

C.C.H.O.A.
505 Grand Caribe Isle
Coronado, CA 92118



HOMEOWNERS ASSOCIATION

Voice 619.423.4353
Fax 619.424.3923
www.cchoa.org

BOARD MEETING MINUTES

The Coronado Cays Homeowners Association held its regular meeting on Thursday, December 3, 2009, in the Grand Caribe Room.

Board members that participated and constituting a quorum were:

David Herring, President
Rudy Dew, Director
Stuart Landersman, Director
Kim Tolles, Vice President
David Love, Director
John McLawhorn, Director
Richard Eddy, Director
Jim Besikof, Director
Fred Brown, Secretary
Bob Shugert, Treasurer (non-voting)

Jamaica Village
Green Turtle Cay
Antigua Village
Bahama Village
Trinidad Village
Kingston Village
Montego Village
Blue Anchor Cay
Mardi Gras Village
Blue Anchor Cay

Absent

Carla Bacon, Director

Port Royale Village

Staff present:

Larry Peterson, General Manager
Kathie Kaiwi, Accounting Assistant

I. REGULAR SESSION

President Herring called the meeting to order at 2:00 p.m. and welcomed all members. President Herring briefed the Membership on topics covered in Executive Session: that the judge has signed the judgment in the waterways; the City filed an appeal prior to the signing. The termite litigation is final and the HOA was reimbursed for our deductible; delinquent assessments were discussed, as well as a personnel issue and some correspondence.

II. Pledge of Allegiance

III. Recognition of Guests

President Herring welcomed Councilmember Al Ovrom who discussed how the public bus route down the Strand will be modified and possibly not run on one or both days on the weekends.

President Herring thanked the Council for sending an officer to monitor the bicycle path at the intersection to the Cays.

IV. Board Minutes

The proposed minutes of the regular Board meeting held October 22, 2009, was previously distributed. The reading of the minutes in its entirety was waived.

Director Love moved and Director Besikof seconded the motion to approve the October 22, 2009, minutes of the regular Board meeting. The motion carried unanimously.

V. AECC Recommendations: November 19, 2009

Action by CONSENT CALENDAR: All items listed under this section are considered to be routine and will be acted upon with one motion. There will be no separate discussion of these items unless a member of the Board or the public requests, in which event, the item will be considered separately in its normal sequence.

Director Love moved and Director McLawhorn seconded the motion to approve the minutes of the AECC meeting of November 19, 2009. The motion carried with eight yeas and one abstention (DH).

- | | |
|---|--------------------------|
| E1.2 Gingertree Lane , Steinfeldt | Denied |
| Install two privacy lattices on western portion of “upper deck” | |
| E2. 4 Gingertree Lane , Herring | Approved |
| Remove previously approved ten foot barrier | |
| E3. 17 Buccaneer Way , Dix | Approved with conditions |
| Modify exterior elevation and site plans of previously approved plans | |
| <i>Conditions: submit new plans showing height in rear yard, ref. 90.06.100.B.4 and 90.06.120.B.1</i> | |

VI. Committee Reports

- | | |
|---|-----------------|
| A. Grand Caribe Task Force | None |
| General Manager Peterson and representatives from the Grand Caribe Task Force will meet with the Port Commissioner next week. | |
| B. Insurance Committee | None |
| C. Landscape Committee | None |
| D. Safety Committee: November 12, 2009 | Action required |
| The Board accepted Chairman Besikof’s report from the November 12, 2009 meeting. | |

VII. Correspondence:

- A. In-coming:
1. Letter dated October 19, 2009 – Thomas Leary
 2. Letter dated October 22, 2009 – Fire Chief John Traylor
Director Dew moved and Director Love seconded the motion to approve Fire Chief Traylor’s request to construct a new fence behind the tree line surrounding the Fire House. The motion carried unanimously.
 3. Letter dated November 3, 2009 – R. Cigledy
 4. Letter dated November 17, 2009 – James F. Brenner, BYCOR, Limited
 5. Letter dated November 24, 2009 – City of Coronado
Request to inspect 108 Trinidad Bend

B. Out-going:

1. Letter dated November 25, 2009 – K. Cochran

VIII. President's Report: President David Herring

President Herring touched on topics from his report throughout the Board meeting

- A. Meeting with Mayor Tanaka informally to discuss the waterways litigation, but the City Council declined giving that authority to Mayor Tanaka.
- B. The City is monitoring the bicycle path intersection at the Cays.
- C. Trying to establish more red curbs throughout the Cays, requires a formal request to the City accompanied by a map.
- D. Briefed the Board about the progress of the Members' Handbook.

