rothstein, President & Director
Ms. Sara Harnish, Vice-President & Director
Ms. Holly Carlin, Treasurer & Director
Ms. Niki Tugwell, Corporate Secretary & Director
Ms. Rochelle Blank-Zimmer, Director
Ms. Catherine Robinette, Community Manager
Ms. Jeanne Mileti, Recording Secretary

Thirty members attended the open meeting in Casa Fiesta.

1. **CALL TO ORDER:** The open meeting was called to order at 10:32 a.m. by Ken Rothstein, President.
2. **REVISION OF AGENDA:** Ms. Carlin requested that the Insurance Policy Renewals, under New Business, be moved to the Treasurer's Report.
3. **MEMBER COMMENTS ON AGENDA ITEMS:**
4. **CONSENT AGENDA:**
 - a. **Approval of Minutes:**
 - i. Regular Board Meeting of September 25, 2025
 - b. **Occupancy Approvals:**

i.	Cynthia L. Montgomery	Authorized Occupant – Leasing #97
ii.	Wendy Bates	Authorized Occupant – Leasing #196
iii.	Peggy Keirn & Connie Bauer	Authorized Occupants – Leasing #211
 - c. **Financial:**
 - i. Verification of bank reconciliation & check register review for September 2025.

Ms. Tugwell made a motion to approve the Consent Agenda. Ms. Harnish seconded the motion which carried unanimously.
5. **PRESIDENT'S REPORT:** President Ken Rothstein reported:
 - a. Report on discussion in Executive Session and any items requiring Board action:
 - The Board negotiated a contract with Commercial Energy for a fixed procurement rate on natural gas at a rate of \$0.557 per therm. The one-year contract starts November 1, 2025.
 - The premiums on both the bridge and flood policies came in at around \$100,000 under budget.

PRESIDENT’S REPORT, continued

- b. Correspondence consisted of a letter regarding traffic and speeding in and around Carport #6. The member requested SLOW signs be painted on the pavement. There was a second letter from a resident who is very happy with the temporary employee gardening in her area. She requested the employee be brought on as a permanent staff member.

6. TREASURER’S REPORT: Holly Carlin, Treasurer

Ms. Carlin announced that the renewals for the Flood and Bridge policies have been received. The Bridge policy, written by Golden Bear Insurance had an expiring premium of \$75,589, and a renewing premium of \$66,844; a savings of \$8,705. The Flood policy, with Lloyd’s of London + 6 layers, had an expiring premium of \$724,043, and a renewing premium of \$632,392; a savings of \$91,651. The amount budgeted for both policies included a 25% increase [for the last two months of the year] which will be reduced to 10% increase, further decreasing the Association’s anticipated costs. Ms. Tugwell made a motion to approve renewal of the Flood policy with the listed underwriters, and the Bridge policy with Golden Bear, for a total combined premium of \$699,235.54. Ms. Harnish seconded the motion which carried unanimously.

The financial statements for September 2025 were presented to the Board. Ms. Carlin noted that, due to the billing process with the new carrier, the medical policy for employees was understated in the month of August, but the September statements reflected two months of premium for the benefit. She noted that we still have a large excess, but as soon as the insurance policies are paid, we will be transferring funds to the Reserve Fund, which will absorb much of it. The budget comparison shows that we are under the budgeted amounts, mainly due to the softening of the insurance market and lower renewal costs. Ms. Carlin made a motion to approve the September 2025 financials. Ms. Tugwell seconded the motion which carried unanimously.

The Reserve Expenditures for the month of September are as follows:

\$ 12,605.80	Paid to Golz Construction for Infrastructure Repair
\$ 410.64	Paid to Ewing Irrigation for Irrigation Replacement
\$ 3,761.95	Paid to Home Depot & Ewing for Landscape Replacement
<u>\$ 16,452.00</u>	<u>Paid to River Pump Services for Well Component Replacement</u>

\$ 33,230.39 Total Reserve Fund expenditures for September 2025.

