

Sunland Condo Owners' Association Division 7
Board of Directors Meeting
June 22, 2023 - 1:00 PM, Gathering Place

Minutes

Certification of Quorum: In person attendance; Rob Baer, Katie Venator, Joel Ogden, Carol Stults, Kelly Foster. Owners present – Nancy Baer, Patty DeVogler, Tom Jenkins

Call to Order:

- Rob Baer, President; quorum established.

President's Comments:

- Reminder for Board to be thinking about the 2024 Budget. Rob distributed an article on how to start thinking through the budget for following year.
- At the same time, the Reserve Study covering 2024 projections is on the website, but Rob will send the files of the Executive Study and the full Reserve Study to the Board members. Rob will be talking about having a workshop on reviewing the Reserve Study to assist us with how to best maintain Reserve Accounts at an appropriate level.
- Also Rob distributed an article on how to read a Reserve Study in 5 Minutes, which will prepare you to review both documents.

Secretary's Report:

- Approval for the May 18, 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 – balances as of 5/31/2023

- **Sound Bank** –Total of accounts at Sound Bank - \$292,680. (Shortly we will be writing significant checks out of checking for patio/decks and gutter reconstruction that will bring us down to the \$250,000 FDIC level of coverage).
 - Checking balance \$125,925
 - Emergency Maint/Landscape Reserve \$33,597
 - Total Comp Roof Reserve balances TOTAL \$78,875
 - MMKT – \$78,875 (CD matured and deposited in MMKT)
 - Still owing on Comp Roof Special assessment receivables – as of 5/31 - \$17,902. Received after 5/31 – 14 residents have paid.
- **Kitsap Bank** – as of 5/17/2023
 - Total Tile Roof Reserve is - \$87,452 including
 - Tile Roof Reserve MMKT balance is \$13,196
 - CD Tile Roof (14mos) is \$74,256 (matures 1/25/2024 – rate is 3.44%)
 - Total Road Reserve is \$75,972 including

- MMKT balance is \$13,923
- CD Road Reserve - \$62,049 (matures 1/25/2024 – rate is 3.44%)

Total for all Reserves as of 5/31/2023 \$298,510, with total reserve receivables outstanding of \$22,471 (which includes one Tile Roof Special Assmt – the owner has mailed the check for full payment as of Friday last week).

Major expenses paid after 5/31 includes \$16,542 for final payment on 3 patios replacing decks, and \$2,900 to Auditor to be sent once final representation letter is signed.

Cash flow estimate through 6/30/2023 – Maintenance actual vs budget shows that we will have spent the majority of our maintenance budget by the end of July.

Maintenance – Joel got bids very early in the year resulting in the major projects planned being done earlier in the summer. This means we are using a significant amount of the major expenditures for maintenance projects earlier in the year than previous years. Joel does not have any major expenditure planned and we will monitor the budget closely when requests come in for maintenance. NOTE: Unexpected emergency maintenance can be paid for through the Emergency Reserve account if warranted. Reminder that \$50,000 operating cash (surplus funds accumulated over the years) was retained in checking from 2022 was \$50,000, so the cash position is different from the budget analysis for just this year. The Board agreed we will be prioritizing the expenses for the next 4-5 months of maintenance.

Landscape Cash flow vs budget – in great shape, and the cash flow only represents an estimate based on the number of Service Requests received. Amounts expected to be spent in any cash flow analysis can be changed to whatever the Landscape Director estimates is accurate.

Question was asked regarding the Social Committee budget– the full budget of \$500 is still shown remaining on the 5/31/2023 Budget vs actuals. It was noted that the expenses turned in for reimbursement for the Tea was paid to Social Committee members in June, so that expense will be reflected in the June Profit and Loss.

Some items to note in the budget vs actual – we will not use the \$6,800 budgeted for a clerical assistant this year, as we have not been able to find someone who does administrative work set up as a contractor. Those budget dollars can be repurposed wherever is needed or moved to reserve accounts later in the year.

