

Capri / Sunset Place HOA Board Meeting

Annual Homeowners Meeting, January 28, 2016
Harding Center in Carlsbad

Board Members Present:

Fred Stickel
Micheaux Hall
Julie Thomas
Patrick Quillin
Courtney Krehbiel

The PowerPoint slide deck titled "Sunset Place Homeowners Association 2016 Annual Meeting, January 28, 2016" is hereby incorporated into the official minutes of the meeting. (Annual Meeting 2016 Presentation.PPTX)

Fred Stickel welcomed the assembled homeowners and called the meeting to order at 7:12 pm.

Fred announced to the assembly that at this time a homeowner has filed a legal complaint against the board and a board member. Our HOA lawyer has been notified and they will handle it appropriately. We have been given legal advice not to discuss this matter during the meeting. Therefore, we will not discuss this matter any further.

We have been told by several homeowners that we can't accept the ballots as stated. We will have to mail a secret ballot if we wish to pursue an amendment to the CC&Rs.

However, Fred stated we have a quorum of 90 assembled in the auditorium when adding in the proxy ballots, so we will be able to elect directors and conduct other business.

Fred introduced the current board members.

Fred presented a high level summary of activities and accomplishments of the 2015 board.

- Significant improvements to landscaping.
- Irrigation improvements and repairs yielding decreased expenses for water. (Rates going up however.)
- Review of potential new and existing management companies to provide increased management services to HOA.
- New HOA colors approved and should be available at Dunn Edwards and Capri website by mid-February.
- Modest improvements in community communications.
- Financial records scanned and on USB drive for future boards.
- Email voting on routine business improves responsiveness.

Julie Thomas briefly showed a new color board she had prepared. The official one will be available at Dunn Edwards and the Capri website shortly.

Fred presented a Capri fiscal year to date summary of income and major expense categories. Water and Landscape maintenance make up 83% of HOA expenses.

In light of the significant investment in landscaping, Micheaux presented significant landscaping activities during 2015.

New planting areas:

- 3 Trail Entries
- 4 Monuments
- 2 Areas of Toby's Trail
- Corner of Horizon and Coastline

- Portion of the slope on Horizon (by Hillside)
- Portion of upper slope on Hillside
- Portion of slope on Sunnyhill (by Hillside)

New plants were approved by the Capri Landscape Committee and selected due how well they would do on our slopes, they are drought tolerant, grow large in size, require low maintenance and some provide long lasting color that our homeowners requested.

New plants were spaced apart to give room for maximum growth and to make our planting budget go farther.

Thanks to the micro-managing of our irrigation system by Fred Stickel and Nico Lioce, we saved \$19,300 over the prior year's water expense and that includes a few rate hikes. (Comparing calendar year 2014 to 2015.)

The Landscape Chair does a site assessment with Brickman's Account Manager and Site Manager on a monthly basis. Brickman provides us a Quality Site Assessment Report (QSA) after each meeting summarizing status and upcoming landscaping activities to be performed.

The next landscape committee meeting will be on Tuesday, February 9th at 3:30. This will be a "walking meeting" so landscape projects/goals can be identified and prioritized for the upcoming year.

Approval of the 2015 Annual Homeowners Meeting Minutes. Members had been mailed a copy of the minutes. There was one change requested to correct the spelling of a homeowner's name. Richard Duffey made the motion to accept the minutes with that change. Frank Reed seconded. The motion passed unanimously.

The board seeks homeowner input on changing the dates for the board term while staying within the 12 month term in the bylaws.

- Board recommends change of Term from "January to December" to "March through end of March the following year".
- 12 Active Months per bylaws; one month handoff/advisory overlap with new board.
- Aligns better with fiscal year and budgeting.
- Moves election away from the Holiday Season.

There was a brief discussion and Q&A session about the change. There did not appear to be anyone with concerns about this change. A non-binding hand vote was taken. All the assembled homeowners unanimously supported the change.

The board also seeks homeowner input on the boards initiative to explore full service HOA services.