Ms. Carlin further reported that the Ad Hoc System Utilization Subcommittee met just before she left. Adrienne Otis attended and recorded the training session on the accounting system. The meetings with the systems manager are a walkthrough of what the system can do, and what we are not using.

7. COMMUNITY MANAGER’S REPORT:

- **Hacienda Projects:** Catherine Robinette reported that she has three bids on the pool deck restoration now, with three assorted products being looked at.

VNA was not able to get the COVID shots for the recent clinic, but will be returning with those shots next week, on October 28th. There is a signup at the Front Desk.

COMMUNITY MANAGER’S REPORT, continued

- **Maintenance Projects:** The maintenance department has completed cleaning the gutters in anticipation of the rainy season. If any residents feel they might have been missed, please contact the Front Desk. Starting November 1st, the crew will start replacing heater filters in all the units with forced air systems. The Front Desk should be calling you in advance to let you know when they will be there.
- **Tree Work:** The large liquid amber tree behind the pool that is leaning will be taken out on Oct. 28th. We will close the pool at 9 am on that day, for several hours. We also have some cherry and maple trees in the vicinity of the Durr Room that have been looked at by an arborist and pronounced dead, which will need to be removed (the maple trees are by units 243,244).

8. **COMMITTEE REPORTS:**

- **Finance:** Fran Baca, Chair, reported: “The Finance Committee met on Wednesday October 15, 2025 and also discussed certain topics by email subsequent to the meeting. Actions taken by the Committee and Recommendations to the Board are as follows:
 1. “By a vote of 3-2, the Committee recommends that the Board approve and accept the Reserve Study for 2026.” Ms. Carlin made a motion to approve the Reserve Study for 2026.” Ms. Tugwell seconded the motion which carried unanimously.
 2. “The Committee discussed and made changes to Draft #2 of the budget. The Committee has prepared 4 iterations of Draft #3 for consideration by the Board as follows: 3.1, 3.2, 3.3 and 3.4. Pages 2 to 5 of all four iterations are identical. The only change is to page 1 and that change pertains only to Transfers to the Reserve Fund. The Committee is concerned with the low percent (%) funded in the Reserve Fund and presents the following scenarios for consideration by the Board:
 - 3.1 Transfers to Reserves of \$698,400 is the Reserve Analyst’s recommendation for full funding; the total percent increase in HOA fees would be 6.09% for 2026.
 - 3.2 Transfers to Reserves of \$725,000 is a proposed yearly increase of approximately \$25,000 per year above the Reserve Analyst’s recommendation to slowly bring our Reserve Fund to 50% funded. The total percent increase in HOA fees would be 6.60% for 2026.
 - 3.3 Transfers to Reserves of \$750,000 is a proposed yearly increase of approximately \$50,000 above the Reserve Analyst’s recommendation and would bring our Reserve Fund to 50% funded in about ten years. The total percent increase in HOA fees for 2026 would be 7.08%.
 - 3.4 Transfers to Reserves to \$812,400 is a proposed yearly increase of approximately \$115,000 above the Reserve Analyst’s recommendation and would bring our Reserve Fund to 50% funded in about five years. The total increase in HOA fees for 2026 would be 8.28%.
 3. “The Committee recommends a joint Board and Finance Committee Meeting be held on Wednesday, November 12, 2025 at 9am to discuss the draft budget(s) in general and the Reserve Fund in particular. Because of the confidential nature of some of the budget items to be discussed, the meeting would be a closed session held in the Durr Room.” Noting that a request to change the

COMMITTEE REPORTS, Finance, continued

start time of the meeting to accommodate one of the Finance Committee members was made, Ms. Carlin made a motion to approve a closed joint meeting of the Finance Committee and the Board of Directors, to take place on Wednesday, November 12th, at 12 noon. Ms. Blank-Zimmer seconded the motion. Ms. Harnish requested the meeting start at 11:30 for pre-discussion, as there is a conflict with some of the Board members regarding the ending time. Following discussion, Ms. Carlin amended the motion for an 11:30 am start time. Ms. Blank-Zimmer agreed, and the motion carried unanimously.

