

# **SUGARLOAF HOMEOWNERS ASSOCIATION**

## **Minutes of the Board of Directors' Meeting**

August 28, 2007

### **OPEN FORUM**

A homeowner attended the meeting to present their concerns in regards to the association dues delinquency letters sent to many homeowners (in error) by PML. Discussion ensued in which the following points were covered 1) the letters were sent in error and without the approval of the Board 2) Board members shared the concerns of the owner and were also upset to have received such letters both in terms of the error in sending the letter and the tone of the letter 3) the September newsletter contained a note from the Board acknowledging and apologizing for the error having occurred as well as a statement from PML to the same effect 4) PML would be sending follow-up letters to affected owners indicating the error and 5) this topic was scheduled to be discussed with PML at this Board meeting (which the owner was welcomed to attend) with the objectives of determining how the error occurred and identifying the means for preventing recurrence of such events in the future. The Board thanked the owner for attending the meeting to express their concerns.

### **ORDER**

The Meeting, which was held at the office of PML Management Corporation, was called to order by President Frank O'Neill at 5:57pm. Other Directors present were Larry Connell, Miles Dooher. Bob Kiss attended later in the meeting. Mark Broche was absent. Deborah McGraw and Greg Fox represented PML Management.

### **AGENDA APPROVAL/CALENDAR REVIEW**

The Agenda and Calendar were approved as amended.

### **APPROVAL OF PREVIOUS MEETING MINUTES**

On a motion duly made, seconded, and passed by unanimous vote, the Board approved the July 24, 2007, Board of Directors Minutes as submitted.

### **REPORTS**

*Treasurer* – Greg Fox reported that the First Bank lock box information has been received and he is working to correct the individual owner accounts with the deposit information. Since there has been a lot of extra time spent researching information, which should have been supplied by the previous management company, an extra charge to the Association will apply. The Board agreed and Greg stated that he will send an email to the Board detailing the extra charges by the end of the week.

Significant discussion then occurred regarding the delinquency letters sent in error to many homeowners. The Board reiterated their concerns in regards to the fact that the letters had been sent without Board authorization and following the previous month's board meeting in which PML was explicitly told by the board that the records they were using were clearly in error (since they showed so many owners as being overdue on their annual dues). PML again acknowledged that an error had occurred on the part of PML and that PML was committed to correcting the error as quickly as possible. PML identified the scenario under which the error occurred.

Discussion then turned to how to prevent this type of situation from recurring in the future. It was agreed that, as an immediate corrective action, PML would not send any delinquency letters in the future without both of the following occurring:

- 1) The SHOA board must authorize the sending of any delinquency letters to owners. This includes the board being provided copies for their review and approval of the content.
- 2) The SHOA property manager from PML (currently Debbie McGraw) must review and approve any delinquency letters before they are sent to owners

PML and the Board will further review this situation to determine if there are other types of correspondence which should be subject to similar restrictions.

At this time, the Board reviewed the draft financial statement for the period ending 7/31/07 as follows:

|                        | Month | Y-T-D   | Budget  | Variance |
|------------------------|-------|---------|---------|----------|
| Total Revenue          | 0     | 123,848 | 123,848 | 0        |
| Total Maint. & Repairs | 5,308 | 58,626  | 39,788  | 18,838   |
| Total Utilities        | 2,348 | 9,319   | 6,293   | 3,026    |
| Total Admin. Expenses  | 3,815 | 34,795  | 25,991  | 8,804    |
| Total Reserve Expenses | 0     | 400     | 9,618   | (9,218)  |
| Total Assets           |       | 364,426 |         |          |
| Total Liabilities      |       | 29,381  |         |          |
| Total Fund Balances    |       | 335,045 |         |          |

*Landscape Committee* – The Board reviewed work orders submitted to Lee’s Gardening Service over the past month. There was a discussion regarding the landscape contract provided by Lee’s Gardening Service. PML was requested to provide their landscape specifications for review by the Board at the next meeting in order to determine if the contract needs to be revised.

*Public Safety/Parking* – PML was requested to have Lee inspect the area behind 1821 Parkwood for a homeless encampment. A Sugarloaf owner attended the meeting to discuss the issue of owners abusing the visitor parking area on Leafwood. PML was requested to send a letter reminding specific owners on Leafwood and De Anza of the Association’s parking rules.

