

# May 21, 2020

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## Agenda

Call to Order: 4:39 pm -- Dawn Kerns, President Sunland Condo Owners Association Board of Directors  
Certification of Quorum: President

Approval of last month's Minutes (Last meeting in Feb due to pandemic restrictions):  
Moved/Seconded/Approved Online  
President's Comments: None

Treasurer's Report: Carol Stults April 30, 2020 Financial Report

- April Finances – New Format
  - Reserve Accounts
  - Cash Flow – surplus funds transfer
- Budget for 2021 – plan for June Meeting
  - Approval for Release of Lien
    - Resale Certificate
    - Reserve Study 2021
  - Final 2019 Audit Status

Landscape Report: Richard Streeter & Landscape Committee Members

- Status of Irrigation System
- Discuss the Problems facing Landscape Contractor

Insurance Report: Nancy Baer

- Report on Current Insurance Policy
  - Report on Slope Study

CERT Container fact sheet update ( see 5/9/20 newsletter also)

Architecture & Maintenance Report: Joel Ogden

- New roof on 119 & 134
  - Bids for New paint on 117
  - Bids for trim repair, paint on 121
  - Bids for roof on 108 & 116 and removing old built in gutter system
  - Bids to check on cost of replacing driveway at 157, 159, 161, 163
    - All driveway and court yards have been power washed
- All but 108, 116, 151-155 and 157-163 have had their roofs / gutters cleaned

### OTHER COMMITTEE REPORTS

Data and Records Committee: Rob Baer

Newsletter Committee: Carol Stults

Welcoming Committee: Patty Lavelly (Not Present, Dawn update)

Emergency Preparedness Committee: Joel Ogden

Nominating Committee: Brenda Owens

# Division 7: Regular Board Meeting

New Business

Unfinished Business

Date of next meeting: Thursday, June 18, 2020

Owners' questions and comments

ADJOURNMENT Approximately 5:52 pm

Parting Comment by President: *Happy Thursday! Giraffes can grow up to 14 feet, however, most just have 4.*

# Division 7: Regular Board Meeting

**Agenda: May 21, 2020 from President, Dawn Kerns**

**Call to Order:** by President Dawn Kerns at 4:39 pm at Sunland Ballroom

**Attendees:** Dawn Kerns, Richard Streeter, Joel Ogden, Brenda Owens, Carol Stults, Nancy Baer, Teresa Lotzgesell

**Dawn Kerns, President Certification of Quorum:** All board members present, quorum fulfilled.

**President Approval of last month's minutes: Email Motion to Approve:**

02/20/2020 Meeting Notes sent to Division 7 Website administrator Sue Forde 03/02/2020

**President's Comments:** No formal comments presented.

**Treasurer's Report: Carol Stults, April 30, 2020 Financial Report:**

**Special Thanks to Jack Marlowe!** Many heartfelt thanks and appreciation were extended to Jack Marlowe, who decided to submit his resignation on May 19<sup>th</sup> from the Audit Committee citing his confidence in the Board, our Current Treasurer Carol, the state of the books/CPA oversight and the healthy 2019 audit and the teamwork with Steve Welborn-- and all involved. His contributions and vast experience will be missed, thank you so much Jack for all that you have done to help Division 7 Condo Association achieve so much! Have fun, enjoy your retirement! Bravo!

**New Format for our Financial reports:**

- Our CPA has given us reports based on an accrual basis, giving us the chart of accounts with fund balances relative to our budget for that category. In the future, we will also have a budget for reserves, so we have perspective on current spending relative to planned spending and reserve balances. This format will mirror our auditors' and this will give us a better understanding of our financial health and budget status. As you can see, there are several presentations of the data.

Changes in how we state Reserve accounts on our Balance Sheet were driven by a change in rules for HOAs and other entities who are required by law to have such accounts for specific expenditures. The Reserve accounts must now be listed as a liability, as we cannot spend those funds until an expense is incurred that fits the reserve category.

# Division 7: Regular Board Meeting

## **New Format for our Financial reports: BALANCE SHEETS**

- One represents a fund balance format with reserves in a separate column; this format is used by auditors for our annual review and recommended by the finance committee.
- The other one, generated by Quickbooks, is a more traditional balance sheet, which gives us more detail as to what makes up cash equivalents and each reserve fund as well.
- Financial documents for April 30, 2020 forwarded to the board (note: AR accounts are confidential).