May 31, 2023 financials reflect:

- Aging – no past due accounts for regular Dues Assessments; note 3rd quarter dues will be invoiced on 7/1/2023 (reminder to be sent on Friday 6/23).
- Aging - Special Assessment - As of 5/31
 - \$17,902, due by 6/30/23 for Special Comp Roof Assmt invoices (payments since 5/31 from 10 residents as of 6/20).
 - One \$4,569 for tile roof assessment due May 1, 2023 – Owner sent check for full payment on 6/15 – not yet received. If not received by July 1, invoice will be sent adding the interest for May and June 2023.

Reserve Cash Flow - Investment for Comp Roof Reserve – possible CD purchase

The remaining balance in the Comp Roof Reserve after final roof payments will still be over \$60,000. It might be wise to invest in another CD – rates for 11 month CD stand at 5% with a checking account (we already have in the MMKT which qualifies). We will potentially not need this until summer 2024 at the earliest. If purchased tomorrow – 6/23 – it would mature on 5/23/24 in time to do a roof as scheduled now. The balance now is ~\$78,000 and expenses for the roof installation on 116 building will be ~\$10,000 reserve expense. The remainder of the gutter reconstruction and gutter installment will be paid for from operations as budgeted. The Emergency Reserve Fund is also available for a portion of the unbudgeted reconstruction if needed. **MOTION was made to invest a maximum of \$55,000 of Comp Roof Reserve funds in 11 month CD at Sound Bank at 5% interest. Motion was seconded by Kelly; Motion passed unanimously.**

- **Audit 2022** – The Final Draft of the 2022 audit has been sent. Once the CPA has reviewed this and agree with the few GL entries required, we will send off the signed Representative Letter and they will remove the “Draft” watermark, AND we will be done with the audit. We should be completely done by Monday 6/24 with the remaining few tasks. NOTE that we will owe taxes this year of \$940 (due to interest earned on the CDs we now are utilizing). Taxes are charged on interest and resale certificate income and the tax rate for HOAs is 30%. The taxes we owe are strictly on the interest earned in 2022, as we pay Bell and Bell to do the Resale Certificate and do not reap any income from that process. We will also have to pay estimated taxes for this year in the amount of \$750 in September 2023 and \$250 in December 2023. The tax return will be filed for us by Bell and Bell once we receive the FINAL Audit. We will also be required to send estimate taxes to cover the interest for 2023. The final Audit did not have any issues raised and GL adjustments will be made by CPA once reviewed.
- **Finance Committee Update** – Matt Huish has resigned from the Finance Committee. Volunteers now include Sandy Berryhill Huish, Ed Busch, Rob Baer, and hopefully eventually others. At the June meeting, the Board discussed the May 2023 financial reports, any options for restoring the Composite Roof Reserve to ensure continued reroofing as needed. Discussion was also held with the Committee and with Joel, Maintenance Director, about revising the existing Reroofing schedule. Joel will be presenting options for that revision based on an assessment by Nailed It Roofing to be done on all 10 roofs pending in the next 12 years, and the Finance Committee will be involved in recommending to the Board options for increased Comp Roof Reserve revenue. It was noted that the Reroofing schedule estimate was changed to baseline of 25 years replacement from the original 30 year estimate, due to 3 failed roofs in 2020 after less than 20 years. However, the roof assessment to be done by the roofers will tell us how more about the life of the roofs scheduled for replacement and we will be reviewing that information from Joel. NOTE: the Reserve Study is a great guide for us to see where we need to be.
- **Budget planning – 2024** - If we are moving the Annual Meeting to October or November dates, then we will need to set up a working meeting in mid-July (due to Rob’s trip in August). **MOTION to reset the Annual Meeting to October or November was made by Carol, seconded by Katie. Discussion:** The Board discussed using the November 16th date (for both the budget, the election, and any vote on assessments. Terms of the Board members would be changed from November to November. The Governing documents allow the Board to set the Annual meeting at a time when it is best for the HOA and future Boards can adjust the date if needed. Joel Ogden’s and Carol Stults’ terms expire in 2023. **Amended MOTION made by Carol to move the Annual Meeting to the normal board meeting time on the 3rd week of November. Second by Joel Ogden. Motion passed unanimously. Motion was made by**

Carol for the Board positions expiring in September will extend to November, and all Board position terms in the future will expire in November each year. Second made by Katie, MOTION passed unanimously.

