

**Sunland Condo Owners' Association Division 7**  
**Board of Directors Meeting**  
**March 16, 2023, 4:30 PM, Gathering Place**

**Minutes**

**Certification of Quorum:** In person attendance; Rob Baer, Katie Venator, Joel Ogden., Carol Stults, Kelly Foster. Scott Bower absent.

**Call to Order:**

- Rob Baer, President

**President's Comments:**

- Quorum confirmed. Pre – Happy St. Patrick's Day to everyone. You all have a 'Lucky Charm' treat in front of you, bringing back memories.
- Recap of meeting with John Hammond, President of SLOA, held Feb 22<sup>nd</sup>, also met with another division (Foursome Drive), Roger Deets. Representing Division 7 was Rob Baer and Carol Stults. Other people were invited to this first formative meeting with SLOA and all Condo divisions of Sunland. It was a good opportunity to share what SLOA is doing, and how it affects HOAs in Sunland. Focus is on:
  - Broadening the age group of owners in Sunland, so that Sunland is considered by all age groups buying in this area. It is desirable to attract more families who would be good residents to have in the community.
  - Looking at building a playground
  - Establishing a dog park somewhere.
  - On the tech side, looking at improving wifi access to be more reliable for Sunland residents. Century Link has put in fiber optics at the roundabout, so it is that close to Sunland, but expensive to expand on.
  - Looking at purchasing a database management systems for HOAs to manage many of their tasks, one that other divisions in Sunland may be able to also use.
  - Plan for this joint group is to meet 3-4 times a year to share issues and solutions, as well as stay informed on projects that affect all.
  - Comments from Carol echoed the positive side of meeting – and hope that more will come and join. It will be good to find joint solutions with others who share the same work we do. New bulletin board on the front porch at SLOA is one other thing they have already taken steps to improve.
  - Foursome Drive was also discussed due to massive tree issues impacting their sidewalks and road/curbs.
- Resignation of David Lotzgesell was received, due to their relocation to Texas. Also Steve Welborn, who was active in the Finance Committee for many years, has resigned. So we will take action later to officially accept their resignations, but we will miss them and thank them for their work to date.
- One more thing from the President – homework assignment from the Board was proposed. Rob presented the link to the Washington State Community Association Institute



([www.wscai.org](http://www.wscai.org)). Rob asked the Board to listen to the short video about the organization, and under the publication tab, read current and past issues. **Board members are to bring one article/info idea to share at the next Board meeting in April.**

### **Secretary's Report:**

- Approval for the February 16, 2023 minutes: Carol Stults made a motion to accept the minutes as last presented to the Board, and Joel Ogden seconded the motion. The motion was approved unanimously.

### **Treasurer and Finance/Audit Committee report:**

#### **Monthly financials**

- **Sound Bank** – 3/16/2023 Total accounts is **\$312, 361.**(will be discussed further in a moment)
  - Checking and savings balance combined - **\$159,836**
  - Emergency Maint/Landscape Reserve **\$33,584**
  - Total Comp Roof Reserve balance is **\$118,941**
- **Kitsap Bank** – as of 3/16/2023
  - Total **Tile Roof Reserve** is - **\$84,374** including
    - Tile Roof Reserve MMKT balance is \$10,738
    - CD Tile Roof (14mos) is \$75,445 (interest paid on **CD \$636**).
  - Total **Road Reserve** is **\$74,912** including (\$3,500 was added from checking in December).
    - MMKT balance is \$13,914
    - CD Road Reserve balance is \$61,531 (interest paid on **CD \$531**)

Total for all Reserves as of 1/31/2023 stand at **\$337,551.**

Note that Div 7 will be paying taxes this year for interest earned!

#### • **Feb 28 financials reflect:**

- Aging – no outstanding dues (\$100 listed was paid by owner on 3/1 – made an error in initial payment for dues).
- \$56,610 in prepaid dues.
- Special Assessment aging - As of 2/28, outstanding Special Roof Assessments include
  - \$29,155 due by 6/30/23 for Special Comp Roof Assmt invoices
  - \$4,569 for tile roof assessment due May 1, 2023
- Now that all Jan 1 invoices have been paid for regular annual roof assessments, we need to transfer those payments from Checking to Comp and Tile Roof MMKTs as follows:
  - *Transfer for comp roofs as invoiced is \$12,990 and*
  - *Transfer for tile roofs is \$2,450 with Board approval. March financials will reflect the completed transfers.*
  - *MOTION made by Carol to transfer the regular Comp and Tile Roof Assessments amounts invoiced on 1/1/2023 and now fully paid to the respective regular Annual Roof Reserve accounts. Kelly Foster seconded; Motion passed unanimously.*



- **Bank Balances** – We are monitoring the total bank balances at each bank, in order to keep at or under the \$250,000 FDIC insurance limit for all accounts at any one institution. Per my email, our Sound Bank balances now stand at \$312,361 and the Kitsap total balances are \$159,819. Invoices or transfers that we will be paying out of Sound Bank checking in the next 3-4 weeks that will lower that balance ~ \$22,250 including:
  - \$2,450 to tile roof reserve (to Kitsap Bank)
  - ~\$4,800 to Ambros for April 1 invoice.
  - Insurance initial payment - ~\$15,000 vs paying in full ~\$45,000.
  - NOTE: other projects will begin in the spring, such as decks and possibly road, that will require large expense payments as soon as the weather allows so we will be spending significantly out of the operations account in the next 2 months. By 3<sup>rd</sup> and 4<sup>th</sup> quarter, we should be leveling out below the thresholds.