*Architectural Committee* – Bob Kiss stated that the following Architectural Requests had been received and approved:

| Date of Request | Address             | Details                                                | Status                       |
|-----------------|---------------------|--------------------------------------------------------|------------------------------|
| 8/7/07          | 3405 Westwood Court | Paint the exterior of the home                         | Approval letter sent 8/17/07 |
| 8/1/07          | 1645 Sugarloaf      | To make dry rot repairs                                | Approval letter sent 8/17/07 |
| 7/31/07         | 1545 De Anza        | Paint the exterior of the home                         | Approval letter sent 8/17/07 |
| 8/1/07          | 1904 Parkwood       | To paint the exterior of the home                      | Approval letter sent 8/17/07 |
| 7/28/07         | 3412 Chris          | Paint a wall                                           | Approval letter sent 8/10/07 |
| 8/2/07          | 1628 Toyon          | Paint the retaining wall and exterior of the home      | Approval letter sent 8/21/07 |
| 7/9/07          | 1653 Sugarloaf      | To repair the existing back deck to make it child safe | Approval letter sent 8/8/07  |
| 7/29/07         | 1412 De Anza        | To paint the exterior of the home                      | Approval letter sent 8/3/07  |
| 7/15/07         | 1937 Parkwood       | Paint the exterior of the home                         | Approval letter sent 8/3/07  |

Bob Kiss then presented additional requests which also have been approved:

|                        |               |                                                        |                  |
|------------------------|---------------|--------------------------------------------------------|------------------|
| 8/8/07                 | 1928 Parkwood | To paint the exterior of the house and replace windows | Approved 8/28/07 |
| 8/28/07 (at Board mtg) | 3409 Leafwood | To install gutter covers                               | Approved 8/28/07 |
| 8/13/07                | 3416 Leafwood | To paint the metal trim on the roof                    | Approved 8/17/07 |
| 8/9/07                 | 3404 Oakhill  | To paint the garage door trim                          | Approved 8/17/07 |

Bob Kiss also asked and received approval from the Board for 1654 Sugarloaf to be granted an extension to November 15, 2007 on their response to the 2007 external audit findings (painting). PML will send a letter to the owner identifying the extension date.

## **UNFINISHED BUSINESS**

3.1 Restatement of Governing Documents – PML was requested to obtain the entire marked up version of the ByLaws from attorney John Garvic so that Board members can review by focusing on the specific changes.

3.3 Website – Bob Kiss provided a print out example of a typical website design provided by Mary Beth Wilson, the contractor proposed for designing and constructing a SHOA website. After some discussion, Bob offered to provide additional information to Mark Brosche (not in attendance) in order for the Board to vote via email on going forward with Mary Beth to begin website construction, with confirmation of the vote to be discussed at the next Meeting.

## **NEW BUSINESS**

8.1 Large Tree Pruning – PML reported that they are in the process of preparing the specifications for review prior to bidding.

8.2 Tennis Court Keys – Since the DeNali management company refuses to provide keys to the shared tennis courts, PML reported that they will provide keys to Sugarloaf owners at a cost of \$25.00 each, payable to the Sugarloaf HOA.

8.3 Irrigation System – Since the existing irrigation system is aging and requiring many recent repairs, Miles Dooher offered to work with PML in order to have the system inspected and a recommendation report for repairs and upgrades provided to the Board for review.

8.4 Towing of Cars – The Board reviewed recommendations provided by attorney John Garvic for the towing of cars abusing the visitor parking spaces on the Association's private streets. PML was requested to provide a sample of the fine structure used by other Associations at the next Meeting.

8.5 2007 Audit – The Board reviewed proposals to perform the Association's 2007 Audit and tax preparation received from: Levy Erlanger & Company \$1490 and Karen Hahn \$1,700. On a motion duly made and seconded, the Board unanimously approved to have Karen Hahn perform the Audit.

8.6 Reserve Study – After some discussion, a motion was made, seconded, and unanimously approved to have Paul Trower perform the annual accounting update at a cost of \$450.

## **PENDING ITEMS**

*DeNali HOA* – Larry Connell stated that he has reviewed documents received from the DeNali Board of Directors identifying shared expenses incurred over the past 6 years for use of the tennis courts. The DeNali Board President has confirmed, in a discussion with Frank O'Neill, that the costs do not include legal fees from attorney Kevin Fredericks. After some discussion, a motion was made and seconded to approve the shared tennis court expenses over the past 6 years at a total of \$14,051.43. The motion was unanimously approved and PML was requested to prepare a check for Frank O'Neill to deliver to the DeNali Board of Directors personally.

## **ADJOURNMENT**

The next regular Meeting of the Board of Directors was scheduled for Tuesday, September 25, 2007, at 5:30pm in the office of PML Management. There being no further business before the Board, the Meeting was adjourned at 7:25pm.

Respectfully submitted,

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Deborah McGraw, CCAM  
PML Management Corporation