

**Casa Real Homeowners' Association
Annual Board of Directors Meeting Minutes
Tuesday, January 17, 2023 at 5:30 p.m.
Zoom Virtual Meeting**

Present:

Board:		Staff:	
X	Diana Fennie , President	X	Susan Bacis , Pinehurst Manager
X	Judy Skog , Vice President		
X	Pamela Correll , Treasurer		
A	June Holmes , Secretary		Independent Contractor
X	Tyler Ford , Member at Large	X	Joan Groom , Meeting Minutes

Owners:	
Jerrold Borchardt, Lot 112	Dennis Richards, Lot 89
Joyce Primavera, Lot 154	Patrick Fennie, Lot 84
Margo Friedman, Lot 50	Elaine Hoyne, Lot 166
Jeanette Huey, Lot 88	Shari Huffman, Lot 152
Diane Knowlton, Lot 108	Rebecca MacDonald, Lot 116
Rosalie Mercer, Lot 123	Douglas Vaughan, Lot 75

I. Call to Order and Welcome

A quorum was established and the meeting was called to order at 5:30 p.m.

II. Introduction of Board of Directors (*Diana Fennie*)

Diana welcomed everyone and introduced herself as President, Judy Skog as Vice President, Pam Correll as Treasurer, and Tyler Ford as Member. Secretary June Holmes was not present. Diana also introduced Susan Bacis as Property Manager and Joan Groom as minutes taker.

III. Review and Approval of Minutes of January 2022 Annual Meeting

The January 2022 Annual Meeting Minutes were approved by members as amended.

Section 7 – Fennie is misspelled in questions section.

IV. State of the Association

- President Diana Fennie summarized what Board has been doing.
 - This current Board came together in May, except for Tyler who joined the Board in July, and Susan Bacis became our Property Manager in May as well.
 - The first thing we did was conduct a workshop to be sure we knew what our roles and responsibilities were as a Board. It became evident we needed to establish the roles and responsibilities of the Board, of Pinehurst Properties, of Susan, of the officers. And we wanted to be sure we understood our governing documents. We realized there were some areas in which the HOA was not in compliance and wanted to quickly correct that. So we attended a

two-session training for Board members only with Maxwell Morgan Law Firm who clarified our roles.

- In the middle of that there was a Supreme Court ruling that changed the way HOAs are allowed to enforce CC&Rs and Rules & Regulations. Under the new ruling, HOAs can only go by what is already covered in the CC&Rs and are not allowed to add Rules & Regulations not already addressed in the CC&Rs. So we had to determine what we could legally enforce. We found they don't give us oversight over some areas we thought they did. So we had to revise the Rules and Regulations and submitted them to our HOA attorney to review. He redlined pretty much everything.
- We also found our current Rules and Regulations conflicted with some Federal or City Laws, which are ever changing, and we need to be sure we are in compliance with those as well. We spent many hours getting the Rules and Regulations down to what we are legally able to enforce.
- We also discussed communicating amongst ourselves and with Susan. We decided everyone on the Board would know what was going on. We don't communicate back and forth in emails as that is not allowed. So most of our communication is in our meetings.
- We launched the website, which Tyler set up for us, and which helps reduce costs. We are putting the governing documents there as well as meeting agendas, and the meeting minutes within a week to ten days after the meeting in draft form because we want owners to know what is going on.
- We had two workshops about the 2023 budget and prioritizing projects. The other huge project was landscaping.
- Pam Correll presented Landscape Report.
 - Our landscaping service changed mid-year from Cherry Landscaping to Sonoran Shade Tree. The Board made the decision to change services when it was determined the level of service Cherry Landscape provided was not up to expectations of contract.
 - Sonoran Shade Tree was hired at the beginning of September to thoroughly trim, clean up debris, blow out the entire neighborhood and trim all trees along Pantano, and consequently became our contractual landscaping service.
 - The Board will vote next month to renew Soronan Shade Trees' contract for 2023. In addition to weekly trimming, the contract includes clean up and blowing out of sidewalks and driveways, spraying pre-emergent twice a year, spot spraying stray weeds, maintenance of all side alleys and removal of all stray tree seedlings.
 - All palm trees were trimmed by a different landscaping company specializing in palm tree trimming.
 - The encroaching overgrown trees and shrubs in the back alleys are being trimmed by Top Notch Tree Trimming service, which should have begun today.
 - The "no trim" list has been updated.
 - A large pine tree between a wall and a home has been removed as it was encroaching on the homeowner's patio wall.