4. “The Committee also recommends that the Board adopt a resolution to reflect its decision regarding Reserve Funding.
5. “The budget must be approved and posted by November 30, 2025. The Committee recommends that an Open Community Forum be held on either Monday, December 1, 2025 or Monday, December 8, 2025 to present the budget to the Membership and answer questions before its effective date of January 1, 2026.

“In keeping with a prior Board request to submit our committee reports in writing so that they can be included with the Board packet, I previously submitted my report which was updated prior to the Board meeting. I have asked that the original report along with this updated report be included with, and made part of, the minutes.

“Several procedural matters have changed. This is our first full year with a Fiscal Year End of 12/31. Last year was a partial year, May-December. Because the Board had already approved the Budget, Reserve Study and Annual Disclosures for fiscal May 2024 to April 2025, it was not difficult to extrapolate the information for the short year.

“The Budget, Reserve Study and Annual Disclosures must be approved and distributed to the Membership or posted by November 30, 2025.

“On my original report, I stated that by a vote of 3-2, the committee recommended that the Board approve and accept the Reserve Study for 2026. Subsequent to the Finance Committee meeting, a committee member changed her vote, making the vote 4-1 in favor of recommending approval and acceptance.”

After discussion, the Board voted unanimously to approve and accept the 2026 Reserve Study.

“Subsequent to preparation of the four versions of Draft Budget #3, the Association received the very good news that the flood and bridge insurance premiums are decreasing by approximately \$100,000, and consequently, our estimate for 2026 has been adjusted from an estimated 25% increase to an estimated 10% increase. This represents a total reduction of approximately \$115,000. I have made manual adjustments to the estimated increases in 2026 HOA fees to the four scenarios previously sent to the Board as follows:

- 3.1 from 6.09% to 3.88%
- 3.2 from 6.60% to 4.39%
- 3.3 from 7.08% to 4.87%
- 3.4 from 8.28% to 6.07%

COMMITTEE REPORTS, Finance, continued

“The purpose for preparing the four scenarios was to give the Board as much time as possible to review the information prior to an anticipated joint Board and Finance Committee Meeting. After discussion, the Board voted unanimously to convene a joint meeting of the Board of Directors and the Finance Committee on Wednesday, November 12, 2025, starting at 12 noon.

“Because of the confidential nature of some of the budget items to be discussed, this meeting must be a closed meeting.

“In the interest of transparency, because of the closed nature of this joint meeting, I request that the Secretary call for an Open Forum Meeting on either Monday, December 1, 2025 or Monday, December 8, 2025, to answer any questions regarding the Budget, Reserve Study and Annual Disclosures the Membership may have. “

After discussion, the Secretary called for an Open Forum Meeting on Monday, December 1, 2025 to be held from 1-3pm in Casa Fiesta.

- **Architectural Review**: Connie Winners, Chair, reported: “The committee met on Wednesday, October 8. There were 4 requests for change all approved in accordance with the Architectural Rules. There was one request for change to plant along the exterior fence line of the unit in the common area. Request was denied by the Committee citing ongoing fire mitigation. The homeowner was informed by the chair in accordance with Article 7 noting it could be appealed to the Board for consideration.

“**Lighting** – The committee request the Board approve the Existing Project Tasks List proposed by the Ad Hoc Subcommittee on Lighting in 2024 for maintenance, grounds, or security. Several of these items were still noted on the evening walk on September 15th to view current lighting issues.” Ms. Blank-Zimmer made a motion to have management direct completion of the proposed Existing Lighting Project Task List from 2024. Ms. Tugwell seconded the motion which carried unanimously.

