

PEBBLE BEACH VILLAS

BOARD OF DIRECTORS MEETING

MEETING DATE: FRIDAY, APRIL 7, 2023

MEETING TIME: 10:00 A.M.

MEETING PLACE: PEBBLE BEACH VILLAS CLUBHOUSE

MINUTES

1. CALL TO ORDER:

Bette Tsoutsouras called the meeting to order at 10:03 a.m.

2. ROLL CALL:

Present: Kevin Kelly, Peter Probasco, Steve Croft, Dave Chisholm Don Groshong, and Ken Quinn. By phone, Bette Tsoutsouras and Ken Quinn

3. APPROVAL OF MINUTES FEBRUARY 22, 2023::

Motion by Don, seconded by Bette, to approve the 2.22.2023 Minutes and waive reading of the Minutes. Motion unanimously approved by the Board.

4. PRESIDENT'S REPORT:

Kevin commented that he was pleased that so many owners were able spend time here at PBV this season after the disruption from Covid over the past few years. He expressed his appreciation of those volunteers who organized and ran our Valentine's, St. Patrick's Day's and End of Season Parties. He also expressed appreciation to the Davis Family for hosting a Thanksgiving Dinner for over 40 of our residents. Finally, Kevin reminded all owners to review the PBV Rules & Regulations and other Association documents to insure they are meeting all the requirements for care of their units. He indicated that there have been several events causing tens of thousands of damage to neighbor's property

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5. TREASURER'S REPORT:

Agenda Item 5: Treasurer's Report

Annual Independent Auditor's Report: In mid-March we received our annual Independent Auditor's Report. As expected, we passed with flying colors. There were no errors or corrections noted. The auditors also found that our financial statements are in accordance with U.S. GAAP and validated Elliot Merrill's control practices.

2022 Income Taxes: For the year 2022, PBV had no income taxes due. This is mostly due to reduced CD income in 2022. We paid \$260 in US Federal Income Tax in 2021.

Certificates of Deposit: In January, we authorized investing up to \$500,000 in CD's. With Elliot Merrill's help, we successfully invested all \$500,000 in four CD's at three different local banks. This was done to keep PBV's total deposits each bank below the FDIC insurance limit of \$250,000. These CD's are expected to generate over \$16,500 in interest in 2023. Details on our CDs are included on the Balance Sheet page of the monthly Property Report. I would like to acknowledge the great help of Penny Giddens (from Elliott Merrill's Accounting Dept.) for her help in arranging these laddered CD's.

February 2023 Operating Results: Total expenses for February were \$31,520 vs a February budget of \$36,218. Thus, expenses were \$4,698 under the February budget. Note: January's and February's budgets are different from the rest of the months' budgets. In February the monthly budget was increased by \$1,900 for a "once a year" expense of \$1,900 to cover the cost of the Independent Auditor's report and our tax filings. This year, the \$1,900 expense for our audit and taxes did not get into the February accounting, and so this accounts for \$1,900 of February's expenses being under budget. Similarly, the fact that we are under our expense budget for the first two months of the year are mainly due landscape replacement, mulching, and tree trimming expenses which will occur later this year, and whose budget is evenly spread over all twelve months. Thus, we expect our expenses to catch up the budget as we progress further into the year. February income of \$34,307 was slightly below the budget of \$34,525. This solely due to timing of collecting quarters from our laundry machines. At the end of March, we collected and deposited \$767 of quarters, curing this slight deficit.

Year to Date Operating Results: Due to the timing mismatches between some expenses and the budget those expenses, at the end of February we show a net operating income of \$8,006. As noted above, this will reduce as we proceed into the year. Similarly, Owners Equity is up to \$108,038.

Reserves Activity: PBV finished February with a total reserves balance of 681,966. During the month, we took our unassigned reserves interest of \$2,660 and assigned it to the painting reserve effective 12/31/2022 so that the painting reserve finished 2022 with a positive balance of \$958 vs the -\$1,702 previously shown. The reserves total balance is unaffected by this. Shortly we will discuss plans for our 2023 improvement projects and their financial impact on our 2023 reserves.

6. OLD BUSINESS:

- A. POOL PROJECT UPDATE:** Ken reported that the contract has been signed for \$27,500 and that the project is planned for the period between June 15 and July 30.
- B. WEBSITE:** Dave indicated that Bette has restored and updated the PBV Website and is available to all owners. He also indicated that he is adding additional documents to the EM Website, which is a work-in-progress.
- G. BUILDING G SOFFIT REPAIRS:** When addressing repairs for the soffit it was determined that the entire building soffit had to be repaired, resulting in an unanticipated expense of \$9,000.

