

Crosswoods Homeowners Association  
Board of Director Meeting Minutes  
April 28, 2010

I. PRELIMINARY

1. Call to Order at 6:00 p.m. by President Alan Leach.
2. Roll Call by Secretary Diane Hamel  
Members present: John Bain, Bernida Childers, Diane Hamel, Naomi Hauge, Alan Leach, and Paul Ogden

Jim Bryson arrived at 6:15 p.m.

Member absent: None

Also present: Del Aldrich, Association Manager, Stan Spalding, F& I Committee Chair. Carolyn Brian, Landscape Committee and Homeowners Carolyn Blevins, Janet Vail, Dorothy and Corky Peek, Jeanne Braafladt, Max and La Verne Roelen, Eva and Bruce Slover, Red Straub, Jeff Newbold, Jeanne Bartelt, Ingeborg Baylocq, Scott Bjorkquist, Don Christensen, Helena Fisk, Gail Scofield, Mel Powell, Linda Bryson, Neal and Jean Pitts, Howard Schumacher, and Margaret Bell.

3. Member Forum

II. CONSENT CALENDAR

**Motion #1** – Ms. Hamel moved to pull the consent calendar as there was not unanimous approval by Board members.  
Ms Childers seconded.  
No further discussion  
Motion unanimously approved

(For the record, the above motion was not withdrawn; however, with the unanimous approval of the consent calendar it is implied that it has been withdrawn.)

After an extended discussion and additional information, previously omitted from the package, was supplied to the Board the following items were approved by unanimous vote by all Board members as presented:

Summit Roofing Contract No 5398, for 1 Hardishake roof replacements totaling \$7,919.00 with Crosswoods share at 18% being \$1,425.42. Said amount is to be paid from Slope Roof Reserve. New gutters are authorized with costs to be separately billed and paid from the Gutter Reserve.

Summit Roofing Contract No 5371, 5373 – 5375, 5378 – 5380 and 5382 to 5388 for 14 flat roof replacements totaling \$45,550 (95.5 sf.). Said amounts plus any additional repairs are to be paid from Flat Roof Reserve.

**Approved**

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Summit Roofing Contract No. 5402 to install gutters in the corrected amount of \$749.

As recommended by the F& I Committee, the purchase of a Hammer Head Pool Vacuum in the amount of \$1,600 (online purchase amount).

As recommended by the F & I Committee, the purchase of a 6 X 12 tandem axle dump trailer from Ultra Works Proposal Co. for the sum of \$7,811.45 with said purchase to be paid with Reserve funds.

As recommended by the F & I Committee the use of up to \$2,500 from reserve funds to upgrade the office computer system to permit the implementation and activation of the irrigation computer (allowing irrigation integration throughout the system).

### III. APPROVAL OF MINUTES

#### Board of Directors

**Motion #2** – Mr. Ogden moved to approve the Board of Directors March 24, 2010 Regular Session Minutes, with amendment to correct the spelling of Ms. Hauge's name in Motion #4.

Mr. Bain seconded the motion

No further discussion

Motion unanimously approved

#### Finance and Insurance Committee

F & I Committee Minutes – April 21, 2010 (draft)

Mr. Ogden identified that the supplied minutes were in draft format and the Board does not move to accept unapproved minutes supplied by the Committee.

#### Landscape Committee

Landscape Committee – March 9, 2010

**Motion #3** – Ms. Hauge moved to accept the March 9, 2010 Landscape Committee minutes as written

Ms. Hamel seconded the motion

No further discussion

Motion unanimously approved

### III. REPORTS

#### 1. Treasurer's Report – March 31, 2010 financials (correction to agenda)

Mr. Ogden commented how many homeowners were present and that it was nice to see and stated that he hoped that it was not due to the room size. He did express concern that the meetings can go quite long. Additionally, Mr. Ogden advised that Davis-Stirling requires a Treasurer's Report to be presented every quarter or when significant changes occur or respond to questions. He then

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requested that, with the permission of the Board, he will modify the schedule to shorten the amount of time taken to present a monthly Treasurer's Report.

**Motion #4** – Ms. Hamel moved to accept the Treasurer's Report to be given quarterly unless there are significant changes or questions

Mr. Bryson seconded the motion

No further discussion

Motion unanimously approved

Mr. Ogden did present the Treasurer's Report for this meeting. The Replacement Reserves Cash is in the amount of \$593,887.79 with the liability of \$520,224.48 which means that we are above \$73,000 of what our current liabilities are. The combined income is over by \$8,152.25 which is partially due to a refund from Workers Compensation. After Mr. Ogden reported each of the expenses yet to date categories the total expenses was reported to be over by \$4,137.67.

