

Sunland Condo Owners' Association Division 7
Board of Directors Meeting
November 17, 2022
Gathering Place

Certification of Quorum: Rob Baer, Joel Ogden, David Lotzgesell, Carol Stults, Brenda Owens, Katie Venator and Scott Bower via phone.

Call to Order:

- Rob Baer, President, started meeting at 4:56pm.

President's Comments:

- 50th Birthday (June 2024) of the incorporation Sunland Condominium Owners Association. Rob suggests having a party to celebrate. The Board will discuss it in future meetings.
- Div. 7's community recycled yard waste area - we have recently had non-recyclable materials in the bins including metals and plastics. This is a reminder to only put compostable items in the bins.
 - Board member suggestions: We need to also remind people to break down root balls, etc. to make more room in the bins so they don't fill up so quickly. Another suggestion was to put signs on the bins stating "compostable only". There may also be people from outside Hilltop Drive that may be using our bins so we should all keep an eye on this. Another suggestion was to set up cameras with signs that they are being watched.

Secretary's Report:

- Approval of the October 20, 2022 minutes. **MOTION** made by Carol S. to accept minutes as stated, Katie V. seconded and all in favor with yes votes. Motion carries.

Treasurer and Finance/Audit Committee report:

1. October Financial update including cash flow.
Monthly financials – through October 31 st 2022

- Bank balances reflect \$77,194 in checking and savings, and \$282,578 in Reserve accounts.
- No major operational expenditures in October.
- Outstanding Annual Dues Assessment total past due is \$2,962, as 5 payments were received in early November. Those who have not paid will be sent invoices this Friday – and charged interest of 1% as allowed in the RCWs.
- Insurance prepaid adjustment – the Finance Committee is working with the CPA (meeting tomorrow with Jeff) to finalize an adjustment to the prepaid Insurance amount. I will report back to the board in December once it is resolved to more accurately reflect the amount that is actually 2023 expense (as insurance policy runs through March 31st each year).

2. Final Audit update -Steve Welborn. Final report has been received and it is a “clean report”. There are three (3) adjustments necessary. Carol S. will talk to the Auditors and the adjustments should reflect on Novembers Financials.

3. Reserve Expenses/Transfers: Road reserve transfer & Emergency fund transfer.

P&L - Budget - 2022 Budget adjustment reminder. \$15,000 was re appropriated by the Board from Landscape bark expense to needed maintenance projects for this year. That is not reflected in Quickbooks but is reflected in the cash flow.

Cash Flow – Operations

Cash Flow - Reserves

- Reserve expenses/transfers - Transfer motions and approvals needed:
 - Surplus 2021 Operating Fund to Reserve accounts - \$5,342.59 - per audit we must move surplus funds for 2021 based on old calculation - any funds over \$25,000 using the formula in the Bylaws (see spreadsheet – recommend transferring to Emergency Landscape/Maint Reserve).

Carol S. made a **MOTION** to transfer the surplus funds of \$5,342.59 to Emergency Landscape/Maint Reserve, under the 2021 Bylaws formula requirements in place through 12/31/2021. Rob B. seconded motion, all in favor with yes votes and motion carries.

- Emergency Landscape/Maint Reserve to Operating – The Finance Committee recommends transferring funds from this Emergency Reserve account to cover some emergency expenses we incurred in March, 2022 (unbudgeted) that were covered under operating accts at that time:
 - \$5,404.80 emergency repairs done at 108B-C for leak repairs interior which were charged to operational accounts as follows:
 - \$3404.80 to 5145 Emergency maintenance
 - \$1,000 charged to 5170 painting
 - \$1,000 charged to 5230 Roof Repair.

Carol S. made a **MOTION** to move \$5,404.80 from Emergency Landscape/Maintenance Account to Operating accounts 5145, 5170 and 5230 as noted. Joel O. seconded motion with all in favor with yes votes. Motion carries.

4. Moving portions of the Road Reserve & Tile Roof Reserve to CD's taking advantage of higher interest rates.
CD Rates and recommendations

The Committee is proposing to purchase CDs and possibly move our banking relationship from First Federal in stages as follows:

1. **Kitsap Bank:** move Road and Tile Reserve accounts to Kitsap Bank from First Federal.
 - a. Road Reserve acct - purchase \$61,000 CD at the 3.5% rate for 14 months, and put remaining balance in MMkt acct.

b. Tile Roof Reserve acct – purchase \$73,000 CD at the 3.50% rate for 14 months and put remaining in MMkt acct.

2. **Sound Bank** – open accounts with funds as follows:

- a. move checking and savings accounts from First Federal.
- b. move Composite Roof Reserve Account (from First Federal) by opening a \$1,000 MMKT account and purchasing a CD for **6 months** at 3.25% for the remainder of the funds. Deposits from 2023 Special Comp Roof Assessment would be deposited in the MMKT associated with that CD.
- c. move Emergency Fund Account (from Key Bank) by opening a MMKT at Sound Bank.
- d. Costs? New checks from Costco – \$125 for 500 checks. Sound Bank will provide us with 100 regular checkbook style to begin.
- e. NOTE: We would keep checking account at First Fed until all checks clear – probably no more than 1 month.
- f. Sound Bank was highly recommended by several residents, and also our CPA firm, who indicated that it is the best customer driven bank they deal with in Sequim. Jeff Bell is very much in favor of this move presented to them by the Committee.