“**Refurbishment of Casa Fiesta Kitchen & Baths (Reserves Expenditures for 2025)** – In reviewing the area committee member Sam Parsons, and chair obtained estimates for countertops, sink, faucet, stove and range hood. Holding off on the cabinets for another time. There are a few maintenance issues with the cabinets that could easily be corrected by maintenance. The committee reviewed all items but only approved the new gas stove due to current safety issues and the range hood. Bathrooms are in good condition at this time.” Ms. Blank-Zimmer made a motion to approve purchase of a new stove and hood for Casa Fiesta Kitchen for a total of \$1,935.91, monies to be expended from the Reserve Fund. Ms. Carlin seconded the motion. Following discussion, the motion carried unanimously.

“The committee and management agreed to table the Entry Sign design where junipers were removed in June of this year until after the first of the year.”

The next ARC meeting will be held on November 11th, at 9:30 (the day before the regular meeting).

COMMITTEE REPORTS, continued

- **Events & Entertainment:** Flossie Stowell, Co-Chair, reported: The E&E Committee has been working diligently to stay within our budget. Their largest event happens on the last day of the year, and at this point we have about \$2,500 available for that event. In trying to stay within the budget they have opted for a duo, instead of a full band; a buffet, instead of a served dinner; and will offer options other than prime rib. The event will be a little different than in the past, but it should be a really nice evening.

Also, due to budget constraints, the committee decided not to do Oktoberfest this year, but there will be a Halloween party in the lobby on the 31st with prizes for best costumes. Additionally, that afternoon at 6 pm, we will be showing Rocky Horror Picture Show in the West Room. Coming up next will be a Youth Piano Recital on November 8th, in Casa Fiesta.

E&E recommends the Board approve the installation of a TV monitor in the Lobby, to advertise upcoming events. The Board was provided with a proposal, and we may be able to get a TV for less than \$150. Ms. Harnish made a motion to approve placement of an informational display monitor in the Lobby. Ms. Blank-Zimmer seconded the motion which carried unanimously.

- **Ad Hoc Management Committee:** Art Sutton, Chair, reported that the committee met yesterday. We have received two proposals from management companies that are interested in working with Hacienda Carmel. So far, we have not located anyone that meets our needs, however, we are continuing to research it. There are meetings on Monday and Wednesday of next week, with two more companies. We also have received interested expressed by an individual who would like to come to work here, but that individual has not yet been vetted. We are also looking at software that is being used by some of the management companies, and that will also be vetted by the System Utilization Committee.

We have been in touch with a large HOA in Southern California. It has provided us with a Request for Proposal, if and when we decide we wish to look further for other opportunities. The Request for Proposal was approved, and we can go forward using the verbiage that was provided by that HOA.

In the upcoming presentations, the firm on Wednesday will review our facilities to see if they are a good fit, and will offer improvements for change and upgrades to our operations.

We are also in touch with a headhunter for a General Manager, and Mr. Sutton noted he is waiting for a callback from that company now.

9. **UNFINISHED BUSINESS:** None.

10. **NEW BUSINESS:**

- **Change to Ground Rule Appendix C – Monetary Penalties:** The Board considered a change to Appendix C of the Ground Rules: “Consequences of Rules Violation & Monetary Penalties.” The change caps all monetary penalties at \$100, per Assembly Bill 130, which became effective June 30, 2025. Ms. Harnish made a motion to approve the change to Ground Rule Appendix C, to reflect the limit set by the new legislation. Ms. Tugwell seconded the motion which carried unanimously.

11. **MEMBER COMMENT PERIOD:**

- Mary Lou Donegan, Unit 291, commented on the progress that has been made this year with association finances.
- Dale Agron, Unit 7, thanked the Board for forums and spoke about importance of outside lighting.
- Claudio Souza, Unit 216, reported a maintenance issue and asked about the river bench on the west end.

Catherine Robinette explained that there is a plan to remove the bench, which is located in the riparian area.

12. **ADJOURNMENT:** The meeting adjourned at 11:54 pm. The next regular Board meeting will be held on Thursday, November 20, 2025, at 10:30 am in Casa Fiesta. The Board will meet in Executive Session at 8:30 am in the Egon Durr Board Room, prior to the open meeting.