

**Holiday Estates Maintenance Association
Board of Directors Meeting
September 18, 2008
DRAFT**

Board Members

John Milner	President
David Frazer	Vice President
Gregg Potter	Secretary
Tessy Albin	Treasurer
Sandor Drobilisch	Director
Harris Hall	Director (absent)
Jess Macias	Director
David Stoltz	Director

Others Present

Tim Dillon Access Association Services, Inc.
Six Homeowners

Item I Call to Order

The board of directors meeting was called to order at 7:03 p.m. by President John Milner.

Item II Agenda Review

There were no changes to the current agenda.

Item III Open Forum

One of the homeowners present informed the board that his neighbor was very upset regarding the private property that borders Holiday Estates in that the property owner is installing a large cyclone fence on the property line that now impacts the neighbor's view. A brief discussion ensued regarding the location of the property. Dave Frazer agreed to search for the owner of record on the lot and to provide the information to the board.

Item IV Consent Agenda

Motion made, seconded and carried to approve the consent agenda as follows:

- A. Minutes of the July 24, 2008 Board of Directors meeting and Executive Session.
- B. Work Order Summary – David Stoltz requested that work order summaries formatting be changed so that the additional text is not cut off in the report format.

Item V Committee Reports

Financial Report – Tessy Albin

- Financial Report for Period Ending July 31, 2008 – Tessy reported on the financial status of the association for the period ending July 31, 2008 and requested that formulas be added to the QuickBooks program in order to calculate the variance column on the individual month report. Management commented that prior budgets had been amortized over 12 months; however, the current treasurer had requested several items on the budget be annualized and only be shown during the months the expenses were paid, such as insurance. This results in no budget amount being shown in the column and therefore, the lack of a variance. After a lengthy discussion on this matter, management will insert "zeros" in all of the blank fields on the current

budget to see if the posting of zeros will perform the necessary calculations required by the treasurer.

- 2009 Proforma Budget – Tessy Albin presented the proforma budget, suggesting a 10% increase in the dues for 2009 from \$590 per unit per year to \$650 per unit per year. The additional dues will be used to increase contributions to reserves and to reflect the trends of actual 2008 expenses.

Greg Potter proposed that the board of directors consider a smaller percentage increase, such as a 5% increase in the association dues, given the current state of the economy. David Stoltz concurred with Greg's comments and suggested that the board of directors consider reducing the 10% proposed increase. A motion was made, seconded and approved by a vote of five in favor of the 10% assessment and two opposed.

Architectural – Harris Hall

No formal architectural report was presented; however, the homeowner from 3395 Dunne Avenue was present requesting information on her architectural submission. Management commented that the committee had questions at the last board meeting; however, her remodel had been approved as submitted. Management will provide a copy of the architectural approval.

Roads & Ditches – Sandor Drobilisch

- Ditch Contract – Sandor commented on the clearing of the culvert on Shady Lane and submitted a proposal from Roddie Inc. to reline the existing drainage point with a new 10 inch plastic pipe at a proposed cost for this project in excess of \$18,000 and solicited an extended discussion from the board of directors. Sandor further commented that based on the storm in 2008 that produced significant flooding in one of the areas, that it would be prudent to consider clearing this pipeline prior to the 2009 storm season. A motion was made, seconded and unanimously approved to allocate the amount not to exceed \$18,000 for relining the Shady Lane culvert. Sandor is also going to obtain additional bids and will select the most cost effective contractor for the job.
- Asphalt Repair and Seal – Sandor additionally reported that Graham Contractors will be resurfacing the areas on Manzanita, Whipporwill, Lava Rock and Oak Court, where the chip seal had failed due to an improper chemical application. The work is scheduled for September 28th and should proceed without interruption of traffic.

Communication – Gregg Potter

Gregg suggested that a Summer/Fall newsletter be produced and that contributors provide information to Gregg prior to the Monday, September 22nd deadline in order to include the mail out of the Nomination Form for the November annual meeting.

Beautification

No committee report was given.

Sewer & Annexation – Carl McCaw & John Chappell

Carl McCaw was present to discuss his concerns regarding lack of activity in the Sewer & Annexation Committee, specifically stating that there has been no progress since the last meeting on July 23rd.

Carl also commented that several attempts to reach his contact with the City of Morgan Hill have gone unanswered and is now suggesting that the board publish the full letter that was submitted by the City of Morgan Hill at the July 23rd meeting. Communications Committee Chairperson Gregg Potter reported that the Holiday Estates and Yahoo web group both have the letter posted. President John Milner suggested that the letter be included with the newsletter; however, John suggested that perhaps a summary of the correspondence could be presented to the homeowners rather than the three to five page letter that is currently on the web site.

Item VI Other Business

- A. Blanket Authorization To Record Notice of Default – Management provided 23 past due accounts that will be sent to Allied Trustee Service for nonpayment of the current assessment. Further, it was noted that the 23 lots in question are creating a deficit of \$13,000 in the association's income for the current year. There are approximately four other lots that have been turned over to collections and are in various stages of foreclosure. Motion made, seconded and unanimously approved to proceed.
- B. 2009 Reserve Study – A lengthy discussion ensued regarding the reserve study for 2009 as submitted by Beatty & Company. It was noted that the current reserve study is suggesting that the association's reserves are currently funded by approximately 80% and are suggesting a reduction in the reserve funding to be set aside for 2009. A lengthy discussion ensued regarding the individual line items on the reserve study and based on the proposed work on culverts and drainage, along with ongoing road repairs, the board unanimously suggested that the reserve contribution be increased to assist in funding for the roads and anticipated drainage projects. Management will notify Beatty & Company to make the corrections on the reserve study to be included with the budget mail out.
- C. 2009 Management Contract – Tim Dillon presented the management contract for 2009 with no increase in the management fee for 2009. A brief discussion ensued and a motion was made, seconded and unanimously approved to accept the management contract for 2009 as submitted.
- D. 2008 Financial Audit – Tessy Albin gave a brief overview of the 2007 financial audit submitted by Allen & Cook. After a brief discussion, a motion was made, seconded and unanimously approved to accept the audit as presented.
- E. Main Entry Landscape Upgrade Bid – Management provided a proposal from Donald's Gardening regarding installation of deer resistant plants for the main entry at a total cost of \$458. The board of directors discussed improvements for this area and suggested that a plan be developed to carefully select the plants and to solicit input from the various committees and homeowners. Motion made, seconded and approved to table the entry upgrades indefinitely.
- F. Nomination Form – Management reviewed the nomination form that will be mailed with the association newsletter.

Item VII Next Meeting Date

The next meeting of the Board will be the Annual Meeting on November 20, 2008 at Ramada Inn at 7:00 PM.

Item VIII Adjournment

There being no further business before the board of directors, the meeting adjourned at 8:52 p.m. to Executive Session to approve an Authorization to Publish Notice of Trustee's Sale on a delinquent account.