Rob B. made a **MOTION** to change the bank accounts and purchase CDs as outlined in the Proposal to the Board (see above), Brenda O. seconded motion, with all in favor voting yes. Motion carries.

5. Approval of Road Reserve 2022 allocation from dues.

- Operating fund to Road Reserve - \$3,500 – The Committee recommends approval for the standard annual amount as noted in the 2022 budget ratified by the Owners. Transfer can be done at any time prior to 12/31/2022.

Carol S. made a **MOTION** to transfer \$3,500 from the Operating checking account to the Road Reserve as estimated and ratified by the Owners in the 2022 budget, David L. seconded the motion with all in favor with yes votes. Motion carries.

Special Assessment – Comp Roof: Invoice update. We will be meeting with the CPA firm, Bell and Bell, tomorrow to establish the final process for invoicing for the Special Assessment. We will be asking all Owners to write a separate check for that invoice.

Landscape Report:

1. Scott will work with Rob on the compost waste can dilemma.
2. Snow removal proposal from Ambros. Jason will plow from the speedbump west. No driveways or sidewalks. The Board asked how much did Jason charge us previously to plow? Carol will look up the cost from previous years and report back. Scott suggested using ice melt to help keep road manageable but that may be harmful to pets. Will discuss .
3. Working on 2 service requests for 133D and 148A - these should be completed by next week.

Audience question: There is a tree issue between 161 and 163 that needs to be addressed. Scott will have the landscaper determine if it just needs pruning or should be removed.

Maintenance Report: Update on recent projects

1. Sealant of cracks on Hilltop Drive roadway for 2023 is estimated at a cost up to \$4,000. This will extend the life of the road.

Carol S. made a **MOTION** to accept bid, estimated at no more than \$4,000, to seal cracks on Hilltop Drive roadway, David L. seconded motion, all in favor voting yes. Motion carries.

2. Steve Carr is sealing 2 windows at 133B.
3. 163 has leaking windows. Steve Carr to seal these.
4. 134A - landscape by privacy fence - dirt needs to be moved away from the fence to prevent flooding the courtyard. Steve Carr is also sealing cement on this driveway but there was a gap too large for sealant. A contractor has been called to come out and take a look at fixing the whole driveway or just $\frac{1}{2}$ of the driveway where the problem is. 134A's patio slab has sunk $\frac{3}{4}$ " creating a tripping hazard. Maintenance to check this out and report back.

5. Drain rock installed between 142D and 148A. Scott says this is ok to do. Scott and Joel will talk tomorrow on scheduling and the particulars.

Comment from Board: We should remind Owners to cover outside faucets and put rat poison in crawl spaces to prevent maintenance issues.

Data and Records Committee: No report.

Newsletter/Communication Committee:

- Newsletter will be sent out in early December with a reminder of the December meeting on Dec 15th and the Christmas PotLuck on Dec 20th, as well as an article outlining the process for payments for the Special Assessment in 2023.

Welcoming & Social Committee:

- Reminder about the Christmas party December 20th at the Gathering place. We will need volunteers for decorating.

Governing Documents:

- Rules and Regs – The updated Rules and Regs document has been edited per our past meeting, but due to printer issues, the copies are not available tonight. We also have not been able to meet with the SLOA Board President to finalize the section on Fines, but will be meeting the first week of December. We will table the Board's final review until the December meeting. After that meeting, copies will be given to the Board and Governing Docs committee to do a final read-through on their own, and note any minor edits, so we are prepared to vote at the December Board meeting.

Nominating Committee: No report

Insurance committee: No report

New Business:

- Posting of Board minutes on the HOA website. The current process is typing a draft, emailing the draft for reviews and comments, then a final draft is

emailed and then approved at the following meeting. A suggestion from an Owner was to post the meeting minutes on the Website as soon as possible and not wait for the next meeting. The President researched other HOA's and their policy on this and they all approved their minutes at the following meeting. A Board member suggestion was to help Owners get on Skype or the like to join the meeting if they are unable to attend. Board member also reminded us that posting a draft of the minutes before they have been approved could have misinformation in it which could cause a lot of problems. Audience members also commented that our meeting minutes are a part of our history and we should leave the fluff out. The Board will make no changes to the way the minutes are approved and posted.

- What are the criteria for having Hilltop Drive plowed to remove snow? See previous notes under Landscaping.

Old Business: None

Next Board Meeting: December 15, 2022 - 4:30 -6:00

Adjournment: 6:15pm

Approval of Meeting Minutes: On 12/15/22 Carol S. made a **MOTION** to approve the 11/17/22 Minutes as stated above. Joel O. seconded motion with all in favor voting yes. Motion carries.