

More Mesa Shores HOA BOD Approved 11-14-2018 Meeting Minutes

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

Guests: Christy Holtz and Karen Novak

1. Call to order and approve October 9th BOD Meeting Minutes & September 22 Special Meeting Minutes

Diane Keep called the meeting to order at 7:04pm with a quorum of Board members present. Charlie Stolar arrived to the meeting at 7:30pm.

Proposed 10-9-2018 Meeting Minutes were unanimously approved with corrections. Diane Keep moved to approve the minutes and Molly Rothman seconded.

Proposed 9-22-2018 Special Meeting Minutes were approved with corrections. Tom Condon, Gail Johnson, and Molly Rothman were the Board members present at this meeting. Tom Condon moved to approve the minutes and Molly Rothman seconded.

2. Open Forum – No speakers; letter from Sandra Austin was read out loud during the open forum and discussed by the Board.

Sandra requested information regarding Board attorney contact and attorney costs to achieve the Road Widening Agreement for Austin Road East. Board will provide copies of invoices at the end of the year, when all invoices have been received by the Association.

Action item: Tom Condon to respond to Sandra's request.

3. Karen Novak Introduction

Diane introduced Karen Novak. Karen expressed interest in the upcoming open Board position being vacated by Molly Rothman; stated she volunteers for the HOA and restocks the Doggie Bag containers. Described her history and connection with Santa Barbara. Said she enjoys living in More Mesa Shores. Has prior Board experience and established a YMCA in a small town. Board thanked Karen for her interest.

4. Treasurer's Report

Handed out 11-12-2018 Profit and Loss and Balance Sheet financial statements; expecting legal fees to increase. Accounts Receivable: Received partial Annual Assessment payment from 5292 Louisiana Place property owner; 1140 Orchid Drive Annual Assessment remains unpaid.

Bank balances:

Checking (Operations) Account: \$49,965.71

Reserve Account: \$67,542.54

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5. Team HOA Accounting Outsourcing – Tom Condon

Contacted two businesses: First is not the right fit because the service model is more than what is needed by the Association; the second, Team HOA, provides complete HOA services; also provides accounting/bookkeeping services, only. Current MMSHOA accountant does not provide accounting/bookkeeping services. Talked to Team HOA owner: Serves HOA clients exclusively and has a lengthy list of clients.

Charges are reasonable: 2000/year for bookkeeping/accounting services, set up fees, and tax return preparation. Authorization for invoice payments is done electronically and requires Board approval. Board will do reference checks and understand logistics/workflows for processing accounting transactions between the MMSHOA Treasurer and Team HOA, clarify possible additional charges for adhoc services, and understand Team HOA's business continuity practices (e.g. database backup and recovery processes, software upgrades, and protections for MMS should Team HOA go out of business).

Action Item: Board members to send list of questions to Tom within the next 5 days. Tom to coordinate further discussion with Team HOA after he receives questions from the Board and report back at the next BOD meeting.

6. Secretary's Report - Gail Johnson

Posted Approved 9-11-2018 Open Board Meeting Minutes and Approved 9-13-2018 and 9-15-2018 Emergency Meeting Minutes on the More Mesa Shores website. Distributed the Proposed 9-22-2018 Special BOD Meeting Minutes to Christy Holz and Donald Goodman per their requests. Prepared Draft Proposed 10-9-2018 Open Board Meeting Minutes and distributed to the BOD for edits/corrections and to Christy Holz, per her request.

Hosted BOD Executive Meeting with Association attorney, Steve Wiley, on 10/15/2018, to discuss changes to the Austin Road East Road Widening Agreement on East Austin Road. Circulated revised Agreement, modified by Steve Wiley based on the meeting discussion, with all Board members, with the exception of Diane Keep, who is was in recusal. Prepared Executive Meeting minutes and distributed to BOD for correction.

Mailed signed Road Widening Agreement to Steve Wiley.

7. Small Claims Court Filing & Status – Gail Johnson

Molly Rothman and Gail Johnson prepared Small Claims Court documents for 5292 Louisiana Place and 1140 Orchid Drive property owners who have not paid their 2018 Annual Assessments (See Treasurer's Report, item #4). Delivered documents and paid court filing fees to the Santa Barbara Small Claims Court Office and to the Santa Barbara County Sheriff. The Small Claims Court Hearing is scheduled for Dec. 19, 2018. Subsequent to the Sheriff serving court documents to 5292 Louisiana Place, property owner made a payment towards his assessment; outstanding balance will be paid in Dec. 2018. The Sheriff was unsuccessful in serving 1140 Orchid Drive property owner.

Board discussed next steps for both individuals and decided to hire a private process server and make a 2nd attempt to serve the Small Claims Court documents to 1140 Orchid Drive property owner; decided to send email

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to 5292 Louisiana Place property owner requesting his final payment by Dec. 7, 2018, so the Small Claims Court case can be removed from the docket.

