

**THE MINUTES OF THE GENERAL MEETING
OF THE
BOARD OF DIRECTORS
OF THE
SORRENTO HOMEOWNERS ASSOCIATION**

November 19, 2009

CALL TO ORDER

The following are the Minutes of the General Meeting of the Board of Directors of the **Sorrento Homeowners Association** held November 19, 2009 at the Sierra Canyon Upper Campus, 20801 Rinaldi Street in Chatsworth, California. A **Quorum** was noted and the meeting was called to order at 7:02 p.m.

BOARD MEMBERS PRESENT

Melissa Centeno, President; Pat Pope, Vice President; Victor Florian, Treasurer; Phillip Minton, Member at Large and Mary Cooley-Lopez, Secretary.

BOARD MEMBERS ABSENT

None.

OTHERS PRESENT

Bill Wallace of Centurion Security; Marinel Agbunag of Ross Morgan and Company (RMC); Lisa Holtke of Recording Secretaries, Inc. (RSI) and several homeowners were present.

APPROVAL OF MINUTES

Mary Cooley-Lopez moved to approve **Minutes of the Special Meeting** held November 10, 2009 provided the following changes are made: the last line of the second Motion (page three) should be corrected to read "Victor Florian seconded the motion, which failed"; on the same page at the end of third paragraph add "Victor Florian and Phillip Minton asked Mike Gombar for a written statement of his qualifications. He declined but offered a verbal statement of his qualifications at the meeting"; the second sentence of the last paragraph on page three should be corrected to read "He was not on the Security Committee when Siegel was hired, but was a member of the Board"; the following changes should be reflected throughout the Minutes: the word Executive stricken, Gumbar corrected to read "Gombar" and Kitie corrected to read "Katie". Pat Pope seconded the motion, which carried unanimously. .

Mary Cooley-Lopez moved to approve Minutes of the Executive Session held October 28, 2009, as presented. Pat Pope seconded the motion, which carried unanimously.

Mary Cooley-Lopez moved to approve Minutes of the General Meeting held October 28, 2009, as presented. Pat Pope seconded the motion, which carried unanimously.

PRESIDENT'S REPORT

Committee Changes/Appointments - Melissa Centeno announced a Special Investigative Committee established to review questions concerning Bob Siegel, a vendor. The Chairperson is Katie Allgretti with Maureen Bratman, Lisa Feldman and Adrienne Masi as members. Mike Gombar will serve as advisor and a possible member.

Melissa Centeno announced that additional homeowners have joined regular committees: Bob Harvey, Architectural and Landscape Committee and Phillip Minton, Finance Committee.

Budget – The balance of this Meeting will involve fiscal year 2010 Budget considerations, discussions, proposals and each regular committee will discuss their budget line items/categories.

COMMITTEE REPORTS

Treasurer/Finance Committee - Liaison Victor Florian – Victor Florian made available an outline (hard copy, one page) sequencing the Finance Committee's presentation of proposed Fiscal Year 2010 budgets, Finance Committee sub-groups and presentation/discussion of regular committee budget proposals.

Marc Bratman, Finance Committee Chairperson – Bratman prepared, presented and discussed a preliminary Fiscal Year 2010 Budget.

Victor Florian moved to make available to homeowners in attendance a hard copy of the preliminary Fiscal Year 2010 Budget proposed by Marc Bratman ("Budget", two pages, with a twelve month assumption of 629 homes and \$190 monthly dues). Pat Pope seconded the motion, which carried unanimously.

Marc Bratman explained that the proposed budget relies on monthly P & Ls prepared by RMC wherein income is accrual based and expenses are cash; the annual financials reflect full accrual and are reviewed by a CPA.

Marc Bratman reviewed the budget by major category, and discussed line items of particular interest to the Board and homeowners at length (e.g. 41010, 61030 and 62090).

Monica Florian, Finance Committee member, spoke regarding distressed homes and based on preliminary review anticipated \$59,000 in past due assessments/fees as recoverable during the coming fiscal year.

COMMITTEE REPORTS (Cont.)

Phillip Minton, Finance Committee member, directed his attention to line item 62090 and expressed his desire to substantially reduce or eliminate the \$63,000 budgeted and redirect the money to homeowners/rebates. Members of the Finance Committee and homeowners engaged in discussions regarding the function of this line item and its relationship to reserves. Phillip Minton also explained that a reduction in the reserve study line item of \$1,000 could be made to the proposed Fiscal Year 2010 budget.

Hospitality Committee/Pool Committee – Liaison Melissa Centeno – Melissa Centeno invited question and answer regarding committee budgets and line items as proposed. Questions regarding Janitorial service expenses were raised and Melissa Centeno explained that overall costs were reduced by eliminating a trash collection expense of approximately \$3,600 at the same time that increased staffing and decreased supply costs had been negotiated through a bidding process that included new vendors.

Pool/Spa extra expenses, two line items, were questioned and on discussion Melissa Centeno agreed that the line items should be reduced in the 2010 budget.

Security Committee/Rules Committee - Liaison Pat Pope – Pat Pope invited questions and answer regarding committee budgets as proposed and line items. Regarding security costs, prior budgets failed to account for over-time costs during holiday periods for on-site and patrol staff and therefore the line items affected show a slight increase. In addition, Pat Pope explained that holiday coverage has been expanded in recent years and may be further expanded in the coming year to address 4th of July, Labor and Memorial Day staffing needs. This potential expense has been included in the proposed budget.

Pat Pope entertained many questions and much discussion regarding the budget for Meadows Gate security. The committee proposes budgeting to keep the Meadows Gates open at the present time and allow for the possibility of closing the gates and enhancing guard house security at any point during the coming year, provided the association determines closure is agreeable.

Pat Pope was tasked by Board members to explain why he did not reduce overall expenses or entertain alternate service provider bids for various categories. He explained that the current vendor, Centurion, provides a level of service that is acceptable and cost reductions are likely to be obtainable only by diminishing service or changing providers. The Security Committee, in his opinion, does not recommend doing this under existing conditions (e.g. the economy, etc.). Regarding gate maintenance, bids are being solicited but current submissions appear to be coming in above what the prior vendor charged – the prior vendor is not bidding future work.

Architecture/Landscape Committee and Newsletter/Website Committee - Liaison Mary Cooley-Lopez – Mary Cooley-Lopez discussed architectural fees and gardening and landscape at the request of those present. A new vendor has proposed to address landscape and water smart control systems at a cost that represents a substantial reduction. Board members and homeowners expressed questions and concerns regarding the details included in a final agreement that might be offered by the vendor.