Income is expected in April that will amount to ~\$45,000 (and 3<sup>rd</sup> and 4<sup>th</sup> quarter as well). This will put our balance at Sound Bank in the short term at approximately \$300,000 again. However, it won't stay that way for long.

Reminder to the Board – the surplus funds at year end 2022 was calculated on the new formula outlined in the Bylaws, allowing the Board to retain 25% of the next year's operating budget in operations, versus the previous requirement to keep only \$25,000, an amount that had been in place for at least 20 years. This has contributed to the higher than normal bank balance after 1<sup>st</sup> quarter payments.

### **Solution to maintain under \$250,000 as fully insured at Sound Bank –**

Goal is to keep bank accounts as simple as possible, while still maintaining fully insured funds in each bank.

- Open Checking Account at Kitsap Bank or another bank with \$60,000 from Checking at Sound Bank. This will keep Kitsap Bank totals under the \$250,000 threshold, and will put Sound Bank under \$250,000, once the Insurance is paid at the end of March.
- Open accounts at a third bank - Purchase a short term CD and a MMKT or checking acct – Rates of CDs were discussed but the CD would need to be short term – preferably 3 months only.
- One other option would be to pay the entire insurance bill by the first week of April, lowering the checking balance by ~\$45,000, and purchasing a smaller CD vs opening a checking account at either Kitsap or a third bank.

Discussion re the payment of the insurance – either monthly after initial payment vs paying entire bill up front – was tabled since we don't have the invoices yet to know amounts to approve. Rob will advise the Board as soon as those are available in case we want to adjust the payment schedule.

3-step process was discussed – Step one: approve opening a checking account for \$60,000 at Kitsap Bank; Step two would be a decision by the Board to pay the full insurance when the invoice is received; Step three would be in the next 2-3 week to look at another CD at another institution.



After tabling the issue of a CD or change in insurance payment, and recognizing that we need to act on securing the operating funds under FDIC protection now, a motion made by Carol as follows: **Motion to open a checking or Money Market account at Kitsap Bank with no more than \$60,000 from the Sound Checking account. We will wait until we hear from the insurance company, the exact amount due from the insurance company is confirmed; we can approve that amount by email – and also determine whether to pay monthly vs up front. Second by Joel Ogden; Motion was unanimously passed.**

- **Bank Account Signers** - With the resignation of David Lotzgesell, we need to identify signers for bank accounts and remove David. Kelly Foster and Joel Ogden agreed to be signers on the Bank accounts.
- **Audit 2022** – The auditors have now received all info requested to date. Further copies of selected transactions (such as specific selected checks/invoices) will be next step and we anticipate hearing from them this next week. We are still hopeful we will have the audit completed by end of April.
- **Search for Admin Assistant-** We have confirmed that Mackenzie who works at the SLOA office half time is willing to apply for the part time assistant as a paid position. SLOA would like to keep Mackenzie, but she is wanting more hours than they are able to pay at this time. But they would welcome us using her, per John Hammond, President. We are still researching how best to pay her as a contractor – either through SLOA billing us if possible, or using Bell & Bell if they are agreeable to that arrangement. We are waiting for John Hammond to return from a trip and will discuss with him further at that time, and a meeting is set up with Jeff Bell to discuss his recommendation. We will seek to utilize whoever we hire as a private contractor – not an employee. More to follow in April.
- **Finance Committee Update** – As mentioned by Rob, Steve Welborn has resigned from the Financial Committee. We need more volunteers on this committee which usually meets once a month only. I have reached out to 3 residents but have not heard back from them.

### **Landscape Report:**

- Mole issue – moles have been evasive - trap was set (\$40 cost) but no luck catching the moles. Kelly will swing by to see if the warmer weather brought any sign of moles out and will call trapper if so. Carol has another mole vendor that was found in past files – will send to Kelly.
- Meeting set with Sanford on March 28<sup>th</sup> to review leak repair bid at 117C. This was a leak discovered at the end of irrigation season last year. System was turned off and put off repair to this spring.
- Broken pipe stem at 108B to be fixed. Joel noted that there is also one broken at 148A as well. Discussion on using Sanford to repairs these simple issues vs volunteers. Several owners know how to repair them including Steve Lavelly and Richard Streeter and a small kit is available that has parts for fixing – located in Scott's garage possibly. Cost will be explored with Sanford on repairs and a decision will be made on how best to get these fixed prior to opening irrigation.
- Landscape requests were received from 147 – including 2 projects and removal of a raccoon. Kelly will follow up with 147 owners and set up meeting to review. Trapping the raccoon is



tricky – there are restrictions on trapping with limited criteria. It was confirmed that pests are under Landscape. Suggestion was to remind owners not to feed wildlife especially raccoons – add to the newsletter as the highlighted Rule of the Month.