7. NEW BUSINESS:

- A. PROJECTS FOR 2023:** Kevin indicated that the seven remaining on the 2023 projects list are all expected to be completed this year and within budget of \$104,000. As a footnote, he asked Mike Gallagher to report on the need to replace the clubhouse A/C, which had been scheduled for 2024. Upon a motion by Steve, seconded by Dave, the following resolution was unanimously approved.
- B.**

“Resolved that the PBV Board approves the initiation and completion of PBV projects number 41, 11, 31, 61, 19, and 17 within the previously approved budget amounts, plus up to 5% for any adjustments. The PBV Board further authorizes the completion of project #30 to replace the clubhouse A/C at a cost up to \$7,000.
- C. OWNER’S REQUEST:** Owner Jim Higgins had submitted a request to the Board to establish a committee to assess the possibility of adding balconies. Mr. Higgins requested time to present his proposal. The Board allocated fifteen minutes for presentation and Q/A. After the presentation, the president read a letter provided by legal counsel stating that such an endeavor requires a 100% favorable vote to approve. After feedback from some owners, including a request by Bob Carter to obtain another legal option, the Board rejected the request and determined that no further action would be taken.
 - 1. TO PREPARE ALL DOCUMENTATION AND REQUIRED MATERIALS FOR BOARD APPROVAL OF THE MATERIALS FOR DISTRIBUTION TO OWNERS**
 - 2. WORK IN CONCERT WITH THE PROPERTY MANAGER TO COMPLY WITH FORMAT AND TIMEFRAMES FOR ANNUAL MEMBER MEETING DEADLINES.”**

- D. JOANNE MELE EXPLAINED HER REASONS AND JUSTIFICATION FOR ADDING A PICKLEBALL REQUEST. DISCUSSION ENSUED ON THE PROS AND CONS OF THE REQUEST. KEVIN NOTED THAT HER REQUEST REPRESENTS A "MATERIAL CHANGE" AND MUST BE APPROVED BY 2/3 OF OWNERS PER REQUIREMENTS OF THE BY-LAWS.

DON AND STEVE PROVIDED SEVERAL POINTS OF CLARIFICATION AND EXPLANATION CITING ACTIONS REQUIRED BY THE CONTROL DOCUMENTS TO ADDRESS THE REQUEST. AT THE REQUEST OF KEVIN, JOANNE MELE AGREED TO ACT AS CHAIRMAN OF A COMMITTEE TO PREPARE THE ESSENTIAL INFORMATION AND FOLLOW THE NECESSARY PROCEDURES TO BRING THE MATTER UP FOR A VOTE AT THE ANNUAL MEMBERS MEETING IN JANUARY 2024.

UPON MOTION BY KEVIN, SECONDED BY STEVE THE BOARD UNANIMOUSLY APPROVED THE FOLLOWING MOTION:

RESOLUTION:

"RESOLVED THAT THE BOARD OF DIRECTORS APPOINTS JOANNE MELE AS CHAIRPERSON OF THE "PICKLEBALL COMMITTEE" WITH THE AUTHORITY TO APPOINT COMMITTEE MEMBERS AS SHE DETERMINES. FURTHERMORE, THE CHAIRPERSON AGREES, AS FOLLOWS:

1. TO PREPARE AN ASSESSMENT OF THREE ALTERNATIVE APPROACHES, AS FOLLOWS:
 - A. COURT OVERLAY OF EXISTING TENNIS COURT LINED AREA
 - B. COURT INSTALL PERPENDICULAR TO EXISTING TENNIS COURT ON NORTH SIDE OF COURT
 - C. CREATE A NEW LOCATION AND INSTALL A PICKLEBALL COURT.ALL ALTERNATIVES SHOULD BE PRESENTED WITH CLEAR STATEMENTS OF THE PROS/CONS/TRADE-OFFS.
2. TO PREPARE ALL DOCUMENTATION AND REQUIRED MATERIALS FOR BOARD APPROVAL OF THE MATERIALS FOR DISTRIBUTION TO OWNERS
3. WORK IN CONCERT WITH THE PROPERTY MANAGER TO COMPLY WITH FORMAT AND TIMEFRAMES FOR ANNUAL MEMBER MEETING DEADLINES."

8. ADJOURNMENT: 12:05

