

Sunland Condo Owners' Association Division 7
Board of Directors Meeting
June 16, 2022

Certification of Quorum: Rob Baer, John Gagan, Dave Lotzgesell, Brenda Owens, Bill Zook.

Call to Order: Rob Baer, Vice President

President's Comments by Rob Baer, standing in for Steve L.:

- Remind the Board of the working meeting on June 28th, at the Gathering Place 4:30-7:00 food will be served.

Secretary's Report by Brenda Owens:

- Approval of May 24, 2022 minutes. Motion made by Rob B., seconded by Bill Z., all in favor with a yes vote.

Treasurer's Report by John Gagan:

- **Financial Report**

Business people always want to know how much money they have in the bank ... May financial statements show the following balances: Operating Fund cash is at \$94,007, down from \$118,106 at the end of April 2022 and after the \$30,000 prepayment to the contractor to lock in the cost of materials for the building 108 roof replacement project, the total Replacement Fund stands at \$328,475 (\$138,214 is designated as the Composite Roof Reserve).

The 2 homeowners on the A/R Aging Summary last month are still behind on their dues by greater than 90 days for a combined amount of \$1,193 ... both are being charged interest at 1% per month until paid ... the interest charge will be part of their 3rd quarter invoices. Dave L. asked about the process for liens and if they were in place. Carol S. answered that yes, there is a process in place.

Total expenditures in May were \$27,149 in the Operating Fund and the \$30,000 prepayment from the Replacement Fund. Numbers of note in May were \$16,275 paid to Tikun Construction for the deck at 137A and \$2,170 paid to Arbor's Edge for the tree trimming project along Hilltop Drive.

Audit Update ... contacted Auditor on June 16th ... we're working on providing the auditor with a few requested informational items that they need to finish up the audit ...

Turn over discussion to Carol Stults, Finance Committee Member:

1. Invoice reminders are being sent out **via email** re new policy (4 members who do not have email will be given written notice of new policy).
2. Lavelly check handed to CPA's office in April 2022 for 2nd quarter dues was lost at their office – check replacement given and now deposited.
3. Brother of Mr. Presley (149) -check was sent – will be deposited this week.
4. Refund for Resale Certificate for 151 - \$200 will be deposited

● **Outline 2023 Budget process and schedule**

To keep the Board informed, here's the latest update of the 2023 budget process. The Finance and Audit Committee will be proposing a special assessment to pay for the planned 4 roof replacements over the next 4 summer construction seasons. The inherently difficult to plan roof replacements has been made even more complicated by the dramatic increase in the cost of construction materials and services. Also, all Board members need to be aware of the impact of inflation on all the goods and services purchased by the Division 7 Homeowners Association to carry on day-to-day operations.

Budget Responsibilities:

Bill Zook & Steve Lavelly – Landscaping

Joel Ogden & Carol Stults – Maintenance

David Lotzgesell & Steve Lavelly – Insurance

Rob Baer – Data Committee

Nancy Baer – Homeowner Events

Carol Stults – Website & Reserve Study

John Gagan – Audit & Bookkeeping

Budget Time-line:

Our timeline to prepare the 2023 budget is as follows:

- 1) June 7, 2022, and June 15, 2022 – Finance and Audit Committee Meeting(s) to discuss the May 2022 financial reports and prepare for the upcoming budget process,
- 2) June 16, 2022 – Regular Monthly Board Meeting (update the Board - no action anticipated).
- 3) June 23, 2022 – Finance and Audit Committee meeting with hopefully the Landscaping and Maintenance Directors in attendance to finalize their best estimates of 2022 year-end expenditures and their proposed budget line-item request for 2023,
- 4) June 28, 2022 – Special Board Working Meeting to discuss the 2023 budget - this is the time to ask questions
- 5) July 21, 2022 – Regular Monthly Board Meeting. Agenda will include a quick review of any remaining 2023 budget issues,
- 6) August 18, 2022 – Regular Monthly Board Meeting. Agenda will include approval of the 2023 Budget,
- 7) September 1, 2022 – 2023 Budget and ballot packets will be sent out to Division 7 homeowners,
- 8) September 15, 2022 – Informational Meeting to allow homeowners the opportunity to ask questions concerning the 2023 budget (including the anticipated special assessment),
- 9) September 29, 2022 – Annual Meeting of Homeowners to approve the 2023 budget including dues amounts and any special assessments.

Thanks to everyone participating in the 2023 budget process. Please let me know if you have any questions or suggestions.

Landscape Report by Bill Zook:

- Summary of Landscape Maintenance planning recommendations for 2023-2025
- Completed projects for May/June. Misc. items completed including a removal of a large dangerous branch at 121A.
- Up-coming June/July projects - bark stockpile anticipated.
- The need for approval prior to completing do-it-yourself projects (Hold Harmless). The Board agreed not to go back prior to this Spring for these agreements from homeowners. Waiting on return agreements for 159, 161 and 137B.
- 2022 Landscape budget status. \$300 paid for misc. ground cover. Went \$41 over on new shrubs. Landscape account looks good.