- Whole process for starting irrigation system for spring will be on the radar. Irrigation turn on date to be determined after meeting with Sanford.
- Growth around utility boxes – the Landscape committee will be looking at all utility and water meter overgrowth. It is preferred that the Association takes action to remedy the issue vs the water company or PUD coming in and removing overgrowth, which may not be done with more care. Owners will be contacted who need to address issues with planting around the utility areas as it is prohibited by the utilities, by SLOA and by our Rules and Regs. Plants, fences, or other objects – are not allowed to inhibit the access by the utility company to either electrical equipment or water meters.
- Joel and Carol noted that dirt and plants up against siding should also be corrected to prevent wood rot. Rob suggested a walk around the whole Association to identify issues.

#### **Maintenance Report: updated projects:**

- Handled projects with Steve Carr – roof tile blown off at 125D repaired and cracks on 149 patio, and Steve will putty those like he did on 134A driveway. Steve also repaired the step at 121D.
- Windows to be done: 138 now includes 7 windows vs approved 4 windows. This owner has been waiting since 2013! Bid is \$3,237 to do all 7 windows that have broken seals. We had approved \$2,774 prior and since the number of windows has increased after examination in other downstairs rooms, there is an increase in price. Joel confirmed that none of the 7 windows are part of the sunroom. Motion made by Kitty to accept increase total cost \$3,237, seconded by Carol, motion passed unanimously.
- Additional window replacement reimbursement to 119 B is for 751.68 in 2023 and \$1,000 reimbursement in 2024 as agreed to by Owner. 119C is slated for window replacement as approved last month. Glass is on order and should be completed by end of March.
- Glass budget is now depleted for the year. Any other requests will be scheduled for early 2024 as budget allows. Joel confirmed we are only replacing panels of glass. There is a running list by date of Request and noting severity of glass occlusion.
- Decks being done – (see samples of vinyl option in place of Trek) – 161 deck bid is now approved as of last month (no railings); 137D we are proposing cement south patio, instead of wood deck and cement side porch/small patio. Owner will be adding additional patio area at their cost. 119 C Deck will also be a cement deck, replacing wooden deck.
- Decks: we have done research on vinyl for decking vs Trex. Substructure is still a question – wood vs metal frame (which lasts longer but costs more). Note that 161 deck is anchored to retaining wall, so support rotted. But now it will not be up against the retaining wall – but spaced out.

**Data and Records Committee:** Rob reported that he and Carol continue to communicate with DB Pros about getting the data from the cloud to a computer so that we can abandon the online version. They have been less than responsive. Will report further in April.

#### **Communications Committee/Newsletter:**

Newsletter – next issue will be delivered April 17.



Website: Request for Service forms have been moved to Owners Only section requiring a password – reminders have been sent via email and in the newsletter. This should alleviate the fake Requests the Board has been receiving. One new owner has already used the form from the new location. At some point we may make the whole website password secured.

Also noted positive feedback re the Board meeting update going out in lieu of minutes – so Rob's idea was a good one. Rob noted that many other organized Board and groups approve the minutes at the next meeting – not before.

#### **Welcoming & Social Committee:**

- Nancy Baer: May 23<sup>rd</sup> date for a tea event will not work, so Women's Spring Tea will be Thursday, May 25<sup>th</sup>. Hold the Date will be put in newsletter.

#### **Governing Documents:**

- Hold Harmless Agreement – during the files clean out this past 3 weeks, a more robust Hold Harmless Agreement has been found, which was drafted by the attorney in 2010. We will be presenting this version to the Board to replace the current Agreement found in Appendix B of the Rules and Regulations. More to follow on that.
- Also note that we are working on files to finish up the last cleanup needed – thanks to Katie and Debby McGehee for helping. We need to review document retention. Maintenance records need to be kept as perpetual and not destroyed. Will be presenting that to the Board for review.

#### **Nominating Committee:** No report

**Insurance Committee:** Rob reported the Insurance forms have all been sent in and we are waiting on the final invoice for renewal. Last year we committed to the policy for two years to guarantee no increase, so we are ending the first year, and the renewal for the second year is roughly \$45,000. There are two additional policies – an Excess Crime policy which covers computer fraud, forgery, alterations claim expenses, retention amount. That is \$170 per year. Then there is an umbrella policy of Excess Liability which the current limit is \$5,000,000. If we sign to renew it at the same limit, the premium will be \$1,205 per year total, which includes a \$10 terrorism premium which is not optional, plus \$205 for buying into the group coverage.

**New Business:** Need to accept the resignation of David Lotzgesell and Steve Welborn. A motion was made by Carol to reluctantly accept the resignations of David and Steve. Second by Joel. Motion passed unanimously.

**Old Business:** No report.

**Next Board Meeting:** April 20, 2023 - 4:30 - 6:00

**Adjournment:** 6:15pm

**Minutes submitted by:** 

**Carol Stults, Secretary/Treasurer**