

More Mesa Shores HOA BOD 10-9-2018 Approved Meeting Minutes

Board Members Present: Diane Keep, Tom Condon, Gail Johnson, Molly Rothman, Charlie Stolar

Guests Present: None

1. Call to order and approve September 11th Board Meeting Minutes

Diane Keep called meeting to order at 7:03pm.

September 11, 2018 Minutes Approval: Molly moved to approve the minutes; Tom seconded. Unanimously approved.

2. Approve Sept. 22, 2018 Special Meeting Minutes: Not approved because they were not on the agenda.

Action item: Add to the 11-14-2018 MMSHOA BOD Agenda: Diane Keep

3. Status of Goodman Road Widening Agreement

Discussed Diane's recusal; she can be present during the discussion but cannot vote on anything related to the issue.

Discussed modified Road Widening Agreement from the Goodman's lawyer and revisions that were proposed. Agreed with some of the changes. Decided to confer with Steve Wiley on several points made by the Goodmans where more clarity is needed; the HOA's Attorney will determine whether the points are valid.

Fundamental question about whether an agreement is necessary; Board believes it is their fiduciary duty to protect the interests/assets of the HOA and that an agreement is needed.

Action Items:

- Contact Donald Goodman and inform him that the Board is going to hold a conference call with the HOA Attorney, Steve Wiley, to discuss Goodman's position and changes to the Agreement: Tom Condon
- Forward Donald Goodman's email and modified road widening agreement to Steve Wiley and schedule a conference call with Steve and all of the Board members except Diane Keep, who is recused: Gail Johnson
- Summarize legal expenses for the Road Widening Agreement when all invoices have been processed, probably in December or January 2019: Tom Condon

4. Treasurer's Report: Tom Condon

Reviewed the Profit and Loss Statement and Balance Sheet as of 10-9-2018. Noted a net operating balance of \$34,105.55.

Checking Account Balance: \$51,119.77

Reserve Account Balance: \$67,533.81

More Mesa Shores HOA BOD 10-9-2018 Approved Meeting Minutes

Accounts Receivables: \$950.00 is for two overdue Annual Assessments (1140 Orchid Drive and 5292 Louisiana Place). Certified Letters sent to both these homeowners' notifying them of their obligation to pay. Next step is to complete Small Claims Court paperwork and service the property owners.

Reported that a new California State law, AB 2912, to go into effective January 1, 2019, requires Fidelity Bonds for HOAs.

Discussed operational workload of the Board. Coming into compliance with Davis-Stirling and other laws and regulations requires time and expertise. Proposed that the BOD obtain cost estimates to outsource HOA accounting/bookkeeping and, possibly, property management. Outsourcing will help with HOA operational workload and ensure that the financial records are consistent across Board member changes and be in compliance with Davis-Stirling Act and State laws.

Action Items:

- Complete Small Claims paperwork for property owners who have not paid their annual assessments and file the claims: Gail Johnson and Molly Rothman
- Contact local HOA property management and accounting firms to get estimates for bookkeeping/accounting activities and property management: Tom Condon

5. Secretary's Report: Gail Johnson

Posted the 9-11-2018 Board Minutes and the 9-13-2018 Emergency Board Meeting Minutes to the More Mesa Shores website.

Purchased several Internet Domain Names from GoDaddy including moremesashores.org, and moremesashores.net, among others. Also worked with Fernando Calderon and GoDaddy technical support to migrate the More Mesa Shores website to a new secure web hosting site.

The need for a backup Webmaster was discussed. GoDaddy can perform this role and there are web developers in Santa Barbara who can be paid to maintain the website. This item was tabled for a future discussion.

6. Elections Process 2019: Charlie Stolar

Charlie and Molly met with Irene Stone, League of Women Voters (LWV), to review HOA Elections Services the LWV provides and what it might cost. The League offers its services to organizations in Santa Barbara to conduct and/or supervise elections with assured ballot secrecy; doesn't certify results in the legal sense but rely on their reputation of probity in these matters to imply validation. Details of their services were provided in a letter. The basic fee to run the elections is \$150. There is an additional \$100 fee for a team of 3 to count the ballots; there are charges for overtime. Materials such as envelopes and postage are also paid for by the HOA. League can prepare envelopes for the election.

Charlie proposed that the League of Women Voters run the MMS HOA Board Election this year. Molly seconded the motion. The motion was unanimously approved.

More Mesa Shores HOA BOD 10-9-2018 Approved Meeting Minutes

Charlie recommended that a letter/notification soliciting candidates for the open Board position be sent to the HOA Membership as soon as possible.

Molly Rothman announced her resignation from the Board. One reason is to provide knowledgeable Board members when future terms expire. She is willing to take responsibility for the Summer Social. Molly will submit an official letter of resignation.

Discussed qualifications for candidates. There are job descriptions for each Board position in the Bylaws. Candidates must be in good standing with the HOA and available to attend a majority of the meetings that can last from 2-3 hours. Board candidates need to have access to a computer, possess basic computer skills, use email, be available to work on operational tasks between meetings, and bring skills (e.g. business acumen, people skills, organizational or financial skills, etc.) to the Board.

