

DRAFT MINUTES OF THE VIRTUAL 47th ANNUAL MEETING OF
CORONADO SHORES CONDOMINIUM ASSOCIATION #4
SATURDAY NOVEMBER 21, 2020

The President, George Kachigian, called the meeting to order at 10:00 AM, stating that a Board quorum was present. Board members present virtually via zoom were Karen Perry, Scott Nicoll, Linda Shenwick, and Sara Smith. The Manager, Anthony Diaz was also present.

Homeowners present were Dr. Noel Curry, Diane Rutherford, Roberta Schofield, John and Karen Robinson, and Mr. Fairclough.

Roll Call was then called and the President stated that a quorum of the Board was present and asked the Manager if a quorum of the membership was present. The Manager reported that a total of 83 members were either present or ballot submitted to represent their attendance in accordance with election laws. A minimum of 51 members are required, therefore a sufficient number was present for a quorum and is therefore a legal meeting. For the record, there were 6 homeowners present at the meeting representing 6 units. That is only 4% of the voting membership, a very poor showing.

The President called for Proof of Notice. The Manager read the following statement:

I, Anthony Diaz declare that:

At the times herein mentioned, I was the Association Manager for Coronado Shores Condominium Association #4, a California corporation, and the person charged with the duty of giving notice of meetings of the corporation.

I served the foregoing attached notice of the meeting on November 21, 2020, by depositing true and correct copies thereof in the United States mail at Coronado, California in fully prepaid sealed envelopes. Such envelopes were addressed to members whose names appear on the attached notice at the addresses appearing under their respective names on the attached notice, which were the latest addresses given to me by the Association for the purpose of giving notice to such members, or if the members resided in the building at the time of mailing the notice was hand delivered to said members.

At said time there was a regular delivery of the United States Mail between the places of deposit and address.

Executed on 11/21/2020, at 1770 Avenida Del Mundo Coronado, California, 92118

Anthony Diaz
Association Manager

The President then motion "to approve the minutes of the 46th Annual Meeting of Coronado Shores Condominium Association #4 as written". Scott seconded the motion, which carried unanimously 5/0.

Reports of Officers and Committees:

Treasurer's Report

Karen Perry

Annual Meeting November 21, 2020

The October 2020 Operating Budget is \$47,119.70 positive to budget. The October reserve amount is \$605,136.47. This amount means our reserve is currently funded at approximately 28% based on the revised reserve study update December 2019. The reserve amount in October 2019 was \$508,299.81 which was approximately 29% based on an older reserve study. The reserve balance carried forward from 2019 end of year was \$470,136.53. Las Flores continues to build our reserves, spending out of the reserves when necessary, but still focusing on major components that will need replacing in the near future.

Treasurer's Report for month ending October 31, 2020

Reserves

Balance brought forward from 2019 \$470,136.53 in the Regular Reserve Fund.

Union Bank Statement ending balance as of 31 October, 2020 \$304,846.13.

CalPrivate Bank Statement Balance as of 31 October, 2020 \$300,206.53.

Currently: 2020

At the end of October there is \$605,387.47 * in the Regular Reserve Fund account, kept in the reserve bank account. See Reserve Funds Account Summary for a complete breakdown of Reserve Accounts. This represents that the Association Reserve is currently at approximately 29% funded level based on the revised Reserve Study Update completed October 2019.

*Includes undeposited reserves funds.

**Board goal is 30% funding of total reserve obligations based on reserve study.

Interest Income

Year to date we have collected a total of \$506.02 in interest. We projected we would receive \$510.00 leaving us under projections at the end of October by \$3.98.

Operating Budget

For the month of October, we budgeted \$124,800.00 for assessment income and we actually received \$124,800.00.

For the month of October, we budgeted \$124,851.00 for expenses and actually expended \$114,963.61 leaving us under projected budget expenditures for the month by \$9,887.39. To date ending October 31st shows that we are currently under projected budget expenditures for the year 2020 to date by \$46,779.88.

Net Ordinary Income to Budget year to date as of October 31th is positive \$47,119.70.

Notes:

Sincerely,

For the Treasurer
Anthony Diaz
Association Manager

Manger's note: Surplus is due to some employees moving health care insurance coverage from United States providers to Mexico providers, savings in Annual Meeting buffet cancellation and cancellation of the Holiday Party. Reserve surplus on December 31, 2020 will be transferred to Reserves.