Regarding the balance sheet, Mr. Ogden reported that all funds are currently deposited into CD's from a period of two years down to several months. High interest rates are difficult to find.

Landscape is under budget by almost \$14,000 (mostly tree care). Crosswoods has purchased a bucket truck (with hydraulic lift) which Mr. Aldrich uses to trim trees. Mr. Aldrich has already saved the Association \$8,000 and has almost paid for the truck. One area that was under budgeted for is in the area of refuse disposal due to the storms that we have had and hardcore pruning.

Facilities is over budget by \$26,618.81 which is primarily due to siding and sewer repair work. Mr. Ogden also reported that for those who read The Reporter, we will have a siding problem for the next few years to repair all of the dry rot. The Finance and Insurance Committee and the Board is working on this problem and putting a plan together to get enough money to cover this. According to Mr. Ogden, It will not be an easy task and just be ready for some surprises next year.

Administration is over the budget by about \$1,400 due to coupon printing for payment of HOA dues and RV lot payments.

The RV Lot is over by \$159.92, Utilities is under by \$3,788.22, Taxes and Professional Fees are under by \$6,394.84 (but the audit fees will be coming in soon). The legal fees are continuously monitored as it is getting close and Mr. Aldrich is aware of this.

Mr. Ogden continued with the Late Report for the month ending March, 2010. For the month of March there are 11 homeowners who are late (after the 15<sup>th</sup> of the month) with 6 late partial payments for a total of late payments in the amount of \$4,732 for the month. The cumulative basis we are currently behind by \$20,715. There are 2 accounts in a repayment schedule and 2 bank owned properties. The Board approved a write off a total of \$14,615.70 in bad debts (unpaid dues).

**Approved**

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## Committee Reports

### Landscape Application Report – April 13, 2010

No discussion, by the Board, regarding this item. However, Ms Scofield requested that the Landscape Applications Report be accepted by the Board. As there were no minutes included in the Board package relating to the April 13, 2010 meeting, some confusion existed.

Mr. Ogden inquired as to Item D, the installation of brick flower beds and when did the Association begin allowing brick flower beds. Ms. Scofield responded that this approval was given by the Architectural Control Committee. Mr. Aldrich reported that this is an unusual circumstance and the owner has signed an agreement that that should the driveway need replacing that the owner will be responsible for the costs.

**Motion #5** – Ms. Hauge moved to accept the April 13, 2010 Landscape Applications Report  
Ms. Hamel seconded the motion  
No further discussion  
Motion unanimously approved

### Pool Committee Memo – April 13, 2010

Mr. Aldrich reported that work continues on the pools. The Office Pool will be ready and scheduled to open on Saturday, May 1, 2010 with the other two pools to be opened on or about May 15, 2010 (weather permitting).

## V. OLD BUSINESS

1. Action Items list was discussed.
2. Work Orders and Project List Update. Mr. Aldrich reported that there has been a substantial improvement in the number of outstanding work orders relating to Facilities and continues to improve. There have been 41 Facilities Work Order closures in the past month.

## VI. NEW BUSINESS: DISCUSSION / ACTION

Prior to beginning the discussion relating to employee benefits, Mr. Aldrich requested that the Board revisit the Consent Calendar

After discussing Item No. 4, 5 and 6 (which were not previously or unanimously approved by the Board) and with consensus reached, a motion was made to accept the consent calendar. See Section II for motion information relating to the consent calendar.

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1. Employee Benefits

Mr. Aldrich reported to the Board that open enrollment begins on May 1, 2010 and that there is an average increase in premiums of 10.5%. Additionally, Mr. Aldrich suggested that an entire evaluation of the benefit package be completed (including, but not limited to sick leave, vacation and health benefits).

Mr. Ogden reported that in talking with the Association's insurance broker, of the broker's 150 clients the majority of the clients are decreasing the amount of medical insurance coverage offered. The Association covers 80% which is substantial in today's market. In addition, Mr. Ogden stated that the wage and benefits issue was on the calendar to be reviewed last year, but it was not done. A thorough review of all salary and benefits needs to be done this year (and before the budget process).