Timeline for the Board election is generally as follows:

11-9-2018: Solicit candidates for the open position

11-26-2018: Provide LWV with all materials needed for the election

12-10-2018: Distribute ballots

Discussion of the number of Members who can vote centered on number of voters compared to number of property assessments; noted inconsistencies between these numbers. The definition of "lots" was also discussed; the number of lots is different from the number of assessments and number of property owners who can vote. Diane reported that this was discussed last year. Diane will provide the required documentation that explains the number of voting members.

Action items

- Draft letter soliciting candidates for the open Board position and circulate it among Board members: Charlie Stolar
- Contact the LWV to formalize an agreement to manage this year's Board election: Charlie Stolar
- Molly to submit her written letter of resignation from the Board
- Refine timeline for the Board Elections process: Board
- Distribute documentation to clarify the number of Members who are eligible to vote: Diane Keep

7. Homeowner Survey Status: Molly Rothman

Presented draft of introduction and purpose of the survey. Board members critiqued the documents and discussed adding an addendum with definitions of key terms and references to include the MMS Vision Statement and the CC&Rs. Got estimates for producing double envelopes from the UCSB print shop for the mail-in surveys and discussed the possibility of using the League of Women Voters to conduct the survey. League can do survey on a time and materials basis.

Action items:

- Molly to revise documents, create an addendum and distribute to the Board for input.

More Mesa Shores HOA BOD 10-9-2018 Approved Meeting Minutes

8. Newsletter Finalization

Positive comments on the new format of the newsletter; provided content and grammar changes. Will distribute "Homeowners Contact Information Form" with the newsletter.

Action item: Complete newsletter and distribute to Association Members by email or mail; post on the HOA bulletin board: Diane Keep

9. Annual Disclosures

- a. Set Meeting Date: Annual Meeting Date is 1-24-2019 at 7:00pm. Try to hold it at the Goleta Union School District on Fairview Avenue. Requested audio-video equipment.
- b. 2019 Budget and Annual Reserves: Operation of the Association has gotten more time-consuming, expensive, and complex. Discussed the possibility of hiring a property manager and/or a bookkeeper to take over bookkeeping and accounting functions (See Item #4 Treasurer's Report). Should the Association also consider a land survey of Orchid Drive in 2019? Decided not to do a survey until required. Also discussed the Reserve Budget and the requirement to transfer \$30,825 from this year's operating funds to the reserve fund to stay on track. There is an assumption that the Reserves are built over time. Noted that welding is needed on the beach gate and that a portion of the beach stairwell needs to be resurfaced in 2019. Discussed the useful life of the seal coat on the roads: recommended it be increased to 4 years in the Reserve Study.
- c. Annual Assessment: Discussed increasing annual assessment due to increased costs related to landscaping, accounting/bookkeeping, insurance coverage including a Fidelity Bond, operating costs, inflation, and funding the Reserve account. Decided to increase the amount of the annual assessment.
- d. Annual Policy Statement 2019: Discussed whether charges for documents be added to the Annual Policy Statement; noted that the Board decided to charge \$300 for providing escrow documents and additional costs for specific supplies such as copying and postage, at the last meeting. Will add this to the Annual Policy Statement. Also discussed modifying the Debt Collection Policy to include late fees and interest on overdue assessments in 2019. Add insurance summaries to the Annual Policy Statement.

Action Items:

- Contact Goleta Union School District to reserve a meeting room: Molly Rothman
- Get estimate for Fidelity Bond: TBD
- Prepare the 2019 Annual Budget: Tom Condon
- Revise and distribute Annual Policy Statement for 2019 for BOD comment: Gail Johnson

10. Old Business

- a. Proposed CC&R Compliance, Due Process, & Enforcement Policy

Diane distributed the modified policy proposal. Question of whether to add monetary penalties for collection of overdue annual assessments was discussed. Diane stated there is a reason why the Annual Assessments' late fees/penalties not be included in this policy; however, it can be added to the Debt Collection Policy. Recommended the addition of a definition of terms section and references to the CC&Rs be included, whenever applicable. Each section of Schedule of Monetary Penalties also needs specific examples.

More Mesa Shores HOA BOD 10-9-2018 Approved Meeting Minutes

- b. HOA Gardener: Patricia Feingold to approve gardener's invoices before they are paid. Also discussed the requirement for a business license, liability insurance, etc.

Action Items:

- Send "Proposed CC&R Compliance, Due Process, & Enforcement Policy" Word document to BOD for comment and revisions: Diane Keep
- Review draft and return policy revisions to Diane before the next BOD meeting: Entire Board
- Determine if gardener has business license and liability insurance: Diane Keep and Gail Johnson

11. New Business: None

12. Schedule next meeting and adjourn

Next meeting is scheduled for 11-14-2018 at 7:00pm at Tom Condon's house.
Meeting adjourned 10:18pm.

Submitted by G. Johnson

More Mesa Shores HOA BOD 10-9-2018 Approved Meeting Minutes