Manager's Report

Annual Meeting November 21, 2020

1. CPA conducted yearly financial audit; no discrepancies noted. Sent the audit to the membership.
2. Filed all payroll tax returns and reports for 2019.
3. We completed and passed all required tests and building inspection such as fire & safety, and elevator inspections.
4. Refurbished all building trash rooms and stairways.
5. Passed the annual inspection by the San Diego County Air Pollution Control District
6. Replaced Fire Main Booster Pump and controller in pump room.
7. Completed annual inspection and maintenance on portable fire extinguishers, wet and dry pipe and fire hoses.
8. Built and installed a foot wash station by upper exit ramp.
9. Had annual back-flow preventer inspection. One of three failed and was repaired.
10. Replaced all back-up batteries on the Fire, Life Safety System.
11. Replaced tire inflation compressor in upper level garage.
12. Mailed Annual Budget Pro Forma to homeowners. Assessment will increase in 2021 as stated in the annual policy statement.
13. Made staff schedule changes at the front desk.
14. Installed 4 8' flag poles on entry to building.
15. New Las Flores Website is almost completed.
16. Las Flores units active for sale; Units; 204, 601, 1402. Low to High \$1,449,000 – \$1,845,000
17. Las Flores units sold in 2020: Units; 101, 402, 602, 710, 905, 1410. Low to High, \$970,000 – \$1,950,000.

Other Comments from the Manager:

COVID-19 has changed a lot of daily routine activities and we have spent a lot of money in PPE and cleaning and disinfectant supplies to keep the building sanitized as much as possible. Due to the pandemic, it is unfortunate we will not have a holiday party this year.

The engineering department has maintained all mechanical equipment in good working order throughout out the year. As the building continues to age, we have again had numerous plumbing leaks here and there.

I would like to thank the Board of Directors and homeowners for their support this past year. It has been a great pleasure working with all of you and I look forward to working with the Board in 2021.

Beach Club Sub-Committee: NTR

Landscape and Recreational Committee:

Las Flores contributes about 18% of its budget to the L&R and enforcement committees. The 2021 L&R operating budget will increase 6.02% and the capital budget will stay constant at \$480,000. 2020 projects included renovations of the El Camino, Beach Club, and Cabrillo pools. New glass panels were installed at all pools. The old posts were rusting and created a safety problem. The new glass panels are up to current code standards. New entry and exit gates were installed at all entrances. A Lagoon monitoring well was installed which was required by the city. Landscaping plans for the north campus, south campus and main entry are either completed or are still in progress. L&R updated and revised its rules and regulations and an AD Hoc committee is currently looking at the L&R Articles of Operation. L&R spent considerable time and effort dealing with the ever changing Covid 19 mandates. A \$170,000 forgivable PPP loan was secured to keep employees working as revenue from the Beach Club and ID cards dropped. 2020 has been a busy and an unusual year.

Finance and Budget Committee:

Covered during Treasurer's Report

Landscape Advisory Group: NTR

Community Alliance:

1. How to enforce keeping bike, skateboard traffic off of our boardwalk as it is becoming an increasing problem dangerous for pedestrians. Our boardwalk has city codes posted to walk bikes; however, it is not enforced.

We proposed to set up a meeting with Coronado PD and the city manager to help implement enforcement as we feel someone will get hurt. The Hotel Del's boardwalk does not have the same rules.

2. The median that divides Hwy75 in front of the Shores will be redone upon completion of the Avenida del Sol intersection. CAG is concerned about the rate of speed set along with the planting of the dividing median
3. The intersection Avenida del Mundo remains dangerous for pedestrians. We will ask city what the plan is for it going forward.
4. The public art still being talked about the end of Avenida del Sol btw the Hotel Del and us. Before Covid the Del said they would give monies for the art project, we are not sure what is going on with that and will be checked on
5. Fires on the beach in front of El Camino create smoke. Some want no more fires on beach while others want to continue allowing them. The city currently allows fires on the beach.

Enforcement Committee:

The Enforcement Committee is a committee of all 10 buildings and concerns itself with the seawall, storm and sewer drains, roadways, curbs, etc.

Enforcement Committee minutes are available for review in the manager's office and have been previously discussed at board meetings in 2020, also available from the manager.

Insurance Committee:

The Insurance Committee is a committee of all 10 buildings and concerns itself with common insurance issues and coverage. Employee health/dental/vision/death insurance is the exception and is the responsibility of each association and L and R. For 2021 our employee health insurance providers will not change from 2021 and consists of a mixture of United States and Mexico providers.

Insurance Committee minutes are available for review in the manager's office and have been previously discussed at board meetings in 2020, also available from the manager.