Maintenance Report by Carol Stults for Joel Ogden:

- **Maintenance Report – Board meeting June 16, 2022**
- **Road Repair** – still too wet to do the repairs – they will notify us 1 week prior to repair so that we can send out notices.
- **Decks** – 137A patio is complete and has railing installed, with the exception of the section near the privacy wall. The privacy wall between A & B unit has a lot of rot; Joel asked Allen Hunt for a bid for repairing or replacement that wall (see bid). However, because the cost of lap siding is so expensive, a different siding was used on 134 for example, to lower the cost. Joel has asked me to instruct Allen Hunt to explore other options – using different material that does not require maintenance, and exploring building only a simpler wood structure with only full sheet only one panel deep – not two panels on each side. Allen Hunt is working on this and will give us options. He suggested research 8ft high Fence panels – they come in steel, acrylic/plastic products but will get back to us asap. We also owe Allen Hunt for the installation of the railing and steps. This is part of the original bid that was approved by the board but exceeds the total (with cement costs) by \$1200.00.
- Gutter bids on 108 – we have a bid from Tracey's for installation of the actual gutters onto the fascia board after reroofing – it is \$4,316, considerably less than we had anticipated. A second bidder, Northwest Pro Gutters, measured yesterday for gutters, their bill was for \$3,327.00. This may help with the total expense of the 108 Roof – lowering it by as much as \$5,000. We will need to

paint the fascia board before installation, and Steve Carr has declined to do that work based on the north side height of the fascia. I will get bids for the repainting of the fascia, and will work with Brenda on approval for paint color that will match the matte black roof.

***MOTION to approve gutter installation, in the amount of \$3,327.00, by Northwest Pro Gutters on 108 by Dave L., seconded by Bill Z., All in favor with a YES vote.**

- **Deck – 126B** – bids received for repairs only – would like to have approval for the lower bid – a new contractor Wheeler Construction, brought to us by Scott Bower the owner – who both Joel and I liked. We will proceed with scheduling this deck repair asap if approved.

***MOTION to approve repair of 126B deck by Wheeler Construction for \$5,150 made by Bill Z., seconded by Dave L., All in favor with a YES vote.**

- New Glass company – Savage Glass - will be coming out on Monday June 27th at 5pm – and will measure and order windows for the 2 owners that were waiting on Glass Services to come. This is a 2021 expenditure.
- Still completing the final maintenance budget numbers will have them done by Monday to send to John G.

Finance & Audit Committee: Meeting on regular basis per John G.

Data and Records Committee by Rob B.:

- Catching up on data entry after vacation

Newsletter Committee by Carol S.:

Newsletter Update – next Newsletter will go out 7/15. Deadline for articles is July 11th.

- Proposal to Board: Establish a Communication Committee charged with the newsletter and any other electronic communications to owners, such as invoice reminders.
- Purpose for formalizing the Committee name/Board charter is to clearly state the parameters for broad communication to all owners as well as to give title to the individual's duties as a member of a committee, not just an individual sending communication on behalf of the Board.
 - Goal of this standing committee would be to
 - ensure the actions/messages of the Board are consistently and readily available to the Owners on regular basis;
 - to assist in event notifications of the Board and Committees;
 - to prevent any possible misinformation from being the only information the owners have available.
 - No communication would be sent out without a review by the Board and approval from them.

- All articles in the Newsletter requested to be included by other committees or individuals will also need to be reviewed by the Board for approval.
- Any other parameter suggestions are welcome.

The Board put the responsibility of the website content and updates with the Communication Committee.

Welcoming & Social Committee: Nancy B. had brief report on the festivities for July 4th as shown in the Newsletter

Governing Documents by Carol S.:

- **Gov Documents Committee**

Rules and Regs:

Meeting to review the Rules and Regulations was held – a few more minor changes in formatting and wording were identified. A new copy of the Rules and Regs will be sent out next week to the Committee members for their final review and we will be ready to present the document to the Board at the July meeting for final approval.

One issue that we discussed was the lack of clear Rules re the impact of Unit owner behavior that causes on maintenance issues long term. We have drafted a new paragraph for the Board to review in July - to include in the Rules and Regs clear guidelines - that the Limited Common area assigned to the owner of a unit will be responsible for damage to Limited Common Area components, such a privacy fences, decks, and siding, if their behavior caused the maintenance issue, and was not just the result of normal aging of the components. Example would be installation of window boxes on siding and privacy fences, water pots on wood patios without taking precautions to keep the wood underneath dry, or stacking wood against the siding, resulting in wood rot. These items were all observed in Joel and Steve's recent onsite review of all the buildings. Once the Board approves the new Rules and Regs, we recommend enforcement of this Rule, as well as reminders in the Newsletter consistently that carry the message.

Nominating Committee: Dave L. talking to future replacement volunteers.

Insurance Committee: No Report

New Business: None

Old Business:

- The underwriter has provided the attached signoff to increase the excess crime limit from the current \$250,000 to \$275,000. The additional premium is \$14, making the revised annualized premium \$173. When added to the \$150,000 provided on the CAU package policy, the combined Crime/Fidelity limit is \$425,000. However, we don't meet another one of HUD's criteria. John can elaborate on this.
- Information about painting the speed bump and directional arrows on Hilltop. Rob asked Steve Carr about stencils and paint. No stencils available but does have the paint. Last painted 6-7 years ago so lasts a while. Steve Carr offered to do it for \$240-\$250 with Rob B.'s help. **MOTION made by John Gagan to stripe the speed bump only - no arrows, seconded by Bill Z., All in favor voted YES.**

Next Board Meeting:

July 21, 2022

4:30 - 6:00

Adjournment at 6:00

Motion to approve these Meeting Minutes made by Rob Baer on 7/21/22, seconded by John Gagan with all in favor voting YES.