Board discussed dates for a working meeting on the budgets for operations and reserves. July 13th at 2:30pm was the date set – to include Board and Finance Committee.

Carol reminded the Board to look at the Reserve Cash Flow provided as they look at the Reserve Study, and we work on the 2024 Reserve Budget.

Landscape Report:

- **Ambro's Landscaping update** – following conversation with Jason regarding pending work 6 weeks ago, Jason has hired one worker which appears to be a temporary hire. He is still looking for permanent employee. He is working on pruning right now. Kelly continues to update the list for him to help track status of Requests and other work. He will be fertilizing (label for product was sent by Jason to Kelly) and notification to Owners will be made confirming date and product and - what owners can expect. Kelly will send communication to be sent out to Owners and will adjust water schedules to ensure appropriate irrigation timing is followed afterwards. Kelly and Jason are working on identifying dead bushes and pruning needed – all on the list including all Requests from owners. NOTE: a flyer containing info and pictures of carpenter ants was attached to the May 2023 newsletter.
- **Board Discussion:** Kelly discussed 133B/C bare shrubs by driveways, cut by previous owner. Kelly will take the points of discussion to the Owners, since it is owner responsibility as noted in the resale certificate. Patty Devogler noted that she has lived here 31 years – and that those are original shrubs by the driveway of 133B. A discussion of California Lilac shrubs outside of the dining area of 155 was conducted. The Board all agreed they are the wrong type of shrub in that location as they grow quickly and get very large. Kelly will connect with the owners to discuss the options. Katie suggested that all shrubbery and plantings in the future need to take into consideration the amount of maintenance (watering and pruning) and the best plant for the area. Pruning required needs to be minimal. The owner attending the meeting asked about the shrubs at 116D and who is responsible for maintaining them.
- **Carpenter Ants:** Angeles Pest came out last week and Kelly discussed carpenter ants with him. Angeles Pest worker didn't feel he needed to spray her unit at this time and did not find any carpenter ants in the trees.
- **Trees:** Kelly has the name of an arborist and per Rob, we have other contractors that have also been used in case we need tree trimming.
- **Moles:** New moles are back, and the contractor has been out and set traps. Patty DeVogler noted there is a new hill indicating fresh moles digging this morning. The entrance sign area also has moles around it from last fall – Carol will put in a Request to have it checked once new hills emerge.
- **Irrigation:** Brett Romano, (Peninsula Water Solutions) new contractor, will give us half a day a week to come out. Kelly is maintaining a list of priorities for him to work on. Once he gets caught up with repairs and assessments, he will do a section at a time and walk around to identify different issues that we need to address. His specialty is backflow, and he can test ours. Joel noted that we are due to have all our backflows checked.
- **Irrigation timers:** were set by Brett now and should be working. The problem was they were programmed to run twice or were set wrong. Easy to Set Programming is the existing timer program used, so we have one of the simplest timers. The batteries are fine. But when Kelly checks on something, the settings have changed. Brett does not recommend replacing the timer boxes. But it

was pointed out that the timers are older so they may be harder to program than current ones – making it hard for volunteers to manage resetting if needed. The timers might be easy for Brett but not for a lay person. Kelly will ask Brett that question. Rocky from Sunland Water Company has been working also with Kelly on some areas. Volunteers run the manual system – the entire north side of the street is manual as is parts of the south side.

- **Raccoon:** We still are working on a solution to get rid of the aggressive raccoon behind units. Apparently, the previous owner of a south side unit was feeding the raccoon.
- Katie suggested a reminder on the yard waste bins reminding residents to close the lids tight, as water gets into the plastic bins. Suggestion was made to put nail holes in the bottom of the bins so water drains.
- Question from the audience re landscape responsibility was addressed. Outline of process and responsibility was explained by Kelly, who will follow up with the Owner re their particular issue.

