

**Holiday Estates Maintenance Association
Board of Directors Meeting
October 18, 2007**

Board Members

John Milner	President
Eva Schaffer	Vice President (absent)
Tessy Albin	Treasurer (absent)
Nancy Schultz	Secretary (absent)
Sandor Drobilisch	Director/Marina/Roads and Ditches
Harris Hall	Director/Architectural Committee
David Frazer	Director/Annexation and Sewer Committee
Frank Blenn	Director/Beautification Committee (absent)

Others Present

Tim Dillon	Access Association Services, Inc.
Five	Homeowners

Item I Call to Order

John Milner, Board President, called the meeting to order at 7:05 p.m.

Item II Agenda Review

Following additions to the agenda were made to the Open Forum:

- Retaining wall on Butterfly Lane;
- Chain link fence on Holiday Drive;
- Annual meeting preparation;

- A. John Milner announced to the Board and members present that two Board members questioned the authority of tonight's meeting. The 2 members claimed that the meeting notice was not posted properly and although the Association posted the notice on the website with 14 days notice, the sign posting on the common area bulletin board did not give enough notice per civil code.

John stated that he would like to review the items that require a vote of the Board during this meeting and convene a second Board meeting on Tuesday, October 23, 2007 in order to vote on the required items on the agenda.

- B. The Revolving Door/Ethics Policy – John Milner presented a proposed ethics policy suggesting that the Board of Directors should agree to implement a reasonable policy that would require Board members to adhere to specific guidelines. John also commented that legal counsel for the Association, Jeffrey Barnett, had reviewed the policy and endorsed having such a policy.

The policy presented was drafted from Santa Clara County Municipal Code with minor changes specifically geared to the Holiday Estates Maintenance Association. Further, once approved by the Board, the policy would be sent to the membership for review and comment and adopted within the next 30 days at a board meeting. After a lengthy discussion from all the Board members, the homeowners in attendance were given an opportunity to provide input to the Board of Directors, and the policy was formulated for approval at the October 23, 2007 Meeting.

Item III Open Forum

- A. Gregg Potter provided documentation on a dogipot pet station that was purchased by a homeowner who wishes to donate it to the Committee and will maintain the pet station for one year; at which time the Association would be expected to take over maintenance.
- B. Suggestions for a Candidate Night before the annual meeting for homeowners to interview and discuss issues with Candidates.
- C. Request to put more information in the newsletters in regards to the elections; issues on speeding; and the installation of speed bumps.

Item IV Consent Agenda

- A. Minutes of the July 19, 2007 Board of Directors meeting were tabled pending approval at the next Board of Directors meeting.
- B. Correspondence and Work Order Summary's tentatively approved as submitted.

Item V Committee Reports

Financial Report – Tessa Albin

- A. Tessa reviewed the financial summary for the period ending August 31, and September 30, 2007 and commented on the open space funds showing a negative balance in the investment account. Management will investigate with the CPA.
- B. Tessa presented a question regarding reconciliation of the investment accounts with UBS being charged to the Association. Management commented that by contract, the investment accounts were not included in the monthly services and due to the degree of difficulty with the three separate investment accounts, that the charges are being invoiced to the Association for the first time in five years.
- C. 2008 Budget Proforma – Tessa submitted a budget proforma for 2008 suggesting an increase of approximately 2%, which would increase the Associations annual assessment to \$500.00 per unit per year.

John Milner presented a budget proforma showing a proposed increase in the annual assessment of 20%, which would make the dues \$590.00 per unit per year. John stated that the budget proforma presented by Tessa, would leave the Association critically low on funds by 2009. John provided data showing that the drastic rise in oil prices over the past few years has left the reserves under funded, and that a meaningful increase is needed to properly fund the road repairs. John stated that he is open to other suggestions on increases, but urged the Board to carefully look at the data before making a decision. Dave Frazer stated that he fully supports the increase in order to get ahead of the problem.

The various committee members also requested the following additions to the 2008 budget:

- Dave Frazer requested a \$1,000.00 budget to prevent parking on the marina;
- Dave also suggested an allocation of \$20,000.00 for speed bumps and \$30,000.00 for tree pruning and road clearance. John Milner pointed out that \$25,000 per year is already allocated under reserves for tree maintenance.

Architectural Report – Harris Hall

- A. The Board of Directors briefly reviewed the status of two architectural violations; specifically the retaining wall installed on Butterfly Lane and the chain link fence installed on Holiday Drive.
- B. Architectural Committee is to review and update the architectural guidelines.
- C. Management was directed to have the County "red tag" the home on Butterfly Lane with the retaining wall installation.
- D. Architectural Committee to review guidelines on boat, RV and truck storage on the individual lots.

Beautification – Frank Blenn

- A. No report given.

Roads and Ditches – Sandor Drobilisch

- A. Sandor reported that Jose Gamino completed the first ditch cleaning; however, the specifications were understated by approximately 15%. Sandor is therefore requesting that the Board allow for an increase in the ditch cleaning contract of 15%, bringing the total from \$725.00 per month to \$835.00 per month.

Communication Committee – Nancy Schultz

- A. Newsletter – Nancy reported that the fall and winter newsletter has been completed, however, with the upcoming annual meeting; a notification to the membership must be submitted within 15 days of the election so committee members are asked to submit newsletter items for the year- end newsletter.
- B. Management requested that the annual financial review be included in this mail out as well as the ethics policy.

Sewer and Annexation – David Frazer

Dave reported that the city is still working on the report; however, it should be available within the next few weeks.

Item VI Other Business

- A. Legal Opinion – Prescriptive Easement – a brief review of the legal opinion of prescriptive easement from Associations attorney, Jeffrey Barnett was reviewed. The Board agreed with Jeff's suggestions and will vote at the next meeting.
- B. Tree bids for road clearance and dead tree removals – proposals from Lewis Tree Service at \$27,500.00; Tree Teck at \$25,650.00 and TruGreen at \$28,000 were reviewed. After a brief discussion on allocating the funds from operating or reserves, it was determined that the reserve study allocates approximately \$23,000 annually for tree removal and pruning. The Board agreed that this item will be decided at the October 23, 2007 meeting.

Item VII Next Meeting Date

The next Board of Directors meeting will be Tuesday, October 23, 2007 at 7:00 p.m. at Access Association Services.

Item VIII Adjournment

There being no further business before the Board, the meeting adjourned at 9:25 p.m.