## **New Format for our Financial reports: PROFIT & LOSS STATEMENTS**

- The first P&L covers only OPERATING FUNDS and does not include reserve income (interest from the bank) or expenditures.
- The second P&L covers reserve accounts.
- Please NOTE! These will be combined at some point in the same way we have listed the Balance Sheet in fund balance format.

## **Reserves Account Balance Update:**

We received an additional \$1,250 for the tile roof special assessment, leaving a balance of \$19,299.40 owed by 6 owners as of today, which will be reflected in the May end of the month reports. All transfers of funds have been completed for April and May payments received, as of today. The new contingent reserve is not in the budget.

- The current balance of the Tile Roof Reserve, as of today, is \$58,756.
- We have had expenditures totaling \$62,170.50 in April from the Composite Roof Reserves for 2 new roofs on building 119 and 134, both due to emergency roof failure replacement. This leaves a balance of \$108,857 in that account. Note, we now have a checkbook attached to each reserve account, saving us the trouble of transferring funds from the reserve accounts to the operating account when we have a special expenditure.
- Total reserves in all accounts is \$271,777.94
- **Aging Accounts Receivable Report –**
  - We received the amount of \$705.25 from SLOA for the tree removal, which clears that receivable.
  - We have received the payment from the owner with a lien; which clears our outstanding AR, and puts our AR accounts in a good position.

# Division 7: Regular Board Meeting

**MOTION:** Move to release the lien against the property that had an outstanding amount due, since payment has been received. (Nancy Baer) **SECOND:** Joel Ogden **APPROVE**

- **Transaction Reports for April / May:**

- All checks written from the Checking account by the Treasurer in April/May are listed on these reports, with the exception of the last check for roof payment for building 119. Much easier to track expenses from the reserves with the attached checkbooks.
- This provides transparency for tracking expenses. The roof for building 134 was paid by the previous method and a transfer was done from the Composite Roof Reserve. (EDITOR NOTE: Thank you Carol for facilitating that new system!).

- **Resale Certificate:**

Each time there is a sale of a condo in Division 7, a resale certificate is required to be delivered to the Title Company involved in the property closing; there is a hard deadline. Thankfully, Carol and Jeff Bell have updated the documents used (Bylaws, etc.) for that purpose. The packet is as thick as a phone book-- it is a lot of work and the fee charged for that (\$200) goes to Bell & Bell to cover their labor and materials. The resale certificate for the sale of 108 (B&C) is complete and the sale will close in July 2020.

- **Reserve Study:**

- The 2020 Reserve Study completed in 2019 was an on-site study, the 2021 Reserve Study done in 2020 will be done remotely and should be complete in June. Normally, there is a summary report with roughly 30 attached pages of details.
- Let Carol or Joel know if you would like a copy of the 2020 report that drove much of our activity to increase our reserves and get our accounting reports restructured to the Accrual format and hiring a CPA.
- The 2021 Reserve study will help guide the board with budgeting for our reserve accounts for the 2021 budget we will work on and approve in June for submission to the members at the Annual Meeting.

# Division 7: Regular Board Meeting

## **Landscape Committee: Richard Streeter**

- Richard has been focused on the many leaks in the water irrigation system last year and this spring. There are a few issues, but we are good to go, says Richard! All of the program controls are working.
- The hurdle we are facing now is the tough spot our Landscaping Contractor is in—his employee that assisted with Division 7 labor has moved to Chelan, WA and Jason Ambro, the owner of the firm, is giving his best shot to do all of the labor himself. Richard is working with Jason to prioritize projects given the situation. (EDITOR NOTE: Unemployment is paying some much more to stay home vs working, it is difficult for Jason and other small business owners to find individuals that are willing to give up unemployment to take a job that is hard work.) Right now, his is focused on pruning, skipping the edging for now.