Maintenance Report: updated projects:

- The concrete patios at 119C and deck and side porch at 137D are finished – replacing wooden decks. Having discussion with the Owners on to finish off the railing vs seat benches on the South side back yards as replacement is needed. We will continue to focus on replacing wood decks with cement patios due to no maintenance on cement for 50 years. Decks like 125 and 117 that are only inches off the ground would be ideal candidates. Decks remaining to be replaced include 137C. Joel will check on the missing siding on 119C as reported by the Owner, removed during the project.
- Roofing on 116 is going to be done in 10 days to 2 weeks. That includes cutting beams and painting new fascia and beams. Siding repairs will also be done, as well as north deck repair. Gutters will then be installed – and two areas that have never had gutters will have gutters now- one area on D and one on the A unit.
- Roof on 126 building – we may hold off roofing it – may replace remaining embedded gutter areas only, but decision will be made during budget discussions. Reroofing schedule has been reviewed and, as noted in financial report earlier, we are having the current roofers evaluate all 10 roofs that need to be done in the next 10 years – and assess if roof needs to be replaced on a 25 year schedule or 30 year schedule, and which roofs appear to need replacement the most. Roofers will also look at the quality of roofing done. Joel hopes to have the results of the roof assessments by the roofers in time for our working meeting date on July 13.
- 116 C has some siding still needing to be fixed after the cement patio work – Joel asked Kelly to send photos and do a Request for Service to document.
- Patty DeVogler thanked Joel for the nice job on her back deck replacement.
- Outside faucets are the responsibility of the Owner as an extension of the plumbing. This will be clarified in a future newsletter.
- Maintenance is focusing on ensuring repairs are done well, so that we minimize future maintenance.

Data and Records Committee:

No Report

Communications Committee/Newsletter:

Newsletter – next issue will be delivered July 17th.

- Reminders for payment of 3rd quarter dues will be sent on Friday June 23.
- Reminders for the 4th of July picnic will be sent out on Friday June 28th unless requested earlier.

- Joel will provide information on when the road will be resealed so that we can communicate the dates and impact information to all residents, probably mid-July or August.

SLOA REPORT – Katie did not attend the SLOA meeting. It was noted that SLOA did remove all the old stumps outside the pool area this past week. We requested that last year and it is now completed. It was also noted that there has been no response from SLOA yet regarding the large rusty dumpster.

Welcoming & Social Committee:

- Update on Women’s Spring Tea – on May 25th – quite successful and enjoyed by all. Thanks to Debby McGehee for the little birdhouses she painted for table centerpieces that were given away. Wonderful sweets. 6 or 7 newcomers to Hilltop were in attendance as well. Lots of fun conversations.
- 4th of July picnic – hot dogs and hamburgers, Jerry Winders and Richard Streeter are grilling. Tables for food and cooking, canopies (Joel and Carol), and games will be delivered by Carol and Jerry prior to set up at 10:30am.

Governing Documents: No Report.

Nominating Committee: Katie Venator has agreed to serve on the Nominating Committee. It is time to recruit members for the two open positions as well as for the Annual Meeting election. It was suggested we draft what does it mean to be a Board member. A handout explaining what the responsibilities entail. Kelly offered to give quotes or feedback, as she is having a ball on the Board. Communicating flexibility for the meeting times and assistance from fellow Board members is important. Timing of the Board meetings was discussed with only limitations being the availability of the Gathering Place.

Insurance Committee: Update regarding our insurance agent the presentation regarding Insurance coverage for HOAs to Owners. Date is set for **August 14th at 1pm** and at least 3 other Sunland HOAs are attending. The meeting will be held in the Ballroom (which Sunland Golf is providing free of charge). The Communications Committee will put out a HOLD THE DATE notification.

New Business: **NONE**

Old Business: No report.

Next Board Meeting: **July 20, 2023 – at 4:30pm**

Adjournment: **Motion to adjourn was approved at 3pm.**

Minutes submitted by: _____

Carol Stults, Secretary/Treasurer