Governing Documents & Rules Committee:

During 2020 the board of directors undertook a review of Las Flores CC&Rs to ensure compliance with recent changes to California law governing HOAs. As a result of this review on June 15, 2020 the association adopted changes to the CC&Rs governing its election procedures. The November 2020 election for the Board of Directors is being conducted pursuant to these rule changes.

House Committee:

Two inspections are conducted, one that includes the roof, terrace, garages and exterior and one that includes the hallways, and lobby areas. These inspections are conducted on alternating months so all areas are usually inspected prior to scheduled Board meetings. There are numerous parts of the building that the homeowners never see, such as the machinery pumps, motors, vents, boilers, cooling towers, and valves that have to be maintained. The staff continues to do a great job throughout the building even though most homeowners don't see some of the maintenance and upkeep they do. The building is in outstanding condition as we enter 2021 including the halls, spalling and exterior painting of the structure.

All house committee inspections in 2020 are on file with the manager and available on request.

Disciplinary Committee: NTR

Elections of Directors (Recess to Count Ballots)

We have the same Board running for the 2020-2021 Board of Directors, Mr. George Kachigian (910), Mr. Scott Nicoll (405), Mrs. Karen Perry (906), Ms. Main Sara Smith (205) running for the 2019-2020 Board of Directors. We still have to count the ballots, as soon as we are done, we will readjourn and the president will make the official announcement of the new Board. Mr. Lynn Kovar (1502) and Ms. Gloria Cady (810) and Mr. Dennis Brokaw are the inspectors of elections.

The President had to leave the meeting and the Vice President took over the meeting. The Vice President then called for a recess for lunch and to allow the Inspectors of Election to count the ballots. The meeting recessed at 10:30AM

Announcement of New Board:

Manager/ Vice President

Election of the Board:

The Vice President then introduced the slate of candidates for the 2020/2021 election. He thanked them for volunteering to serve and gave them each an opportunity to make statements if they wished. The candidates were: Mr. George Kachigian, Mr. Scott Nicoll, Mrs. Karen Perry, Ms. Sara Smith and Ms. Linda Shenwick. Inspectors of Election were Linn Kovar, Ms. Gloria Cady, and Mr. Dennis L. Brokaw, Sr.

The Vice President reconvened the meeting at 11:20AM and read the Certified Results of the election provided by the Inspectors of Election. The results of the election are as follows:

Total ballots cast 83.

George Kachigian	63 votes
Scott Nicoll	73 votes
Karen Perry	66 votes

Linda Shenwick 55 votes
Sara Smith 63 votes

The five candidates with the highest number of votes and are now the new Board of Directors are:

George Kachigian Unit 910
Scott Nicoll Unit 405
Karen Perry Unit 906
Sara Smith Unit 205
Linda Shenwick Unit 1601

Homeowner Comments: Paraphrased

Two homeowners mentioned that the trees around Las Flores need to be trimmed with particular emphasis on the large tree directly in front of Las Flores. The manager has repeatedly asked the L and R manager when that tree would be trimmed with no definite response. The manager will continue to try to obtain a date for the tree to be trimmed. Karen Perry, our L and R representative will bring the issue up at the next L and R meeting.

One homeowner asked the Board to investigate Costco for a health insurance quote for employee health care coverage. John Robinson, the insurance committee representative, stated that it was too late for any further quotes to be obtained as the policy must be in effect by Jan 1, 2021. Two quotes were obtained for 2021, Farmers Insurance was selected. However, in 2021, the board will consider multiple broker presentations for the 2022 coverage.

The same homeowner also wanted to know if the board felt the current reserve balance was sufficient. It was explained that the current funding of about 30% has been the goal of every board since the association was formed and while considered at the low range of recommended funding for HOA's, trying to fund it to a higher level is very difficult due to homeowner resistance to assessment increases as evidenced in 2019. That said, the board feels we are safely funded when the ability to successfully fund through special assessments is considered due to the relative financial stability of our owners compared to most HOA owners. While special assessments are not the optimum way to fund reserve requirements, we have over \$600,000 currently in reserves, a satisfactory amount for emergent issues. Future large ticket expenditures going into 2022 and 2023 include rooftop boiler and heater replacement. Payment for those expenditure will probably be through special assessments or bank loans with down payments from reserves.

Next meeting: The Organizational Meeting 21 November, 2020 after the 47th Annual Meeting.

Adjournment:

There being no further business, the Vice President declared the 47th Annual Homeowner's Meeting adjourned. The 47th Annual Meeting was adjourned at 11:30AM.

Sara Smith

Sara Smith, Secretary

George Kachigian

George Kachigian, President