

MARINA HILLS PLANNED COMMUNITY ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES
GENERAL SESSION – April 14, 2010

BOARD OF DIRECTORS PRESENT: Loretta Pierce
Chuck Johnston – left at 7:00 P.M.
Vito Ferrante
Jeff Taylor

BOARD OF DIRECTORS ABSENT: Jim Sabatello

MANAGEMENT REPRESENTATIVE: Kim Hockings
Keystone Pacific Property Management,
Inc.

ISSUES DISCUSSED IN THE APRIL 14, 2010 EXECUTIVE SESSION MEETING

The following items were discussed during the April 14, 2009 Executive Session meeting:

- A. Third party contract for insurance.
- B. Executive Session minutes from the March 10, 2010 meeting were approved.
- C. Delinquent accounts
- D. Homeowner fine reversal request
- E. Third party contract for legal counsel
- F. Legal issue
- G. Third party vendor contracts
- H. Held hearings

CALL TO ORDER

The General Session meeting of the Marina Hills Planned Community Association Board of Directors was called to order by Board President, Loretta Pierce at 6:05 P.M. at the Marina Hills Clubhouse, 31461 Parc Vista in Laguna Niguel, California.

LANDSCAPE REPORT

Amy Crapo from Villa Park Landscape was present and reported the following:

Maintenance Items:

- The slopes on Mykonos, Narbonne, Fleurance, Killini and Marina Hills Drive behind Mercato were detailed.
- The color throughout the property was replaced on April 5, 2010.
- The second area of the renovation program is in progress. They are working on area one along Marina Hills Drive.
- Turf areas were mowed lower and tree wells redefined along Marina Hills Drive.
- All the streets and sidewalks were cleaned.
- The middle island on Marina Hills Drive was cleaned.
- The honeysuckle on Valle Vista was trimmed and detailed.

Tree Trimming:

- There is a two week tree trimming schedule for work orders requesting tree trimming, and all requests are reviewed individually. Not all trees are due to be trimmed.
- The removal of all trees that were approved last month, due to their proximity to homes, is currently in process.
- Trees are only thinned and laced. The no tree topping policy is still in place so trees are not being topped.

Irrigation Items:

- All the irrigation is off until further notice due to the recent rain on Monday.
- The central system is working properly and communicating with all the satellite controllers on site. The system is also online and can be accessed remotely.
- One major leak was reported on the slope at the end of Killini.
- Vandalism was minor and was reported on slopes behind Chandon.

DELEGATE REPORTS

Harvey Holden, Monaco – Not present.

George Webster, Bel Fiore – Present. George Webster wanted to see what was slated to be done on the slope behind his house, as he was not home when Management and Villa Park Landscape stopped by his house during the April landscape drive. Management informed Mr. Webster that she would check her notes and get back to him.

Manny Piceno, Terracina – Not present.

Andrew Kienle, Vistara – Not present.

Larry Buss, Chandon – Not present.

Gaby Buscher, Amarante – Not present.

Dan Mulhern, Siena – Present. No report.

Carol Albert, Cabo Del Mar – Not present.

Morris Passwater, Encore – Present. Morris Passwater informed the Board that he does not want to take calls from homeowners in other districts and will only verify violations in Encore. Management said she understood and will tell homeowners that do not live in Encore to not call Mr. Passwater and contact another District Delegate.

Richard Butler, Palacio – Not present.

Hector Rodriguez, The Heights – Not present.

COMMITTEE REPORTS

- A. Landscape – No report.
- B. Architectural – No report.
- C. Tennis – No report.

OFFICER REPORTS

- A. President – No report.
- B. Vice President – No report.
- C. Treasurer – Jeff Taylor gave the following report:

STATEMENT OF INCOME AND EXPENSES

Income:

- \$194,973.00 Actual vs. \$198,025.00 Budget.

Expenses:

- o \$94,513.00 Actual vs. \$125,804.00 Budget.

Net Surplus:

- \$37,188.00, including Reserve Deposits of \$63,272.00.

BALANCE SHEET

Assets:

Current Assets:

- \$558,698.00, of which \$547,182.00 consists of Operating Cash.

Total Assets:

- \$3,101,078.00, of which \$2,536,457.00 consists of Reserve Assets

Liabilities:

Current Liabilities:

- \$116,549.00

Reserve Liabilities:

- \$2,536,457.00

Equity:

- \$404,124.00

Surplus:

- \$43,948.00

Total Equity:

- \$448,072.00

Total Liabilities, Reserves and Equity:

- \$3,101,078.00

The Association accounts are in balance.

The Association has adequate Current Assets to meet Current Liabilities, and Reserve Assets are at appropriate levels to fund Reserve Liabilities.

