

**MINUTES OF THE ANNUAL MEETING OF MEMBERS  
OF  
THE MONTEREY DUNES COLONY ASSOCIATION  
AND  
MONTEREY DUNES COLONY MUTUAL WATER ASSOCIATION**

October 16, 2004

**PRESENT**

Mary Jansing Balgooyen, President  
Ellen Michaels, Vice President  
John Steinhart, Director  
Jeff Schwartz, Director  
Tom Bugary, Secretary and General Manager

**ABSENT**

Marty Deggeller, Treasurer

**WELCOME**

The combined Annual Meeting of the Monterey Dunes Colony Association and the Monterey Dunes Colony Mutual Water Association was called to order by Mary Jansing Balgooyen at 10:03 A.M., Saturday, October 16, 2003 at the Monterey Dunes Colony Clubhouse, 195 Monterey Dunes Way, Castroville, CA 95012.

**APPOINTMENT OF ELECTION OFFICIAL**

Mary Balgooyen reconfirmed her appointed of Jim McFeeters as Inspector of Elections, to preside over the tabulation of votes for both the Monterey Dunes Colony Association and the Monterey Dunes Colony Mutual Water Association.

**ROLL CALL TO DETERMINE QUORUM AND ELIGIBILITY TO VOTE**

Jim McFeeters announced that the Association had 106 proxies assigned to the Board of Directors, which constituted a quorum of homeowners. Jim then read aloud the names of those homeowners who had not submitted proxies for either MDCA or the Water Company. There were none present at the meeting. Jim then asked if any homeowner present wished to revoke his/her proxy. None present wished to revoke their proxy.

## **READING OF MINUTES FROM THE LAST JOINT ANNUAL MEETING OF MEMBERS**

Mary Balgooyen asked if any member present wished to have the minutes of the last annual meeting read out loud. By unanimous consent, the reading of the last annual meeting minutes was waived. It was M/S/C to approve the October 18, 2003 Annual Meeting Minutes as written.

## **INTRODUCTION OF NOMINEES**

Jim McFeeters, Chairman of the Nominating Committee, read aloud the nominees for the Board of Directors 2004-2005 term. The nominees were the current Board of Directors; Mary Jansing Balgooyen, Ellen Michaels, Marty Deggeller, John Steinhart, and Jeff Schwartz.

Mary asked if there were nominations from the floor. With no further nominations, Mary closed the nominations.

## **ANNOUNCE ELECTION RESULTS**

It was M/S/C that the nominees, Jeff Schwartz, Marty Deggeller, Ellen Michaels, John Steinhart, and Mary Jansing-Balgooyen be voted in as Directors for both MDCA and the Water Company.

## **PRESIDENT'S REPORT**

Mary began her report by saying that serving this past year, as the Board President was both an interesting and enjoyable experience. She said that she had the opportunity to work with many talented individuals, Board and Committee members, as well as with many of the homeowners in general. Mary went on to say that the Association was very fortunate to have so many experienced professionals who donate their time and expertise to the Association, and to have Tom Bugary as the General Manager of the Association. Mary said that Tom has made her job much easier than she had anticipated it would be. She also thanked Susie Heavin, the Office Manager, and Ed Downie the Maintenance Supervisor for all their support.

“The Association has accomplished a great deal this past year, replacing 27 decks, 217 windows, and 2220 feet of fencing and gates. The swimming pool fence enclosure was replaced and a new propane storage facility constructed”.

Mary told the homeowners that we are ready to finally send out the 5-year Reserve Budget for 2005 through 2009 for a vote of the membership, and should do so next month. This reserve budget is based on an eight-year plan, developed by the Reserve Projects Committee and discussed this past year at three consecutive Director's meetings. The budget calls for replacing sidewall shingles, stretching out the remaining deck and window replacements beyond 5 years, and readjusting painting and other miscellaneous projects to even out the annual reserve assessments. This plan takes advantage of using in-house labor and bulk material purchases. Mary continued her report by saying that we destroyed our two old wells this past year, well #1, (the old north well abandoned in 1984), and well #2, the south well, (abandoned two years ago).

Getting past the red tape of drilling within the coastal zone was a long and difficult process and Mary congratulated Tom for dealing with the different agencies and finally getting the well completed and on line.

Mary thanked all the members of the Board for their cooperation and hard work this past year. She also thanked Jim McFeeters for serving as the Inspector of Elections.

Mary acknowledged the hard work of the Finance Committee, chaired by John Gentry, with Jim McFeeters, John Magee, Frank Williams, and Marty Deggeller as members. The Finance Committee monitors the operating and reserve accounts on a monthly basis and works with Tom on managing costs. The Finance Committee makes recommendations to the Board on any changes in the funding plan within the fiscal year. Mary said that the Finance Committee has a tough job, keeping the homeowner dues as low as possible while, at the same time, rebuilding the Association, keeping the value of our property high.

The Environmental Control Committee (ECC) is chaired by Ellen Michaels, with Jeff Schwartz and Ted Swanson as members. They make sure that any remodels or exterior changes adhere to strict architectural standards that maintain the aesthetics of the Colony.

The ADHOC CC&R Revision Committee chaired by Marty Deggeller, with Jim McFeeters, Ted Swanson, and Russ Ryder as members. The CC&R Committee just completed a 2½-year task of revising the Association Bylaws and the CC&Rs and the Bylaws of the Water Company, all of which were essentially unchanged since 1977. Thanks to this committee, our governing documents are now up to date and easy to read.

