

MINUTES OF THE REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF THE  
SANTA LUCIA COMMUNITY SERVICES DISTRICT  
July 16, 2024

The regular meeting of the Board of Directors of the SANTA LUCIA COMMUNITY SERVICES DISTRICT was held via ZOOM and in person at the Golf Clubhouse Library, Santa Lucia Preserve, 19 Pronghorn Run, Carmel, California, at 9:00 A.M. on Tuesday, July 16, 2024.

Call to Order. The meeting was called to order at 9:00 A.M. by Board President Mark BOITANO.

Roll Call. The following Directors were present in person: Barbara SANTRY, Scot SMYTHE, and Cary WHITFIELD. Directors Mark BOITANO and Melissa THORME joined via ZOOM. Also present were Jack PEAT, Advisory Member; John SHUPE, Advisory Member; Forrest ARTHUR, District General Manager; Karen BAXTER, Chief Executive Officer of Santa Lucia Preserve Company; Mike SAEIDI, Chief Financial Officer of Santa Lucia Preserve Company; Robert WELLINGTON, Legal Counsel for the District, Aimee DAHLE, District Executive Assistant; Jamil TANGUAY, Gatehouse Manager; and Monte ROECKER, Director of Security. Joining the meeting by ZOOM: Bob LATTA, Advisory Member (leaving at 11:00 a.m.); Teguh PRASETYO; Assistant Gatehouse Manager; Aaron DULA, Director of Water Systems; and Emily AIKEN, Fire and Fuels Management Specialist. Members of the public joining via ZOOM: Carl SCHACHTER.

Public Comment. Mr. ARTHUR welcomed Carl SCHACHTER who was joining out of interest in potentially seeking an advisor role in the future. The Board welcomed Mr. SCHACHTER.

Approval of Minutes. After reviewing the January 16 and April 16, 2024, meeting minutes, Ms. SANTRY thanked staff for the review and correction of the January minutes and stated no further corrections were needed in either set of the minutes provided. With no further corrections requested by the Board, a motion was made by Director SANTRY and seconded by Director THORME, to approve both sets of minutes as presented. This motion and second was followed by a roll call vote and the meeting minutes were approved unanimously.

General Managers Report.

Security Report. Mr. ARTHUR presented the Security Report and answered questions regarding the alarm responses and reported events. Mr. PEAT commented that one of the emergency calls was to his location and wanted to express gratitude for the new 24-hour coverage of the MCRFD staff and the expanded EMS program for the response time. Ms. BAXTER added that multiple members needing emergency care have echoed the sentiment given by Mr. PEAT. In Response to a question by Director

SMYTHE, Mr. ARTHUR informed the Board that Ms. TANGUAY and staff are working on various ways to continue to increase security measures at the gatehouse while trying to limit the backlog of traffic.

Mr. ARTHUR next updated the Board regarding a member who was “self-policing” the roadways, causing a safety concern. Mr. ARTHUR stated that members of the Executive team have spoken to the member and requested that the Board just retain this information in case future resolution is needed. Staff was directed to take appropriate action as needed.

Financial Report. Mr. SAEIDI presented the quarterly financial packet including a revised Investment Policy for discussion and approval. Director THORME asked about the need to have an elected Board member be elected as the Treasurer of the Board. Mr. BOITANO responded, stating that a new slate of officers would be appointed in January 2025 and this query could be addressed at that time. Mr. ARTHUR stated that an Audit Committee was formed by the Preserve Company should a member of the Board wish to join. Director SANTRY asked questions regarding the quarterly reporting revenues and expenses that were answered by Mr. ARTHUR and Mr. SIEIDI. Ms. SANTRY next asked about the changes in the Investment Policy and the reporting. Mr. SIEIDI stated that a change to the policy would be made to allow up to \$800,000 in cash within the Wells Fargo account. Director THORME asked for clarification regarding the verbiage on the variance report and Mr. ARTHUR clarified the error. Director THORME also provided verbiage corrections within the Investment Policy. After further conversation regarding Board oversight, staff was directed to include the appointment of a new slate of officers on agenda for the 2025, January meeting.

Mr. ARTHUR introduced the proposed draft budget for FY 2024-2025 and reported that the consolidated budget was presented in two versions, the first including all departments, with the second version omitting the Fire and Brush and Fire /EMS departments which were determined as “specific purpose functions”. Mr. ARTHUR highlighted the increased costs of operating expenses including inflationary impacts along with a payroll budgeting error in the Property Operations department. Mr. ARTHUR presented a forecast resulting in approximately \$87K above approved budget expectations. Mr. ARTHUR noted that the proposed budget included two new positions. Mr. ARTHUR also answered questions from Director SANTRY in regard to the status of capital projects.