A note on Accounts Receivable, Collections and Bad Debt Expense:

At the request of the Board of Directors, Management prepared an analysis of the present Accounts Receivable, collection efforts and bad debt expense as part of an ongoing process to manage these items due to the present economic conditions. Following is a summary of that analysis:

A) Of the \$68,246.00 Accounts Receivable balance as of March 31, 2010, it is estimated that \$21,537.00 will potentially become uncollectible based on the inactive status of these accounts. This is approximately 32% of accounts receivable balance as of March 31, 2010.

B) Assuming Marina Hills experiences the same trend or pattern the remainder of the year; this could add an additional \$74,772.00 to Accounts Receivable by year end, potentially bringing the Accounts Receivable balance to \$143,018.00.

C) As a result of the potential increase in Accounts Receivable, this could add an additional \$45,464.00 to bad debt expense, assuming the trend of 32% of Accounts Receivable ultimately becomes uncollectible.

D) Based on the fact that we have an allowance for bad debt expense of \$56,729.00, as of March 31, 2010, Marina Hills believes it has adequate allowances for bad debt expense.

The preceding analysis does not include the impact of collection efforts, the sale of homes, foreclosures, the economy, and other financial changes through the end of the year. These factors will have an obvious impact on the collection of assessments on a forward-looking basis.

D. Secretary – No report.

E. Member at Large – No report.

HOMEOWNER FORUM

Homeowners were present to discuss the proposed increase in the janitorial fee and how they would like the Board to reconsider increasing it for the Primetimers.

CONSENT CALENDAR

A motion was made, seconded and carried to approve the following items from the consent calendar, without further discussion:

- A. **Approval of March 10, 2010 General Session Meeting Minutes/Architectural Report from 2/10/10 – 3/10/10 – RESOLVED**, to ratify the action taken and approve the minutes taken by Management from the March 10, 2010 General Session Board Meeting/Architectural Report from 2/10/10-3/10/10.
- B. **Financial Statement – RESOLVED**, to accept the March 31, 2010 financial statement as submitted.
- C. **Maturing CDs - RESOLVED**, to allow Jeff Russell from Merrill Lynch to roll over the reserve CDs that are maturing in April for the same terms at the highest interest rates possible in order to keep the CDs staggered.
- D. **Landscape Proposal From March Landscape Drive – RESOLVED**, to approve the proposal from Villa Park Landscape for the items generated from the March 4, 2010 drive in the amount of \$2,265.00.

- E. **Delinquent Account – APN #933-40-376 – RESOLVED**, to place a lien on APN #933-40-376 for outstanding assessments and applicable charges.
- F. **Delinquent Account – APN #653-371-14 – RESOLVED**, to place a lien on APN #653-371-14 for outstanding assessments and applicable charges.
- G. **Delinquent Account – APN #653-271-10 – RESOLVED**, to place a lien on APN #653-271-10 for outstanding assessments and applicable charges.
- H. **Delinquent Account – APN #933-27-120 – RESOLVED**, to place a lien on APN #933-27-120 for outstanding assessments and applicable charges.
- I. **Delinquent Account – APN #653-401-17 – RESOLVED**, to place a lien on APN #653-401-17 for outstanding assessments and applicable charges.
- J. **Delinquent Account – APN #653-401-23 – RESOLVED**, to place a lien on APN #653-401-23 for outstanding assessments and applicable charges.
- K. **Delinquent Account – APN #653-422-08 – RESOLVED**, to place a lien on APN #653-422-08 for outstanding assessments and applicable charges.
- L. **Delinquent Account – APN #933-27-139 – RESOLVED**, to place a lien on APN #933-27-139 for outstanding assessments and applicable charges.
- M. **Delinquent Account – APN #933-27-172 – RESOLVED**, to place a lien on APN #933-27-172 for outstanding assessments and applicable charges.
- N. **Delinquent Account – APN #653-391-23 – RESOLVED**, to place a lien on APN #653-391-23 for outstanding assessments and applicable charges.
- O. **Appointment of District Delegate for Amarante – RESOLVED**, to appoint Peter Klause, homeowner at 7 Tramonti, as the District Delegate for Amarante.
- P. **Date for Annual Election of District Delegates/Record Date/Inspector(s) of Election/Ballot Custodian - RESOLVED**, to a) hold the Annual Election of the District Delegates on Tuesday, June 29, 2010; b) set the record date for May 11, 2010; and c) appoint one or three residents that attend the Annual Election of the District Delegates or appoint Management as the inspector of election/ballot custodian who will be present at the Annual Election of the District Delegates.

- Q. **Date for Annual Election of the Board of Directors/Nominating Committee/Record Date/Inspector(s) of Election/Ballot Custodian for the Annual Election of the Board of Directors – RESOLVED**, to a) hold the Annual Election of the Board of Directors on Tuesday, August 24, 2010; b) appoint Vito Ferrante as the chairperson on the nominating committee and Loretta Pierce and Jim Sabatello as the rest of the committee; c) set the record date for July 7, 2010; and d) appoint one or three residents that attend the Annual Election of the Board of Directors or appoint Management as the inspector of election/ballot custodian who will be present at the Annual Election of the Board of Directors.

