

MINUTES OF THE SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
SANTA LUCIA COMMUNITY SERVICES DISTRICT
MARCH 25, 2022

The special meeting of the Board of Directors of the SANTA LUCIA COMMUNITY SERVICES DISTRICT was held at the New Corporation Yard at the Santa Lucia Preserve, 121 Rancho San Carlos Road, Carmel, California, at 8:00 a.m. on Friday, March 25, 2022.

Call to Order. The meeting was called to order at 7:59 a.m. by President Mark BOITANO.

Roll Call. The following Directors were present: Mark BOITANO, Barbara SANTRY, Scot SMYTHE, Melissa THORME, and Cary WHITFIELD. Also present were Robert LATTA, Advisor; Robert Wellington, District Counsel; Forrest ARTHUR, District General Manager; Aimee DAHLE, District Executive Assistant; Mike SAEIDI, District Finance Officer (via teleconference); and Karen BAXTER, Preserve Company Chief Executive Officer.

Closed Session. The Board went into closed session at 8:00 a.m. The Board came out of closed session at 8:55 a.m. and Legal Counsel announced that in the closed session provided opinion in closed session relating to the 08-95 marketing budget as provided by SLPCO for approval. Based on counsel's recommendation and opinion, "*the purposes and powers available to the CSD yields no legal support for the CSD expending and funds whatsoever in furtherance of the Preserve Co's marketing plan, whatever it is, and however described*". Based on this opinion by counsel, the SLCSO requests the marketing allocations as described as "SLPC 08-95 Marketing, 01/01/22-12/31/22" be suspended immediately.

Open Session. Following a brief recess, open session was called to order at 9:05 a.m.

Public Comment. None.

Financial Report. Mr. SAEIDI presented a line-item by line-item schedule of "Common Operating Expenses" (COE) for board consideration. Additionally, a schedule detailing SLCSO "Share by GL line" was also presented. Both schedules were satisfactory and appreciated by the board. The SLCSO respectively requests that a similar process occur on or about November 1, 2022, regarding the calendar SLPCO budget approval for 2023.

Also included in the November review of the proposed 2023 COE, the SLCSO would also respectively request a schedule detailing the bonus amounts for executive staff members (CEO, COO, CFO) included in the COE for calendar year 2022. It is the SLCSO's understanding that bonus amounts will be based on criteria established within "Management by Objectives" or "MBO's". In order for the CSD to lawfully participate in

the executive staff COE compensation re-imbusement, currently allocated at +/- 30%, SLCSD related objectives would need to be included within a ratio of 1/3.

After further discussion, a motion was made by Director SANTRY and seconded by Director WHITFIELD, to approve the SLPCO budget with the exclusion of Marketing and review of the COE as presented. After roll call, the motion passed unanimously.

Citizen's Advisory Committee Comments. None.

Adjournment. With no further business being brought before the Board, a motion and second (SMYTHE/SANTRY) was made to adjourn the meeting. After roll call, the meeting was adjourned at 10:10 a.m.

Mark BOITANO, Chair

Forrest ARTHUR, Secretary