Mr. ARTHUR next noted that due to the recruitment expenses and three months of training for the succession of the General Management position, operating expenses were proposed at 5.1% increase against an increase in total revenues of 6.8%. After questions regarding increases in wages and salaries and CPI calculations, Mr. ARTHUR recommended that the increases in wages be reviewed in the November meeting following the hiring of the new General Manager and the Preserve Company recommendation for wages and compensation increases for Preserve Company employees. In regard to the allocation of Preserve Company expenses as presented, Mr. SAEIDI responded that the expenses included projections for the second half of the District’s fiscal year. The Board was reminded that a revision containing new

information on future SLPCO expenses would be brought to the November meeting for review and approval.

Mr. ARTHUR next presented a list of Capital projects for the budget year, highlighting the prior year's performance including ongoing and new projects as proposed for FY 2024-25. Mr. ARTHUR asked Ms. TANGUAY to discuss the proposed new gate pedestal management system which would upgrade the gate and entry functions within the District. The system was reviewed, and questions were answered regarding timing.

At this time, several questions were asked in regard to the specifics of the budget as presented. Mr. ARTHUR answered the questions, and staff were thanked for their diligence.

Business Matters Mr. ARTHUR updated the Board on the current standing of the five-year plan, which, following three years of activity, was behind plan. Mr. ARTHUR suggested the Board consider reevaluating the current status of reserves and the possibility of relaunching a new five-year plan for FY 2025-2026. The Board suggested that staff present a revised five-year projection at the November meeting with the goal of building approximately five million in reserves.

Mr. ARTHUR next updated the Board on the replacement of the General Manager position, stating that the recruitment firm had received interest from approximately 80 individuals. Following a thorough vetting process, the recruiter narrowed the list down to the top five. Interviews are scheduled with the goal to have the offer in place by early September with an October 1, 2024 start.

Mr. ARTHUR next informed the Board that the work being performed by Emily AIKEN, the Fuel and Fire Specialist, allowed the District to be recognized as a Fire Risk Reduction Community. Mr. ARTHUR recognized Ms. AIKEN for her work and diligence in her guidance of member defensible spaces.

CEO/Preserve Board Liaison Report. Ms. BAXTER updated the Board related to employee housing, staff and member relations, real estate and membership sales.

Conservancy Report. Director SMYTHE reported on staffing and cattle grazing operations, as well as Open land inspections along with the additions of new members to the Conservancy Board. Director SMYTHE also encouraged the Board to join the regular Garden Series presentations to learn more about Conservancy efforts. Mr. ARTHUR informed the Board that Director SMYTHE has recently submitted his resignation from the District board. Director SMYTHE reported he will be staying on with the Conservancy's Board as an at-large member and will still be in contact with the Preserve. MR. SMYTHE was thanked for his dedicated service to the District.

Board Action. Being that no further questions were presented, Resolution 24-06 to adopt the FY 2024-2025 Budget was presented to the Board. A motion was made by Director WHITFIELD and seconded by Director SANTRY to adopt the

Resolution as presented. Following a roll call vote, Resolution 24-06 passed unanimously. Resolution 24-07 was also introduced as “A Resolution Certifying Compliance with State Law with respect to Levying of General and Special Taxes, Assessments, and Property Related Fees and Charges”. Upon motion by Director SANTRY and seconded by Director SMYTHE, a roll call vote was held with Resolution 24-07 passing unanimously. Resolution 24-08 was presented before the Board to adopt the appropriations limit for Fiscal Year 2024/2025. The motion was made by Director WHITFIELD and seconded by Director SANTRY, following a roll call vote, Resolution 24-08 passed unanimously. Resolution 24-09 to approve the Investment Policy as amended was presented. A motion was made by Director THORME to approve the Policy as corrected, followed by a second from Director SMYTHE. With a vote of the Board, Resolution 24-09 was passed unanimously adopting the updated Investment Policy.

Citizen’s Advisory Committee Comments.           None.

Closed Session.       The board went into closed session at 12:09 P.M. to discuss employee appointment matters.

Adjournment.       With no further business being brought before the Board, upon motion and second (THORME/WHITFIELD), the meeting was adjourned at 12:40 P.M.