

Sunset Place Association of Carlsbad
Annual General Meeting (AGM) Meeting Minutes
January 22, 2015

1. The meeting was called to order by Richard Duffey at 18:40 hours. He was glad to be able to report that the meeting officially had a quorum, needing at least 71 members present and/or to have provided a proxy vote to be counted in their absence. The combined count totaled 76 attendees and proxies for absent members.
2. Richard, as outgoing President, introduced the other outgoing board members: Phil Grice, Secretary; John O'Brien, Landscaping Chairperson; Julie Thomas, Architectural Committee Chairperson and Archie Thornton, Finance Committee Chairperson.
3. Richard asked Phil to read the minutes from the previous AGM held in January 2014. After the minutes were read John Daroche made a motion they be approved. The motion was seconded by Julie Thomas. Both John and Julie were board members from the outgoing board at the time these minutes were taken. The motion passed unanimously.
4. Richard moved up the election of new board members on the agenda to allow those members to participate that may have wanted to leave before the meeting ended. Phil Grice and Julie Thomas were the only active board members running for another term. Richard asked the new candidates on the ballot to stand and introduce themselves. The new candidates were Micheaux Hall, Fred Stickel, Bill Mann, who was not present and Patrick Quinlin. A report was made from the floor that Bill Mann had withdrawn from the election. Richard thanked the reporter but stated votes for Bill would still be counted as the report had to be considered hearsay in Bill's absence.
5. While the votes were counted and sorted between the prospective candidates Richard asked Archie to give a short perspective on the outgoing board's accomplishments. He reported the outgoing board began with four primary objectives.

First, to address the landscaping to bring the overall appearance back to that we all remember when we bought our homes some years ago.

Second, to update the Architectural Guidelines to bring them more in line with current design criteria, pointing out that Capri was designed nearly forty years ago and was now looking outdated when compared to newer developments.

Third, to address deteriorating infrastructure around the development, in particular the Capri monuments at the entrances to our streets but also considering things like more efficient irrigation equipment and the lights along Toby's Trail.

And fourth, to bring the HOA expenses down to balance with the HOA income.

Archie summarized the successes and failures as follows:

- 5a. After a very significant effort by both the Landscape Committee members and Western Gardens, the landscape contractor, there was both positive and negatives to be reported. Some areas had

seen improvement but others appeared much as they were at the start of the year. The board did replace the previously removed trees on Coastline, installed new sprinkler heads paid for by a grant from SDG&E that was won by Western Gardens for use at Capri, repaired and replaced many inoperative valves and established firm control on the watering by the maintenance crews.

Despite this the board felt there was still room for improvement and had decided to obtain competitive bids from alternative landscaping companies, specifically including Brickman Landscaping, another Carlsbad company with very high credentials. The board had insisted the Landscaping Committee prepare a detailed Scope of Work (SoW) to be used to evaluate all bidding contractors on an even basis. Archie recognised that this was done with much hard work by the amateur volunteer group. He also emphasized that they have created a valuable tool for continued oversight and measurement of the contractors performance as landscaping work is being done in the future.

5b. Archie reported that a well qualified consultant had been hired to review and update the Architectural Guidelines to include current design features that could be applied to Capri homes in the future. The consultant had taken a little longer than he had expected, including providing several basic drafts to board members, with the result the proposed updated Guidelines were just available that evening. Richard stated they will be put on the HOA website for review and comment by the general membership before the new board will decide if they are satisfactory or need further work.

5c. Archie also reported that he had been working with a sign company to look at a more “up to date” Capri monument signage with back lighting for nighttime visibility. He presented a graphic representation of the potential options the designer and Archie had developed. He showed three potential versions.

1) Just remove the dated glass blocks from the monuments and replace the severely deteriorated “wings” (the walls that stand to both sides of what is considered the current Capri monuments with cement block structure with stucco finish.

2) As in 1 above, plus install the steel and aluminum signs with back lighting for nighttime visibility.

3) this option is as above with the addition of a dry stone wall veneer to replace the stucco finish.

At this point, with Archie's projected costs displayed on his next screen image several members raised their voices from the floor wishing to make comments. Patrick Quinlin was recognized and he stated that he doubted that updating the monuments would add one dollar to the appraised value of his or anyone's home in the Capri tract. Another unrecognized voice expressed that they believed it was important to have the tract well identified and that they knew people that recognised where he lived when he told them the Capri development but they did not support the expense shown on the screen image. Member Carl Huenefeld II spoke against the membership being asked to accept the significant expense at a time when the HOA was already being asked to pay increased dues. He questioned the priority of said expense in the overall community expenses. A motion was raised from the floor by Clark Carlen to table further action on the monuments to be updated at this time. The motion was seconded. The motion passed with a clear majority by a show of hands.

6. At this point Richard announced that the new board had been elected. They are Phil Grice, Julie Thomas, Fred Stickel, Micheaux Hall and Patrick Quinlin. They will schedule a short meeting

within a few days to agree which elected person will fill each position. The membership will be notified following said meeting as to which new officer fills which vacant seat.

7. Richard then continued with a "State of the HOA" presentation covering the financial situation. He reported that the situation had been out of balance and remained as such despite efforts to curtail uncontrolled expenses.
 - 7a. A normally minor item that was consuming more money than had been budgeted was the higher repair costs experienced over the recent months. This was in part due to a significant effort by the Landscaping Committee and other volunteers to ensure the recently installed sprinkler heads were able to keep the plants healthy. Many areas had been found where they were incapable of delivering sufficient water so that vegetation had been dying. As a result of a lot of work by Nico Lioce and Fred Stickel it had been concluded that the contracted Landscape water manager had allowed the new parts to be installed without ensuring adequate coverage. Additionally, an inoperative valve had been discovered buried several feet down that needed replacing. This effort resulted in extra costs for irrigation hardware and in addition there had been an unusual amount of damage to the system that resulted in more unanticipated repair costs.
 - 7b. The more significant expenses were the water and landscaping costs. Together, Richard reported, they account for around 85% of all the HOA expenses. He pointed out that there is little that can be done to reduce the rate charged by the municipality for water and that they had just increased the rate by 5% effective January 1st. Clearly efforts will have to be made to reduce actual water usage by the HOA and for also for landscaping expenses. He hoped the efforts made by the outgoing Landscaping Committee on both counts will enable expense reductions in the future.
 - 7c. Richard asked that a motion be made that any excess membership income over expenses, collected or paid to the association for the year ended June 30, 2015, be applied against the operating fund deficit incurred in the prior year and that any remaining excess be applied against subsequent year membership assessments, as provided by IRS Ruling 70-604. The motion was raised by Archie and seconded by John O'Brien. The motion passed with a show of hands.
8. The incoming board agreed to meet at Fred Stickel's home the following Tuesday, January 27th, to determine which persons would occupy which positions.
9. There being no further items remaining the meeting was adjourned at 9.10 pm.

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<http://www.caprihoa.org>