**Motion #6** – Ms. Hauge moved to have the employee pay the increase in medical insurance cost until a complete review of the Benefit Plan can be made. Ms. Hamel seconded the motion  
No further discussion  
Motion unanimously approved

After an exceedingly lengthy discussion it was agreed that this item would be tabled until an additional discussion among Mr. Aldrich, Mr. Spaulding and Mr. Ogden may take place.

Mr. Aldrich expressed concern if a change is put in place after the May 1 open enrollment period it may be costly for the Association.

The motion was reconsidered and re-implemented. The employee will have the option to adjust his/her coverage during open enrollment.

2. Scaffolding

Mr. Aldrich reported that the memo supplied is for informational purposes only. Additional information obtained indicates that rather than the 20' scaffolding restrictions by Cal-OSHA now apply to any height of 7' or higher. No used scaffolding has yet to be located by Mr. Aldrich.

3. Tree Maintenance / Spraying

Mr. Aldrich reported that there is documented evidence that the Oak Worm has returned and that the aphids have infested the Pine Trees. According to Mr. Aldrich, there is a need for spraying, but this is a non-budgeted item and the last spray application cost approximately \$6,000. Today's cost would be between \$7 – 10,000. There is also an issue of a required license for spraying

Ms. Hamel shared that additional research revealed that the hanging oak worm has a very short life span with many predators. The research revealed that this type of infestation generally does not require spraying to clear the infestation.

4. Master Insurance Policy

Mr. Aldrich requested that the Board allow him to meet with the insurance broker and attorney to discuss Association documents relating to what is covered with the master policy. Mr. Aldrich believes that there is language in the governing documents which allows the Board to decide when the master policy is to be utilized. Mr. Ogden responded that Mr. Aldrich has the budget and needs to locate the money for this expense.

5. Deck Repair and Replacement

Mr. Aldrich reported that there will be submitting a plan presented at the May meeting relating to a plan for deck maintenance with Mr. Aldrich wanting a standard of care (relating to deck maintenance) at the May meeting.

6. Siding Update and Request

Mr. Aldrich reported that we should continue with the scheduled siding repair and will return sometime before July 1 regarding a plan for the siding replacement. With the current work, Mr. Aldrich is establishing the data necessary to establish a plan. Mr. Ogden requested that he and Mr. Aldrich meet to discuss this issue.

7. Truck Purchase

Mr. Aldrich reported that there have been substantial changes in staff assignments using a team approach which also causes a greater need for the number of vehicles needed. With that and the increased need for replacement of siding, the vehicles are necessary. Mr. Aldrich assured the Board that he will be able to generate the necessary \$10,000 for purchase of the vehicle with Association savings.

Ms. Hamel commented that based upon the prior experience with used vehicles that it be imperative that a certified mechanic inspect used vehicles prior to purchase.

**Motion #7** – Ms. Hamel moved to approve the purchase of two used trucks of which both vehicles will be thoroughly inspected by a certified mechanic and found to be in good working order

Mr. Ogden seconded the motion

No further discussion

Motion unanimously approved

8. Drug Test Policy

The drug test policy has been tabled until the May, 2010 open meeting.

9. Manager's Report

An updated report was supplied to the Board members. Mr. Aldrich reported that he had a very positive meeting with Aqua Flow yesterday and it was quite productive. Additionally, Mr. Aldrich reported that he will be returning to the

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Board regarding the recruitment of a new position for a full time irrigation technician. Said technician will work during the hours when the system is in operation.

Mr. Aldrich questioned why the pre-set meter rates are set as high as it is. Mr. Ogden mentioned that Mr. Aldrich thought perhaps it best that we submit the bill to our water advocate to evaluate the charges on the bill. Mr. Aldrich believes the Association is not getting a fair shake by the water company.

The Rental of Lots was the next item discussed under the Manger's report. The rental of lots is under Section 4.18 of the CC&R's. Mr. Aldrich addressed subsection (f) relating to the "Board Review of Application". The problem with this section is that there is the 15 day rule. It becomes difficult for the Board to review and approve each application within the 15 days.

Additionally, Mr. Aldrich recommended that we charge a fee for processing these applications and that it be charged on each transaction in the amount of \$125 per application.

Mr. Aldrich intends to bring back to the Board his recommendation relating to this issue.

It was agreed that this item be tabled until the May, 2010 meeting.

VII. Adjournment at 8:16 p.m. to Executive Session

Minutes submitted by Secretary Diane Hamel

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Secretary

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Date of Approval

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President Alan Leach

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Date of Approval