IX. Treasurer's Report: Treasurer Robert Shugert

A. October 2009 Financials

The combined financial statement for the month of October and the fourth month of our new fiscal year is below budget in the amount of \$83,326 as compared to last year's below budget amount of \$17,360.

Total income is slightly below budget due to rental income which is coming in under budget as some rental adjustments were made to keep the tenants. We are trying to rent the remaining facilities which may help over come this deficit. Other income is ahead of budget but one income item may be moved to a different accounting category. Maintenance expenses and Landscaping expenses are under budget and Safety expenses are slightly over budget. Most of the below budget expenses are in CCHOA administration due to lower income taxes and lower legal fees.

There are two areas of concern. Last month I reported that we were "looking good". I failed to take into consideration an outstanding water ways legal bill which is currently under discussion with our legal council and our Legal Committee. If the full amount of this bill is paid it will not only wipe out our legal budget for the year but will cause a significant deficit in this line item expense.

The second issue is the increasing water bills. With Pam's help I compared last year's water bills, both August 2008 and October 2008 with August 2009 and October 2009. The bottom line: October 2009 versus October 2008 - CCHOA's total consumption in units of water was down 40%. For the same period, unit of water costs were up 62.5%. The total bill a year ago October 2008 was \$35,192. The bill for October 2009 was \$40,834. Assuming consumption was the same as last year the bill this year would have been \$57,101 an increase over last years bill of 62%- Yes 62%. How this got through the California PUC I don't know. Based on our current usage and assuming no change in unit pricing I expect our combined water expense to be over budget by about \$50,000 by the end of this fiscal year. Pray for Rain!

Our combined reserve account balance is \$3,282,434 as compared to last year's balance (October 2008) of \$2,947,548. Over the last 12 months we have added \$334,886 to our reserve account.

For the month of October and year to date the Common Administration financial statement is under budget by \$44,174. Income is slightly below budget for the reasons I stated earlier and Maintenance and Landscaping operating expenses are below budget.

Safety Expenses are slightly over budget as we adjust to a reduction from last year's budget. Administration expense is under budget due to lower income taxes and lower legal fees. The income tax budget will adjust out and I have addressed the legal budget and concerns over increased water costs. Both issues are a major area of expense. Legal expenses can impact the Common Administration budget and the water expense not only impacts the Common Administration, but each of the Village budgets.

The Common Administration reserve balance is \$411,470 compared to last October's balance of \$353,007. The Common Administration is in compliance with Resolution 07-02 our reserve funding requirement.

Individual Villages

Jamaica Village is below budget in the amount of \$987 but they are over budget in water expense by \$2,730. Their reserve balance is \$82,568.

Green Turtle Cay is below budget in the amount of \$6,332. They are doing a great job in keeping their water expense under budget by \$412. Their reserve balance is \$101,382. They are in great financial condition, but Tire Island is out there.

Antigua Village is below budget in the amount of \$7,672. But they are over budget in water expense by \$1,444. Their Director should review the "Special Project" maintenance budget. Antigua's reserve balance is \$435,830, but their 2009-2010 fiscal year reserve balance is forecasted to be \$275,984 or a reserve funding of 18.26%.

Bahama Village is below budget in the amount of \$4,335, but they are over budget in water expense by \$2,049. Their reserve balance is \$179,517.

Trinidad Village is over budget in the amount of \$1,884 due to over budget water expense in the amount of \$2,438 and outside contractors over budget in the amount of \$1,200. The Trinidad reserve balance is \$236,854.

Kingston Village is below budget in the amount of \$5,949 but they are over budget in water expense by \$1,847 and outside plumbing (slab work) in the amount of \$2,548. Their reserve balance is \$139,026 but their 2009-2010 fiscal Year reserve balance is forecasted to be \$139,263 or a reserve funding of 9.35%.