- The Board decided several years ago to discontinue the use of Glyphosate (Roundup) in the community as weed control. Sonoran Shade Tree will be using an alternate product called Diquat and will only be spot spraying weeds, not blanket spraying the product everywhere.
- Pam also presented the Painting Report
 - To date, painting of the units has been completed on both sides of Hawthorne and the north side of Rosewood up to and including Lot 80. The entrance wall was painted on both sides from Hawthorne to Rosewood. The Clubhouse and pool walls were painted at the Hawthorne Pool, and the light posts were also painted.
 - We have two painting bids to consider for 2023.
 - Due to budget considerations, the Board has elected to paint one side of each street per year beginning in 2023. We will finish the south side of Rosewood, Lots 81 through 93, start date TBD.
- Judy Skog presented the Pool and Tennis Court Reports
 - In 2022, the Colette pool was resurfaced with a new pebble tec application.
 - The Colette pool heater was repaired and the railing sleeves were replaced.
 - Money has been allotted in the 2023 budget to purchase patio furniture for both pools.
 - The roofs for both pools have been inspected and are in great shape. Susan Bacis mentioned the inspector was very complimentary of our pools.
 - We will make decisions on the tennis courts this year.
 - Judy thanked the volunteers who monitor the pools and tennis courts, alerting the Board of any issues.
- Tyler Ford presented a General Maintenance Report
 - We discovered some sidewalks were beginning to buckle and got some bids that were extremely high. Tyler went to Home Depot and found he could rent the machine used for the sidewalk repairs for \$189 a day. We have since discovered that the City has an ordinance stating homeowners are responsible for the sidewalks, but the City will reimburse some cost of labor for repairs. The HOA has no responsibility for sidewalks.
 - We are under termite contract for the pool areas and had them inspected per the contract warranty.
 - Many of the light poles are starting to rust out at the bottom and fall over, so we budgeted \$300 each for 10 new light poles, plus \$300 for the labor.
- Diana mentioned there was considerable discussion on insurance coverage as we didn't realize the extent of our coverage. We determined we didn't need to make any changes to our coverage. An email was sent to homeowners explaining our findings and hopefully you are checking with your insurance companies to determine if you need to make changes in your coverage. If you have any questions, you can email Susan.
- Diana and Susan explained the Homeless Encampment Situation

- This continues to be a challenge and citywide issue. We determined we don't have the funds in our budget to manage patrolling, security, etc. We do have resources although they are not as timely as we would want. If you see an encampment and feel unsafe, you can call the police and let Susan know so she can contact the City. We are going to use drone photos and video to patrol the area, especially the common area behind us, so we can stay on top of it every day without putting anyone at risk.
- Susan reported the City has been working on the issue. Please let Susan know if you see an encampment. With the drone, we can take photos of the location and send to the City, they acknowledge receipt and let Susan know when they will deal with it. The first photo she sent was a small encampment, but the City took care of it within 2 weeks. She has sent two more photos and today received acknowledgment the City will send someone out to assess it. We are constantly working on the situation.
- Diana mentioned with the "No Trespassing" signs up in those areas, the police can cite the trespassers. Our main priority is to be sure everyone is safe.

V. 2022 Financial Report (*Pam Correll*)

- Through December 31, 2022:

Income YTD	\$203,371.69
Expenses YTD	\$158,475.18
Administration	\$68,230.92
Maintenance	\$73,560.76
Utilities	\$16,117.88
Net Income YTD	\$ 44,896.53
Reserve Expenses YTD	\$ 69,545.00
Operating Account	\$ 18,823.62
Reserve Acct Pacific Premiere	\$ 70,545.96
CD CIT (06/08/24)	\$ 17,577.28
CD CIT (4/19/23)	\$ 17,949.25
Total Assets	\$174,758.06

We are currently owed \$3591.41 in dues, but \$2,325.71 of that is at the attorney for collection. So we are looking to collect only \$1265.70, and that is good considering the size of our community.

VI. 2023 Approved Budget (*Diana Fennie*)

- 2023 Budget

Diana reported this was a collective project of all Board members and Susan reviewing previous budgets and seeing where we needed to go. We created a budget by going over every line item individually and then determined if we had enough money to cover everything. We are comfortable we can accomplish everything without raising the dues as long as we stick to the budget. The only Capital expenses are for painting and durable pool furniture that will last.

There was a lot of discussion regarding landscaping. We walked the back areas and identified areas where vegetation was encroaching on owners' property.

2023 Budget

Income	\$198,840.00
Expenses	\$149,383.79
Reserve Contributions	\$ 45,000.00
Net Income	\$ 4,456.21
Capital Expenses	\$ 46,000.00
Unit painting	\$ 40,000.00
Collette pool furniture	\$ 3,000.00
Hawthorne pool furniture	\$ 3,000.00

VII. Questions/Comments from Association Members

- Jeanette asked about the strip between Fry's and the HOA. Diana reported that strip is not owned by HOA or Fry's. We contacted the City and they said they would take out the oleanders and put up a fence, which has not yet happened.
- Diane Knowlton asked whose properties the oleanders are on. Diana responded we hadn't explored that. Susan said the whole strip is like an enigma. She has sat through numerous meetings about it. Diane also asked if we were doing pre-emergent again and Pam said yes. Diane asked who maintains the trees along Pantano, which the HOA planted, and Pam replied the landscapers maintain that area.
- Doug requested the Board consider a "lessons learned" document so there is a history of what's going on, how contracts were formulated, how past issues were dealt with, etc. Diana will add it to the February meeting agenda.
- Margo asked for clarification on what can and can't be added to yards, referencing a violation notice she received. Susan said the violation notice should reference the CC&R rule and will check it.
- Doug asked if all homeowners have to vote on CC&Rs. Susan said it varied HOA to HOA and the Legislative Action Committee worked for years to find a more practical way to change CC&Rs, but then a new case changed everything, and it now requires 100% approval of members to make CC&R changes. Diana interjected presumably that will change, but it is the rule right now. He also asked for protocol for the drone. Diana replied it was just set up last week and we plan to fly it every day. Tyler said no license is required as it flies low and we are not going to put any videos on public media.
- Diane K inquired about the relationship between CC&Rs and Rules & Regulations. Diana responded Rules & Regulations are required to comply with the CC&Rs. Diane then inquired about Policies and Procedures, which Diana said can be changed and updated.

VIII. Announcement of Election Results

Judy Skog was re-elected to the Board

IX. Closing Remarks

Diana thanked the Board and Susan for working so well together and tirelessly on behalf of the HOA. The Board meetings are held the 3rd Tuesday of the month.

X. Adjournment

- **There being no further items of business, the Board adjourned the meeting at 6:25 p.m.**