- Lindsay currently only providing accounting support.
- Rest of HOA duties fall on your board of directors.
 - Burnout / stuff doesn't get done due to overload
 - Resulting low participation in board
 - Lack of continuity
 - Lack of professional HOA service and support expertise
- Board has interviewed Lindsay and two other candidates for full HOA Service and Support.
- Board recommends proceeding with selection.

There was a lively discussion and Q&A session regarding the proposed change to full services. Among the issues noted were transparency and increased communication with the homeowners from the management company. It was pointed out that the board had prepared a Statement of Work, and each of the three bidders had responded to this SoW. A non-binding hand vote was taken. All the assembled homeowners supported the board's decision without opposition.

The board has asked for a vote of the Sunset Place Homeowners Association members to Change Article X, Section 4 from “75%” to “50% plus 1”. This change was recommended by several professional HOA management companies in order to facilitate a review of our dated Declarations.

- Why?
 - Existing CC&R’s were written in 1986, and are outdated and in some cases conflict with current standards and laws.
 - As our community has matured, it’s virtually impossible to pass a 75% hurdle.
 - Proposed amendment still requires approval by 71 homeowners for any CC&R changes; plenty of review and accountability.
 - An attainable hurdle would make it practical to conduct a legal review and potential updates and modernization of our CC&R’s.

This stirred a robust debate. Most people agreed that our CC&Rs were out of date, but pointed out that new laws and civil codes superseded any language in the CC&Rs, so it was not necessary to amend them. Quite a large majority still wanted to keep the 75% supermajority even while acknowledging this was a significant hurdle. Since we could not legally vote on this issue, Greg Vasilieff made a motion to table this issue. Micheaux Hall seconded, and motion to table the discussion passed unanimously. This did not pass, and based on feedback, the incoming board will drop this topic.

Patrick Quillin took the floor to discuss water usage. He proposed making homeowners adjoining common areas the responsibility to maintain the common area. This would reduce “HOA taxes”. This was not a popular idea since it undoubtedly would result in inconsistent levels of maintenance across our common area. Greg Vasilieff made a good recommendation to get a landscape architect involved in long range planning to reduce water consumption. He pointed out that many of his landscape clients have prepared a 10 or 20 year plan to phase in landscaping requiring reduced maintenance and water. He stated that spray irrigation may become forbidden at some point in the future. The board appreciated this constructive recommendation.

There are five candidates on the ballot to serve on the 2016 Board. Patrick Quillin and Fred Stickel have declined to run again. The candidates are:

- Micheaux Hall (Current Landscaping Head)
- Julieta Thomas (Current Architectural Head)
- Courtney Krehbiel (Current Member at Large)
- Nick Brunski
- Ilah Herndon
- There were no write-in candidates

Robert Kosse made a motion to elect the five candidates above for the 2016 board. Richard Duffey and Fred Hauth seconded. Based on a hand vote with assembled proxies, all five candidates for the board were unanimously approved and will form the 2016 board.

The incoming board agreed to meet at Courtney Krehbiel’s home the following Monday evening to determine which persons would occupy which positions and set dates for future board meetings.

Steve May made a motion that any amounts collected by or paid to the Association in excess of operating expenses for the year ended June 30, 2016 shall be applied against the operating fund deficit incurred in the prior year and any remaining excess will be applied against the subsequent year member assessments, as provided by IRS Revenue Ruling 70-604.

The motion was seconded Marie (need last name). The motion was passed by a clear majority hand vote of the assembled homeowners.

It was later pointed out by Robert Kosse this motion is unnecessary due to the way the Sunset Place HOA files its taxes.

The meeting was opened to other issues to be properly and respectfully brought before the board and the assembled homeowners.

Greg Vasiliieff brought up the Ekstrom v. Marquesa at Monarch Beach HOA lawsuit and ruling that stated that palm trees cannot be excluded from the height limit. This caused quite a commotion with many people talking at once and out of turn. Finally, Clark Carlen made a motion for the board to put forth a CCR amendment to exclude palm trees from the CCRs. This motion was seconded and passed by a show of hands.

There being no other business before the board, Micheaux Hall motioned for adjournment and the motion was seconded by Fred Stickel. The motion passed and the meeting was adjourned at 8:52pm.