Action item: Molly Rothman will research private process servers and coordinate paperwork to do a 2nd service of the Court documents to the delinquent property owner. Gail Johnson to email 5292 Louisiana Place property owner and request his final payment by Dec. 7, 2018. Gail to attend Small Claims Court on Dec. 19, 2018, if Annual Assessments remain unpaid and Court documents have been served.

8. Election Notice, Timeline, Volunteers, LWV Actions – Charlie

Notice of 2019 Board Member Election sent to HOA by Molly Rothman and Gail Johnson.

Charlie drafted letter to Irene Stone, League of Women Voters (LWV), to confirm usage of their services for 2019 Board Election; circulated draft document for comment.

Discussed costs for LWV to manage 2019 Board Election: ~\$500 for managing the Board election.

Board generally agreed this is a cost-effective and objective way to handle Board elections. Provides credible election services and supports Board efforts to use affordable third-party services.

Action Items:

- a. Prepare and sign final letter to the LWV for 2019 HOA BOD Election Services - Diane Keep
- b. Coordinate next steps with LWV to run the election- Charlie Stolar

9. Homeowners Survey Status – Molly

Handed out modified survey documents and addendum that includes CC&R references. Explained changes made to the survey; Board discussed revisions.

Discussed how to handle distribution of the survey and decided to go forward in 2019 due to Board workload required to prepare for the 2019 Annual Meeting. Will ask LWV if they provide services for processing HOA surveys and survey results.

10. Finalize All Annual Disclosures

A. Annual Policy Statement, Documents & Meeting Place

Reviewed modified Annual Policy Statement for 2019 and agreed on recommended changes to comply with Davis-Stirling. Discussed increased Annual Assessment amount and how to communicate increased amount.

Will be done in both the Annual Policy Statement and the Reserve Study. Annual Meeting will be held on January 24, 2019 at the Goleta Library.

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B. 2019 Budget – Tom

Reviewed 2018 year-to-date expenses. Discussed new and increased expenses for 2018 and 2019. 2019 expenses will increase because of possible expenses for outsourcing HOA accounting services, Board election services, and inflation. Will also move income from this year's balance to the Reserve Account, as required by Davis-Stirling. Discussed whether there is a need for two different budgets: Reserve Account Budget and 2019 Pro Forma Operational Budget.

Also discussed whether the More Mesa Shores (MMS) gardeners have the proper workers compensation and liability insurances and whether self-employed gardeners need to carry these types of insurance. Self-employed vendors do not need to have workers compensation insurance but do need to have an exemption certificate. Board wants copies of both the business license and insurance exemption certificate(s).

Action Items:

- a. Research format and content of HOA Pro Forma Budgets – Tom Condon
- b. Prepare 2019 Pro Forma Budget – Tom Condon
- c. Ask gardeners for a copy of their business license and insurance exemption certificate confirming that workers compensation insurance is not required – Diane Keep
- d. Contact Holmes and Holmes Insurance to obtain quotes for workers compensation insurance and a Fidelity Bond – Gail Johnson

C. Reserve Study & 2019 Annual Assessment – Diane Keep

Discussed how much money to transfer to Reserves. Need to retain at least \$10K in the operating budget in 2019. Also discussed Reserve Study. Diane will wait until Tom is done with the 2019 Pro Forma Budget and then prepare the Reserve Study, needed for the Annual Disclosures.

11. Old Business

- A. CC&R Compliance, Due Process, & Enforcement: Board members did not have time to review the updated draft policy. Tabled until next meeting.

Action Item: Individual Board members to review draft document and send comments to Diane Keep no later than 12/3/2018.

- B. HOA Gardener – license, insurance – Covered in discussion on 2019 Budget (See Item 10.B)

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- D. Goodman Austin Road Widening Agreement Status: Gail reported that the Road Widening Agreement was signed by Donald Goodman and Molly Rothman, representing the HOA. Will upload the signed agreement before the next BOD Meeting.
- E. Collection of 2018 Past Due Assessments – Covered in discussion on Small Claims Filing and Status (See item 7).
- F. Update Debt Collection Policy to include late fees plus Interest: Diane to modify policy to include language from Section 7.07 of the CC&Rs for late fees and interest.

12. New Business

- A. Discuss Adding Workers Compensation to the HOA Policy – See 2019 Budget Discussion (Item 10.B)
- B. Beach Access Maintenance Items – Plan on welding and drainage and resurfacing of the Beach stairwell in 2019. Use same amount as in the 2018 Budget. Tom to include this in the 2019 Pro Forma Budget.
- C. Discuss replacement of Board Position being vacated by Molly Rothman – Decided to announce this opening to HOA Members in a dedicated communication. Molly will stay on until appropriate person is found. Discussed document describing job duties of the Vice President and the importance of computer skills and experience in common computer applications; discussed operational job duties to be done between meetings.

Action Item: Diane to prepare job description for the position and Gail to email announcement to the entire Association.

13. Schedule next meeting and adjourn meeting

Next meeting is scheduled for Dec. 13, 2018, at 7:00pm at Charlie Stolar's house.

Submitted by G. Johnson