## **Insurance Report: Nancy Baer**

- On March 31, 2020 the Board approved (e-vote) the payment of the General Insurance invoices of \$38,883. The 12% increase year over year was due to the General HOA insurance including earthquake coverage \$37,543; an invoice for \$171 that pays for an increase for crime coverage and a general liability policy for the Board for \$869, (standard practice for HOAs). The general policy increase was primarily due to a 10% increase in the cost of earthquake coverage (\$10 million coverage; \$10K deductible). The 3 invoices were paid by the 4/10/20 due date.
- Nancy will contact our agent to see when we can arrange a time/place for her to come speak to our condo owners about the insurance coverage. Many have voiced interest in this for some time; unfortunately, until the pandemic restrictions are lifted, we would be limited to a Zoom meeting online-- an in person meeting would be preferred.

## **CERT Container Update:**

- SPECIAL THANKS! Thank you Nancy for the bubbly and healthy treats to celebrate the positive SLOA Board vote to move the container (in 6-8 weeks). Thank you to all of those who helped champion the vote and kept the topic in the forefront of the SLOA board (Nancy, Rob, Robbie, Brenda, Carol, Dawn, etc!! AND all of those condo owners who wrote letters, emailed, called and drafted petitions on our behalf --- Thank you!)
- There is a Fact Sheet regarding the SLOA CERT Container in our May 9, 2020 Newsletter for your review.

# Division 7: Regular Board Meeting

- The situation revealed (especially after we had an attorney review the documents) that the SLOA Rules & Regulations are vague and do not define boundaries with separate divisions within Sunland. In addition, the notes of the board meetings are not detailed and do not provide transparency or context for residents, not attending the meetings.
- The Board recommended to the Nominating Committee Rep, Brenda Owens that she look for someone in Division 7 who would be willing to represent us at all SLOA Board meetings in case any other decision could affect our division, if SLOA doesn't notify us directly.

## SLOPE Study Review: Nancy Baer

- **2012 Slope Study by Northwest Territories Inc. (NTI)**

Unfortunately, the company NTI is no longer operating. Richard / Nancy have a copy of the 2012 report should anyone want to review it and the data cited.

- **2020 Walking Tour by United Engineering Inc. (operating since 2019)**

March 13, Nancy took the Principal Engineer, Zach Slota, around the Division to review the current state with respect to slope movement and storm water runoff mitigation efforts of the North side of Hilltop Drive. Recently, storm water was routed to the edge of the slope temporarily in an attempt to decrease the amount of storm water runoff that infiltrates into the ground at the top of the slope. Slota did not specify which buildings were the top priorities (Nancy will explore that with the firm owner). He made 3 recommendations:

- 1) Roof Downspout Improvements
- 2) Roadway Storm Water Collection Improvements
- 3) Helical Piles on Effected Foundations

Estimated Fees for a design to collect Runoff from the roof downspouts and direct it to a control facility at the bottom of the slope, \$3,000. For a design that would include the Hilltop roadway area there would be an estimated \$4,000 in engineering fees in addition to the design for the first recommendation. The third option would need specific estimates and analysis to determine the cost of those repairs per building.

It was discussed that it would be prudent to have another survey team come in to measure slope damage and compare to the 2012 study for perspective on movement and assist in prioritizing the specific projects.

# Division 7: Regular Board Meeting

It would make sense to add roadway drainage to the north side of the street when the road is repaved (which is not planned for the near future; road reserve is currently \$65K)

Tasks we need to accomplish:

- 1) Speak to United Engineering Inc. and clarify which units he sees as critical; be good to set up meeting vs email tag. (Nancy lead on this project; someone want to assist her?)
- 2) Re-survey the north slope with a different company to compare to 2012 data—get prices from several companies, if possible.
- 3) Ask for references – not many choices locally.

## Architecture & Maintenance Report: Joel Ogden

In addition to the big projects that we had trouble doing in 2019 due to a shortage of contractors--- Joel had worked hard fixing up several mailboxes that were wobbly and in disrepair—Thank you!

- **Leaking Roof at 134 (Full Building) and 119 (Full Building)**  
The roof replacement has been done for buildings 134 and 119.
- **New paint on building 117**  
No additional info at mtg.
- **Bids for trim repair and paint and roof replacement on building 121**  
(EDITOR NOTE: E-vote approved 5/22/20 Wiley Paint bid \$12,352.60; Hunt & co. for trim / pre-painting repairs \$6,705 and Campbell's Roofing bid for 121 roof replacement \$28,376.)
- **2021 – Will do new roof for 108, 116 and replace built in gutters**  
The roofs that were done in 1997 are in bad shape (108, 126, 121, 116). Working on getting them done in a timely manner considering our budget/cashflow.
- **Bids for Driveway repairs:**  
Driveways being reviewed include: Buildings 157, 159, 161, 163