Montego Village is below budget in the amount of \$14,018. They are doing an excellent job in reducing costs in areas such as outside contractors, outside plumbing and gas and electric utility bills. Water expenses are under budget in the amount of \$341. Their reserve balance is \$367,084 but is expected to close out at the end of the fiscal year at \$329,055.00 with a reserve funding of 42.92%.

Blue Anchor Cay is under budget in the amount of \$1,411 with most of the savings coming from the Landscape budget. Water expenses are \$163 over budget. The Blue Anchor Cay reserve balance is \$29,096.

Port Royale Village is below budget in the amount of \$3,418 due to Landscaping costs under budget in the amount of \$5,173 while water expense is over budget in the amount of \$1,768. Their reserve balance is \$295,446.

Mardi Gras Village is over budget in the amount of \$3,076 due to termite work expense of \$2,472 and the over budget water expense of \$5,000. Their reserve balance is \$926,622 and is projected to close out this fiscal year at \$824,765 with a reserve funding requirement of 55.5%.

All Villages are currently in compliance with Resolution 07-02 "OUR" Reserve Funding Requirement.

Investment Policy

Our current investment strategy was reviewed by the Finance Committee on Thursday, November 12, 2009. It was agreed that we would continue to invest only in U.S. Government Securities or FDIC insured CDs continuing to ladder the portfolio over 12 to 24 months keeping in mind that eventually the Federal Reserve will start raising interest rates. The current rate on one year CDs is 0.60% and 1.60% for two-year CDs. Our reserve account interest will continue to decline thus impacting individual Village reserve accounts and the Common Administration reserve account.

Director Dew moved and Director Besikof seconded the motion to accept the October 2009 Financial Report. The motion carried unanimously.

B. Finance Committee Minutes, November 12, 2009

Director Love moved and Director Brown seconded the motion to accept the Minutes of the November 12, 2009, Finance Committee meeting. The motion carried unanimously.

X. Manager's Report: General Manager Larry Peterson

General Manager Peterson spoke on highlights from his report: all space in the Admin bldg has been leased. Dock Master Kevin Brenden met with the Army Corp. and we hope to have a resolution by the weekend.

XI. Old Business:

A. Resolution 09-03, Members' Handbook Section 9.5.1

Bulkhead Preservation, to be discussed December 3, 2009

Mailed to Membership October 2, 2009

Mr. Brennor – Suggested an alternate resolution

Dan Harrigan – Read from his prepared statement.

Director Besikof moved and Director Love seconded the motion to table until the January 28, 2010 Board meeting. The motion carried unanimously.

B. Resolution 09-04, Members' Handbook Section 3.17

Tree Removal (amendment)

Director Eddy moved and Director Tolles seconded the motion to approve Resolution 09-04 The motion carried unanimously.

C. Proposed Resolution 09-07, Members' Handbook

Sections 12.2.12 and 12.2.15 (amendment)

Port Royale/Common Admin water reassignment, UPDATE

XII. New Business:

A. Delinquent Assessment Report, November 23, 2009

Rudy Dew moved and Jim Besikof seconded the motion to accept legal council's recommendation to record liens on accounts: 3040; 6049; 8007; 8011 & 10119. The motion carried unanimously.

XIII. Oral Communications (3 minute limit)

1. **Lilian Forella**, (Diamond Lil') – Requested assistance from the Board to remove AT&T cable that was installed over her door. She asked the installer to remove it, but he refused. And now AT&T wants \$150 to remove and relocate the cable.
2. **Ella Croshier**, 25 Blue Anchor – Discussed her concerns about what is included on the website, etc.

XIV. Announcements

The next regular Board meeting will be held at 2:00 p.m. on Thursday, January 28, 2010, in the Grand Caribe Room.

XV. Adjournment

The Board adjourned at 3:27 p.m.

CERTIFICATION OF BOARD & APPROVAL OF MINUTES:

“This is to certify that the Coronado Cays Homeowners Association is a California Nonprofit Mutual Benefit Corporation; that the Board is duly constituted; has made all decisions based on reasonable investigation, in good faith and with regard for the best interests of the community and its members; has exercised discretion with the scope of its authority under relevant statutes, covenants and restrictions in discharging its obligations; and, hereby approved the authenticity of actions reported in minutes of this meeting.”

C. David Herring, President

Fred Brown, Secretary