A motion was made, seconded and carried to approve the following items from the consent calendar, with further discussion:

- A. **Reserve Study Proposals** – A motion was made, seconded and carried to have Management contact Advanced Reserve Solutions (ARS) and see if they will match the cost from Reserve Data Analysis (RDA) of \$1,995.00 or not to exceed \$2,100.00 to perform an on site inspection, including photos. Motion carried 3/0.
- B. **Window Replacement in Kitchen** – A motion was made, seconded and carried to have Management obtain two more proposals to replace the window in the kitchen so the Board can review them at the May meeting. Motion carried 3/0.

OLD/NEW BUSINESS


- A. **Homeowner Request Regarding Trees Being Removed** – A motion was made, seconded and carried to have Management contact the homeowners at 17 Dion, 49 Siena and 22 Narbonne and explain that Management, the landscape committee and Villa Park Landscape will inspect all the trees that have been marked for removal during the May 6, 2010 landscape drive to determine which trees will definitely be removed and why. Motion carried 3/0.
- B. **Improvements to the Clubhouse** – Loretta Pierce informed the Board that she and Jim Sabatello would be meeting with Terry Juhl again on Friday night at 6:00 P.M. to go over improvements they would like to see done to the clubhouse, so they can provide Management will proposal.
- C. **Replacement of Benches on Tennis Courts** - A motion was made, seconded and carried to approve the proposal from Zaino Tennis Courts to replace the remaining four benches on the tennis courts so they match the one that was recently replaced for a cost of \$2,729.00. Motion carried 3/0.

- D. **Re-strapping of Pool Furniture/Umbrellas** – Management explained that 15 lounge chairs, 35 chairs in the pool area, and 4 chairs in the BBQ area need to be re-strapped. Seabreeze would charge \$3,624.00 and Patio Guys would charge \$3,138.00. A motion was made, seconded and carried to have Management contact Seabreeze and see if they would match the price of \$3,138.00 from Patio Guys or lower their price, not to exceed \$3,200.00 to re-strap 15 lounge chairs, 35 chairs in the pool area, and 4 chairs in the BBQ area, as the Board felt that they did a good job last time the furniture was re-strapped. Motion carried 3/0.
- E. **Re-Plastering Pool/Spa/Wader** – A motion was made, seconded and carried to table this item to re-plaster the pool/spa/wader until the May meeting. Motion carried 3/0.
- F. **Proposed Increase to Janitorial Fees When Renting the Clubhouse** – After reviewing the comments that were submitted by homeowners, a motion was made, seconded and carried to increase the janitorial fee when renting the clubhouse from \$55.00 to \$85.00, to cover the cost the Association incurs for cleaning fees. Motion carried 3/0.
- G. **Improvement for Lighting the Flag at Main Fountain** – A motion was made, seconded and carried to table this item until the May meeting so Management can ask Orange Coast Building Services (OCBS) how much of a difference in light there would be if they decided to replace the existing ballasts and lamps with new 150 watt ballasts and lamps. Motion carried 3/0.
- H. **Painting of Garage Doors/Attached Homes** – A motion was made, seconded and carried to table the item regarding painting of garage doors until the May meeting so the Board can drive by a specific address to inspect the square pop outs on the garage door that were previously approved and painted, and determine if they want to allow other homeowners moving forward to be able to paint the pop outs on garage doors. Motion carried 3/0.
- A motion was made, seconded and carried that attached homes must mirror each other when painted and homeowners cannot paint their front doors different colors. Motion carried 3/0.
- I. **Homeowner Request to Use Clubhouse** – A motion was made, seconded and carried to deny the request from Frank Battisti, homeowner at 2 Son Bon, to use the clubhouse during the day as a location for filming because the clubhouse is not to be used for commercial purposes. Motion carried 3/0.
- J. **Open House Sign Rules** – A motion was made, seconded and carried to not take any action regarding the open house sign rules. Motion carried 3/0.

- K. **Violation Policy – Fine Schedule** – A motion was made, seconded and carried to table this item until the May meeting. Motion carried 3/0.
- L. **Architectural Guidelines – Submittal Deposit** – A motion was made, seconded and carried to send a proposed change to the Architectural Guidelines to the membership, giving them 30 days to comment, which would require homeowners to submit a \$100.00 refundable deposit with all architectural applications including painting, for possible adoption at the July Board meeting. Once a Notice of Completion has been submitted and approved by the Architectural Committee, the homeowner would be refunded the \$100.00 deposit.
- M. **Association Wish List** – A motion was made, seconded and carried to not add any items to the Association wish list. Motion carried 3/0.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 8:20 P.M. to enter into Executive Session.

APPROVED: 

DATE: 5-24-10