The last committee Mary thanked is the ADHOC Reserve Project Committee chaired by Bill Michaels, with Jeff Schwartz and Jim McFeeters as members. This committee was formed to analyze the Barrera & Co. 30-year Reserve Study and recommended changes to the 2005-2009 portion of the Reserve Funding Plan. "As most of you know, we are in the fifth year of the approved 5-year Reserve Plan and by the end of this year we are going to be facing another 5-years of significant reserve assessments to replace more windows, doors, decks, sidewall shingles, and many other costly reserve projects. The Barrera Funding Plan has some recommended annual assessments with large spikes, (some as much as \$9k in one year with the next years assessment dropping to a \$3K assessment)". The Reserve Project Committee worked out a proposed alternate plan that was approved by the Board on 3-27-04 and sent, together with the 30-year Barrera Reserve Study Plan to the homeowners for comment. The adjusted funding plan was discussed at the May, July and September Director Meetings. The Committee smoothed out some of the high dollar assessment spikes by stretching out projects a few years while at the same time still accommodating those projects that required more timely attention. This plan will be sent out to the membership for a vote in November 2004.

Mary commented that when the last five-year plan was voted on, the Board President, at the time, presented a chart to illustrate a comparison on original home values and their current value. Mary said she believes that a part of the dramatic increase in the value of our homes is due to our high standards for day-to-day maintenance and reserve project replacements. These high

standards, maintained throughout the current 5-year Reserve Budget (2000 through 2005), have directly contributed to an increase in the value of our homes. Clearly, it is in the best interest of all the homeowners to support the proposed reserve budget in order to continue to maintain these high standards. In closing, Mary stated that this Board of Directors, as well as the Association Staff, is dedicated in maintaining the quality of the Colony, and with the continued support of the membership, she was confident that this can be achieved.

### **OLD BUSINESS**

There was no old business.

### **NEW BUSINESS**

#### **Snowy Plovers**

A homeowner from the audience stated that she was aware there was a lawsuit originating in Santa Barbara to remove Snowy Plovers from the endangered species list. She wanted to know if the Association could write a letter to the Santa Barbara organization supporting their efforts. The Board discussed the request and concluded that the Association must remain impartial and writing a support letter would constitute taking a side in the matter. The Board did suggest, however, that a petition, or letter might be started by a concerned homeowner and endorsed by other individual homeowners with the same concerns.

#### **Thank You to the Board President and the Entire Board**

Jeff Schwartz stated that, on behalf of the Association, he would like to thank Mary Balgooyen. "She has worked many hours on behalf of the Association and has been a pleasure to work with and is a real asset". Frank Williams added that the whole Board should be applauded for their efforts.

#### **Security Guard**

A homeowner from the audience questioned the purpose of having a security guard at the gate at night and whether it was cost effective. He asked if Tom could explain, what the Security Guard does other than sit at the gate. Tom stated that in recent history, the security guard worked 24/7 but at one point, (5 or 6 years ago), the Finance Committee did look at eliminating that position to save money. After several discussions concerning the guard at meetings, the Board decided to keep the guard as it was a service desired by most of the owners, and also because of some of the other functions he/she was responsible for during the evening hours. The Board did revise the shifts, consolidating them into 1 shift per day, 8 hours per day, 7 days a week. During the early

morning hours, we have hired an answering service to control the gate by phone and who can notify the manager in the event he needed to come in to resolve an issue. Security Guards are on duty from 4:00 p.m. to 12:30 a.m. seven days per week. Tom said that the security guard sits at the gate only during high volume traffic periods. In addition, the Guard is responsible for many other things such as: monitors and reports on lights on the property, closes the Pool and Jacuzzi, makes random patrols, (mounted and dismounted), throughout the colony, interfaces with guests and renters, issues keys if necessary, and is onsite to call-in the manager if necessary. The presence of the security guard gives guests and homeowners a focal point for issues and/or complaints.

### **Clubhouse**

A homeowner from the audience questioned whether anybody has considered giving the clubhouse a “face lift”. The Board responded that the clubhouse is in the middle of a “face lift”. So far, the windows, window blinds, and trim have been replaced. The window seat cushions have been reupholstered, as have the fireside chairs. The member’s present discussed changes in the lighting without resolution.

### **IRS Revenue Ruling 70-604**

Mary read aloud an IRS Revenue Resolution for 2004-2005. It was M/S/C to approve the resolution, which applies to any unspent revenue generated by the Association in fiscal year 2003-04 to future year’s expenses. This resolution is required to preclude being taxed on dollars in the operating and reserve accounts, committed, but not spent as of July 1, each fiscal year.

### **ADJOURNMENT**

With no further business from the floor, it was M/S/C to adjourn the meeting. The next Board of Directors meeting is scheduled for Saturday, November 20, 2004 at 10:00 A.M.

### **ORGANIZATIONAL MEETING**

Following the annual meeting, there was an organizational meeting to elect officers of the Board for the 2004-2005 term.

The Directors made the following appointments as Officers of the Board:

Mary Jansing Balgooyen	President
Ellen Michaels	Vice President
Marty Deggeller	Treasurer (Chief Financial Officer)
John Steinhart	Director
Jeff Schwartz	Director
Tom Bugary	Secretary (non-voting officer of the Board)

Respectfully Submitted,

*Thomas J Bugary*

Thomas J. Bugary, CMCA, CCAM  
Secretary and General Manager