# Division 7: Regular Board Meeting

- **Gutter cleaning and Moss Removal: New contractor, “In the Clear”, owner Ian Hood**  
All but 108, 116, 151-155 have had roofs cleaned and moss removed. Buildings 157-163 have had their roofs and gutters cleaned.
- **Carol reviewed her Cashflow statement included in the financial information:**  
Given the timing of the income from fees collected, Carol did a great cashflow analysis to assist Joel and his committee to plan for repairs given our cashflow. This will dictate the timing and prioritizing of projects. Given the analysis: Including the Architectural / Maintenance projects planned by the Division:
  - 1) We estimate that \$3500 will be transferred to the road reserve
  - 2) Surplus 2019 Funds to Reserves \$68,387
  - 3) Estimate that we will end the year 12/31/20 with \$57,149 in our checking account.
  - 4) Reserves at year end are estimated to be approximately \$302,000.

## **Data and Records Committee: Rob Baer**

- **Data Records: Rob Baer**  
Again, the database for the maintenance/landscaping projects is in good shape and will provide the necessary paper trail for this board and future boards. Our records are now backed up to the Cloud providing long term record retention and access. Work orders are tracked with an “entered by” system tracking everything. Rob and his helpers are doing a fabulous job to input the current invoices with images of invoices, pictures, details that will help us and future boards track contractors and work orders/invoices per building. Thank you so much!

## **Newsletter Committee: Carol Stults:** no report

## **Welcoming Committee: Patty Lavelly (Patty not present)**

July 4<sup>th</sup> celebration is cancelled. We may look at a Labor Day picnic, but it would require a lot of adjustments given the new world post pandemic and group settings. Dates/Times to be determined given the current state of social distancing and Covid 19 restrictions.

## **Emergency Preparedness Committee: Joel Ogden:** no report

# Division 7: Regular Board Meeting

## **Update Nominating Committee: Brenda Owens**

Carol Stults has informed Dawn/Brenda that she will not seek another term in September. It has been suggested that given the wide scope of deadlines, time consuming activities the Treasurer position requires, it may make sense to have two co-Treasurers. Brenda will seek nominees for this position in September as well as a Division 7 representative for attending SLOA Board meetings and reporting the meeting highlights to the board. Thank you Carol for the breath taking amount of work you have done for the Board and Division on revamping our financial reports with Bell & Bell, as well as the other committees you serve on each month—you are amazing! Thank you!

## **New Business:**

No new business.

## **Unfinished Business:**

No unfinished business

## **NEXT MEETING: Thursday, June 18, 2020 at 4:30 pm ( The Gathering Place?)**

## **Owners' Questions and Comments:**

Several residents thanked the Board for their work—especially those that helped with the CERT Container relocation. It was also suggested that we take Jeff Bell's suggestion to present the new GAAP rules and discuss our reports at a future meeting so residents can meet him and ask questions--- he is able and willing! May need to wait until the adjusted tax day passes in July. Fall board meeting? Carol will take the lead in setting up attendance at the first opportunity.

## **ADJOURNMENT at approximately 5:52 pm**

## **Board Motions completed via e-mail in MARCH - MAY**

- **March 2, 2020**  
**MOTION: Accept Final Meeting Notes for 02/20/20 Board Meeting (Dawn Kerns) SECOND: Carol Stults APPROVED**
- **March 31, 2020**  
**MOTION: We accept Roofing Bid for Unit #134 from Allen Roofing for \$31,085.25 (Joel Ogden) SECOND: Teresa Lotzgesell APPROVED**

# Division 7: Regular Board Meeting

- **March 31, 2020**  
**MOTION:** Approve buying insurance for Division 7 \$38,883 (3 invoices to be paid by 04/10/20).  
(Nancy Baer) **SECOND:** Carol Stults **APPROVED**
- **May 22, 2020**  
**MOTION:** Approve bids for Painting/Roofing Building #121: Wiley Paint \$12,352.60; Hunt & Co.  
prepainting repairs \$6,705; Campbell Roofing \$28376. (Joel Ogden) **SECOND:** Carol Stults  
**APPROVED**

TYL/05/25/2020